



January 30, 2004

HOUSE BILL No. 1347

DIGEST OF HB 1347 (Updated January 29, 2004 11:39 am - DI 92)

Citations Affected: IC 6-1.1; IC 6-2.3; IC 6-3.5; IC 21-3; IC 36-2; noncode.

Synopsis: Various tax matters. Suspends the transfer of certain tax abatement duties from the department of local government finance to county auditors. For a petition to the department of local government finance (DLGF) seeking an order to reassess real property in a township, establishes the minimum number of petitioners required without reference to township population. Prohibits the use of location cost multipliers beginning with the next general reassessment of real property. Establishes fair market value as a standard of evidence in the appeal of a residential assessment, and permits the filing before July 1, 2004, of an appeal using such evidence for the 2003 assessment date. Delays until 2006 the shift of administration of personal property tax abatement from the DLGF to the county auditor. Eliminates the limitation that equalization authority of the county property tax assessment board of appeals (PTABOA) applies only to the assessments made with respect to the last preceding assessment date. Directs the county assessor to conduct equalization duties in a year other than a general reassessment year under rules of the DLGF. Allows the DLGF to contract for assistance with equalization studies and school assessment ratio studies. Alters the amounts of property tax replacement fund money withheld from a county for failure of local officials to provide certain information to the state, and provides for withholding of money distributable in 2004 based on failure to provide certain information in 2003. Adjusts certain rounding factors. Specifies that distributions of local income tax revenue are based on proportionate property tax levies payable in the year that immediately precedes the distribution. Allows the DLGF to adjust certain solid waste management district levies for taxes payable in 2004. Establishes the supplemental utility receipts tax, and uses revenue to apply supplemental homestead credits. Repeals the county land valuation commission and provisions involving the PTABOA and the DLGF in the setting of land values.

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Effective: July 1, 2003 (retroactive); upon passage; July 1, 2004.

Harris

January 15, 2004, read first time and referred to Committee on Ways and Means.
January 29, 2004, amended, reported — Do Pass.

HB 1347—LS 7362/DI 52+



January 30, 2004

Second Regular Session 113th General Assembly (2004)

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 2003 Regular Session of the General Assembly.

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HOUSE BILL No. 1347



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

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

1 SECTION 1. IC 6-1.1-1-6.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 6.5. "Fair market value" means, for**
4 **purposes of determining the assessed value of real property used**
5 **as residential property, the price at which a willing buyer and a**
6 **willing seller dealing at arm's length would arrive, after**
7 **negotiation, for a sale of property for the existing use of the**
8 **property as residential property when neither is acting under**
9 **compulsion and both have a reasonable knowledge of all the facts**
10 **that affect value.**

11 SECTION 2. IC 6-1.1-1-22.7 IS ADDED TO THE INDIANA
12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: **Sec. 22.7. "True tax value" means,**
14 **for purposes of determining the assessed value of real property**
15 **used as residential property, an assessed value that does not exceed**
16 **fair market value.**

17 SECTION 3. IC 6-1.1-4-5, AS AMENDED BY P.L.90-2002,

HB 1347—LS 7362/DI 52+



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

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

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

12 (2) five percent (5%) for a township containing all or part of an
13 incorporated city or town which has a population of five thousand
14 (5,000) or less;

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

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

21 (5) two percent (2%) for a township containing all or part of an
22 incorporated city which has a population of more than fifty
23 thousand (50,000) but not exceeding one hundred fifty thousand
24 (150,000); or

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

28 at least the lesser of:

29 (1) ten (10) owners of real property in a township; or

30 (2) the number of owners of real property in the township that
31 represents owners of one percent (1%) of the assessed value
32 of real property in the township.

33 (c) The signatures on the petition referred to in subsection (a)
34 must be verified by the oath of one (1) or more of the signers. ~~And~~, A
35 certificate of the county auditor stating that the signers constitute the
36 required number of resident owners of taxable real property of the
37 township must accompany the petition.

38 SECTION 4. IC 6-1.1-4-32, AS AMENDED BY P.L.235-2003,
39 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]: Sec. 32. (a) As used in this section, "contract"
41 refers to a contract entered into under this section.

42 (b) As used in this section, "contractor" refers to a firm that enters

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1 into a contract with the department of local government finance under
2 this section.

3 (c) As used in this section, "qualifying county" means a county
4 having a population of more than four hundred thousand (400,000) but
5 less than seven hundred thousand (700,000).

6 (d) Notwithstanding sections 15 and 17 of this chapter, a township
7 assessor in a qualifying county may not appraise property, or have
8 property appraised, for the general reassessment of real property to be
9 completed for the March 1, 2002, assessment date. Completion of that
10 general reassessment in a qualifying county is instead governed by this
11 section. The only duty of:

- 12 (1) a township assessor in a qualifying county; or
- 13 (2) a county assessor of a qualifying county;

14 with respect to that general reassessment is to provide to the
15 department of local government finance or the department's contractor
16 under subsection (e) any support and information requested by the
17 department or the contractor. This subsection expires June 30, 2004.

18 (e) Subject to section 33 of this chapter, the department of local
19 government finance shall select and contract with a certified public
20 accounting firm with expertise in the appraisal of real property to
21 appraise property for the general reassessment of real property in a
22 qualifying county to be completed for the March 1, 2002, assessment
23 date. The department of local government finance may enter into
24 additional contracts to provide software or other auxiliary services to
25 be used for the appraisal of property for the general reassessment. The
26 contract applies for the appraisal of land and improvements with
27 respect to all classes of real property in the qualifying county. The
28 contract must include:

- 29 (1) a provision requiring the appraisal firm to:
 - 30 (A) prepare a detailed report of:
 - 31 (i) expenditures made after July 1, 1999, and before the date
 - 32 of the report from the qualifying county's reassessment fund
 - 33 under section 28 of this chapter (repealed); and
 - 34 (ii) the balance in the reassessment fund as of the date of the
 - 35 report; and
 - 36 (B) file the report with:
 - 37 (i) the legislative body of the qualifying county;
 - 38 (ii) the prosecuting attorney of the qualifying county;
 - 39 (iii) the department of local government finance; and
 - 40 (iv) the attorney general;
- 41 (2) a fixed date by which the appraisal firm must complete all
42 responsibilities under the contract;

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- 1 (3) subject to subsection (t), a provision requiring the appraisal
- 2 firm to use the land values determined for the qualifying county
- 3 under section 13.6 of this chapter **(before its repeal)**;
- 4 (4) a penalty clause under which the amount to be paid for
- 5 appraisal services is decreased for failure to complete specified
- 6 services within the specified time;
- 7 (5) a provision requiring the appraisal firm to make periodic
- 8 reports to the department of local government finance;
- 9 (6) a provision stipulating the manner in which, and the time
- 10 intervals at which, the periodic reports referred to in subdivision
- 11 (5) are to be made;
- 12 (7) a precise stipulation of what service or services are to be
- 13 provided;
- 14 (8) a provision requiring the appraisal firm to deliver a report of
- 15 the assessed value of each parcel in a township in the qualifying
- 16 county to the department of local government finance; and
- 17 (9) any other provisions required by the department of local
- 18 government finance.

19 After December 31, 2001, the department of local government finance
 20 has all the powers and duties of the state board of tax commissioners
 21 provided under a contract entered into under this subsection (as
 22 effective before January 1, 2002) before January 1, 2002. The contract
 23 is valid to the same extent as if it were entered into by the department
 24 of local government finance. However, a reference in the contract to
 25 the state board of tax commissioners shall be treated as a reference to
 26 the department of local government finance. The contract shall be
 27 treated for all purposes, including the application of IC 33-3-5-2.5, as
 28 the contract of the department of local government finance. If the
 29 department of local government finance terminates a contract before
 30 completion of the work described in this subsection, the department
 31 shall contract for completion of the work as promptly as possible under
 32 IC 5-22-6. This subsection expires June 30, 2004.

33 (f) At least one (1) time each month, the contractors that will make
 34 physical visits to the site of real property for reassessment purposes
 35 shall publish a notice under IC 5-3-1 describing the areas that are
 36 scheduled to be visited within the next thirty (30) days and explaining
 37 the purposes of the visit. The notice shall be published in a way to
 38 promote understanding of the purposes of the visit in the affected areas.
 39 After receiving the report of assessed values from the appraisal firm
 40 acting under a contract described in subsection (e), the department of
 41 local government finance shall give notice to the taxpayer and the
 42 county assessor, by mail, of the amount of the reassessment. The notice

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1 of reassessment:

2 (1) is subject to appeal by the taxpayer under section 34 of this
3 chapter; and

4 (2) must include a statement of the taxpayer's rights under
5 sections 33 and 34 of this chapter.

6 (g) The department of local government finance shall mail the
7 notice required by subsection (f) within ninety (90) days after the
8 department receives the report for a parcel from the professional
9 appraisal firm. This subsection expires June 30, 2004.

10 (h) The qualifying county shall pay the cost of any contract under
11 this section which shall be without appropriation from the county
12 property reassessment fund. A contractor may periodically submit bills
13 for partial payment of work performed under a contract. However, the
14 maximum amount that the qualifying county is obligated to pay for all
15 contracts entered into under subsection (e) for the general reassessment
16 of real property in the qualifying county to be completed for the March
17 1, 2002, assessment date is twenty-five million five hundred thousand
18 dollars (\$25,500,000). Notwithstanding any other law, a contractor is
19 entitled to payment under this subsection for work performed under a
20 contract if the contractor:

21 (1) submits, in the form required by IC 5-11-10-1, a fully
22 itemized, certified bill for the costs under the contract of the work
23 performed to the department of local government finance for
24 review;

25 (2) obtains from the department of local government finance:

26 (A) approval of the form and amount of the bill; and

27 (B) a certification that the billed goods and services billed for
28 payment have been received and comply with the contract; and

29 (3) files with the county auditor of the qualifying county:

30 (A) a duplicate copy of the bill submitted to the department of
31 local government finance;

32 (B) the proof of approval provided by the department of local
33 government finance of the form and amount of the bill that
34 was approved; and

35 (C) the certification provided by the department of local
36 government finance that indicates that the goods and services
37 billed for payment have been received and comply with the
38 contract.

39 An approval and a certification under subdivision (2) shall be treated
40 as conclusively resolving the merits of the claim. Upon receipt of the
41 documentation described in subdivision (3), the county auditor shall
42 immediately certify that the bill is true and correct without further

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1 audit, publish the claim as required by IC 36-2-6-3, and submit the
 2 claim to the county executive of the qualifying county. The county
 3 executive shall allow the claim, in full, as approved by the department
 4 of local government finance without further examination of the merits
 5 of the claim in a regular or special session that is held not less than
 6 three (3) days and not more than seven (7) days after completion of the
 7 publication requirements under IC 36-2-6-3. Upon allowance of the
 8 claim by the county executive, the county auditor shall immediately
 9 issue a warrant or check for the full amount of the claim approved by
 10 the department of local government finance. Compliance with this
 11 subsection shall be treated as compliance with section 28.5 of this
 12 chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and
 13 payment of a claim in compliance with this subsection is not subject to
 14 remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply
 15 to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal
 16 officer who pays a claim in compliance with this subsection. This
 17 subsection expires June 30, 2004.

18 (i) Notwithstanding IC 4-13-2, a period of seven (7) days is
 19 permitted for each of the following to review and act under IC 4-13-2
 20 on a contract of the department of local government finance under this
 21 section:

- 22 (1) The commissioner of the Indiana department of
- 23 administration.
- 24 (2) The director of the budget agency.
- 25 (3) The attorney general.
- 26 (4) The governor.

27 (j) With respect to a general reassessment of real property to be
 28 completed under section 4 of this chapter for an assessment date after
 29 the March 1, 2002, assessment date, the department of local
 30 government finance shall initiate a review with respect to the real
 31 property in a qualifying county or a township in a qualifying county, or
 32 a portion of the real property in a qualifying county or a township in a
 33 qualifying county. The department of local government finance may
 34 contract to have the review performed by an appraisal firm. The
 35 department of local government finance or its contractor shall
 36 determine for the real property under consideration and for the
 37 qualifying county or township the variance between:

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

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- 1 (k) If:
- 2 (1) the variance determined under subsection (j) exceeds ten
- 3 percent (10%); and
- 4 (2) the department of local government finance determines after
- 5 holding hearings on the matter that a special reassessment should
- 6 be conducted;
- 7 the department shall contract for a special reassessment by an appraisal
- 8 firm to correct the valuation of the property.
- 9 (l) If the variance determined under subsection (j) is ten percent
- 10 (10%) or less, the department of local government finance shall
- 11 determine whether to correct the valuation of the property under:
- 12 (1) sections 9 and 10 of this chapter; or
- 13 (2) IC 6-1.1-14-10 and IC 6-1.1-14-11.
- 14 (m) The department of local government finance shall give notice
- 15 by mail to a taxpayer of a hearing concerning the department's intent
- 16 to cause the taxpayer's property to be reassessed under this section. The
- 17 time fixed for the hearing must be at least ten (10) days after the day
- 18 the notice is mailed. The department of local government finance may
- 19 conduct a single hearing under this section with respect to multiple
- 20 properties. The notice must state:
- 21 (1) the time of the hearing;
- 22 (2) the location of the hearing; and
- 23 (3) that the purpose of the hearing is to hear taxpayers' comments
- 24 and objections with respect to the department of local government
- 25 finance's intent to reassess property under this chapter.
- 26 (n) If the department of local government finance determines after
- 27 the hearing that property should be reassessed under this section, the
- 28 department shall:
- 29 (1) cause the property to be reassessed under this section;
- 30 (2) mail a certified notice of its final determination to the county
- 31 auditor of the qualifying county in which the property is located;
- 32 and
- 33 (3) notify the taxpayer by mail of its final determination.
- 34 (o) A reassessment may be made under this section only if the
- 35 notice of the final determination under subsection (m) is given to the
- 36 taxpayer within the same period prescribed in IC 6-1.1-9-3 or
- 37 IC 6-1.1-9-4.
- 38 (p) If the department of local government finance contracts for a
- 39 special reassessment of property under this section, the qualifying
- 40 county shall pay the bill, without appropriation, from the county
- 41 property reassessment fund. A contractor may periodically submit bills
- 42 for partial payment of work performed under a contract.

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1 Notwithstanding any other law, a contractor is entitled to payment
2 under this subsection for work performed under a contract if the
3 contractor:

4 (1) submits, in the form required by IC 5-11-10-1, a fully
5 itemized, certified bill for the costs under the contract of the work
6 performed to the department of local government finance for
7 review;

8 (2) obtains from the department of local government finance:
9 (A) approval of the form and amount of the bill; and
10 (B) a certification that the billed goods and services billed for
11 payment have been received and comply with the contract; and

12 (3) files with the county auditor of the qualifying county:
13 (A) a duplicate copy of the bill submitted to the department of
14 local government finance;
15 (B) the proof of approval provided by the department of local
16 government finance of the form and amount of the bill that
17 was approved; and
18 (C) the certification provided by the department of local
19 government finance that indicates that the goods and services
20 billed for payment have been received and comply with the
21 contract.

22 An approval and a certification under subdivision (2) shall be treated
23 as conclusively resolving the merits of the claim. Upon receipt of the
24 documentation described in subdivision (3), the county auditor shall
25 immediately certify that the bill is true and correct without further
26 audit, publish the claim as required by IC 36-2-6-3, and submit the
27 claim to the county executive of the qualifying county. The county
28 executive shall allow the claim, in full, as approved by the department
29 of local government finance without further examination of the merits
30 of the claim in a regular or special session that is held not less than
31 three (3) days and not more than seven (7) days after completion of the
32 publication requirements under IC 36-2-6-3. Upon allowance of the
33 claim by the county executive, the county auditor shall immediately
34 issue a warrant or check for the full amount of the claim approved by
35 the department of local government finance. Compliance with this
36 subsection shall be treated as compliance with section 28.5 of this
37 chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and
38 payment of a claim in compliance with this subsection is not subject to
39 remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply
40 to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal
41 officer who pays a claim in compliance with this subsection.

42 (q) A qualifying official (as defined in IC 33-3-5-2.5) shall provide

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1 information requested in writing by the department of local government
 2 finance or the department's contractor under this section not later than
 3 seven (7) days after receipt of the written request from the department
 4 or the contractor. If a qualifying official (as defined in IC 33-3-5-2.5)
 5 fails to provide the requested information within the time permitted in
 6 this subsection, the department of local government finance or the
 7 department's contractor may seek an order of the tax court under
 8 IC 33-3-5-2.5 for production of the information.

9 (r) The provisions of this section are severable in the manner
 10 provided in IC 1-1-1-8(b).

11 (s) A contract entered into under subsection (e) is subject to this
 12 subsection. A contractor shall use the land values determined for the
 13 qualifying county under section 13.6 of this chapter **(before its repeal)**
 14 to the extent that the contractor finds that the land values reflect the
 15 true tax value of land, as determined under the statutes and the rules of
 16 the department of local government finance. If the contractor finds that
 17 the land values determined for the qualifying county under section 13.6
 18 of this chapter **(before its repeal)** do not reflect the true tax value of
 19 land, the contractor shall determine land values for the qualifying
 20 county that reflect the true tax value of land, as determined under the
 21 statutes and the rules of the department of local government finance.
 22 The land values determined by the contractor shall be used to the same
 23 extent as if the land values had been determined under section 13.6 of
 24 this chapter **(before its repeal)**. The contractor shall notify the county
 25 assessor and the township assessors in the qualifying county of the land
 26 values as modified under this subsection. This subsection expires June
 27 30, 2004.

28 (t) A contractor acting under a contract under subsection (e) may
 29 notify the department of local government finance if:

30 (1) the county auditor fails to:

31 (A) certify the bill;

32 (B) publish the claim;

33 (C) submit the claim to the county executive; or

34 (D) issue a warrant or check;

35 as required in subsection (h) at the first opportunity the county
 36 auditor is legally permitted to do so;

37 (2) the county executive fails to allow the claim as required in
 38 subsection (h) at the first opportunity the county executive is
 39 legally permitted to do so; or

40 (3) a person or entity authorized to act on behalf of the county
 41 takes or fails to take an action, including failure to request an
 42 appropriation, and that action or failure to act delays or halts the

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1 process under this section for payment of a bill submitted by a
2 contractor under subsection (h).

3 This subsection expires June 30, 2004.

4 (u) The department of local government finance, upon receiving
5 notice under subsection (t) from the contractor, shall:

6 (1) verify the accuracy of the contractor's assertion in the notice
7 that:

8 (A) a failure occurred as described in subsection (t)(1) or
9 (t)(2); or

10 (B) a person or entity acted or failed to act as described in
11 subsection (t)(3); and

12 (2) provide to the treasurer of state the department of local
13 government finance's approval under subsection (h)(2)(A) of the
14 bill with respect to which the contractor gave notice under
15 subsection (t).

16 This subsection expires June 30, 2004.

17 (v) Upon receipt of the approval of the department of local
18 government finance under subsection (u), the treasurer of state shall
19 pay the contractor the amount of the bill approved by the department
20 of local government finance from money in the possession of the state
21 that would otherwise be available for distribution to the qualifying
22 county, including distributions from the property tax replacement fund
23 or distributions of admissions taxes or wagering taxes. This subsection
24 expires June 30, 2004.

25 (w) The treasurer of state shall withhold from the part attributable
26 to the county of the next distribution to the county treasurer under
27 IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or another law the
28 amount of any payment made by the treasurer of state to the contractor
29 under subsection (v). Money shall be deducted first from money
30 payable under IC 6-1.1-21.4(b) and then from all other funds payable
31 to the qualifying county. This subsection expires June 30, 2004.

32 (x) Compliance with subsections (t) through (w) shall be treated as
33 compliance with IC 5-11-10. This subsection expires June 30, 2004.

34 (y) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to
35 the payment made in compliance with subsections (t) through (w). This
36 subsection and subsections (t) through (x) shall be interpreted liberally
37 so that the state shall, to the extent legally valid, ensure that the
38 contractual obligations of a county under this section are paid. Nothing
39 in this subsection or subsections (t) through (x) shall be construed to
40 create a debt of the state. This subsection expires June 30, 2004.

41 (z) This section expires December 31, 2006.

42 SECTION 5. IC 6-1.1-4-35, AS ADDED BY P.L. 1-2004, SECTION

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1 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
 2 PASSAGE]: Sec. 35. (a) This section applies to a county other than a
 3 county subject to section 32 of this chapter.
 4 (b) This section applies to a general reassessment of real property
 5 conducted under section 4(a) of this chapter that is scheduled to
 6 become effective for property taxes first due and payable in 2003.
 7 (c) As used in this section, "department" refers to the department of
 8 local government finance.
 9 (d) As used in this section, "reassessment official" means any of the
 10 following:
 11 (1) A county assessor.
 12 (2) A township assessor.
 13 (3) A township trustee-assessor.
 14 (e) If:
 15 (1) the department determines that a county's reassessment
 16 officials are unable to complete the reassessment in a timely
 17 manner; or
 18 (2) the department determines that a county's reassessment
 19 officials are likely to complete the reassessment in an inaccurate
 20 manner;
 21 the department may order a state conducted reassessment in the county.
 22 The department may consider a reassessment in a county untimely if
 23 the county does not submit the county's equalization study to the
 24 department in the manner prescribed under 50 IAC 14 before October
 25 20, 2003. The department may consider the reassessment work of a
 26 county's reassessment officials inaccurate if the department determines
 27 from a sample of the assessments completed in the county that there is
 28 a variance exceeding ten percent (10%) between the total assessed
 29 valuation of the real property within the sample and the total assessed
 30 valuation that would result if the real property within the sample were
 31 valued in the manner provided by law.
 32 (f) If the department orders a state conducted reassessment in a
 33 county, the department shall assume the duties of the county's
 34 reassessment officials. Notwithstanding sections 15 and 17 of this
 35 chapter, a reassessment official in a county subject to an order issued
 36 under this section may not assess property or have property assessed
 37 for the general reassessment. Until the state conducted reassessment is
 38 completed under this section, the reassessment duties of a reassessment
 39 official in the county are limited to providing the department or a
 40 contractor of the department the support and information requested by
 41 the department or the contractor.
 42 (g) Before assuming the duties of a county's reassessment officials,

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1 the department shall transmit a copy of the department's order requiring
2 a state conducted reassessment to the county's reassessment officials,
3 the county fiscal body, the county auditor, and the county treasurer.
4 Notice of the department's actions must be published one (1) time in a
5 newspaper of general circulation in the county. The department is not
6 required to conduct a public hearing before taking action under this
7 section.

8 (h) Township and county officials in a county subject to an order
9 issued under this section shall, at the request of the department or the
10 department's contractor, make available and provide access to all:

- 11 (1) data;
- 12 (2) records;
- 13 (3) maps;
- 14 (4) parcel record cards;
- 15 (5) forms;
- 16 (6) computer software systems;
- 17 (7) computer hardware systems; and
- 18 (8) other information;

19 related to the reassessment of real property in the county. The
20 information described in this subsection must be provided at no cost to
21 the department or the contractor of the department. A failure to provide
22 information requested under this subsection constitutes a failure to
23 perform a duty related to a general reassessment and is subject to
24 IC 6-1.1-37-2.

25 (i) The department may enter into a contract with a professional
26 appraising firm to conduct a reassessment under this section. If a
27 county or a township located in the county entered into a contract with
28 a professional appraising firm to conduct the county's reassessment
29 before the department orders a state conducted reassessment in the
30 county under this section, the contract:

- 31 (1) is as valid as if it had been entered into by the department; and
- 32 (2) shall be treated as the contract of the department.

33 (j) After receiving the report of assessed values from the appraisal
34 firm acting under a contract described in subsection (i), the department
35 of local government finance shall give notice to the taxpayer and the
36 county assessor, by mail, of the amount of the reassessment. The notice
37 of reassessment:

- 38 (1) is subject to appeal by the taxpayer under section 37 of this
39 chapter; and
- 40 (2) must include a statement of the taxpayer's rights under section
41 37 of this chapter.

42 (k) The department shall forward a bill for services provided under

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1 a contract described in subsection (i) to the auditor of the county in
 2 which the state conducted reassessment occurs. The county shall pay
 3 the bill under the procedures prescribed by subsection (l).

4 (l) A county subject to an order issued under this section shall pay
 5 the cost of a contract described in subsection (i), without appropriation,
 6 from the county's property reassessment fund. A contractor may
 7 periodically submit bills for partial payment of work performed under
 8 the contract. Notwithstanding any other law, a contractor is entitled to
 9 payment under this subsection for work performed under a contract if
 10 the contractor:

11 (1) submits to the department a fully itemized, certified bill in the
 12 form required by IC 5-11-10-1 for the costs of the work performed
 13 under the contract;

14 (2) obtains from the department:

15 (A) approval of the form and amount of the bill; and

16 (B) a certification that the billed goods and services have been
 17 received and comply with the contract; and

18 (3) files with the county auditor:

19 (A) a duplicate copy of the bill submitted to the department;

20 (B) proof of the department's approval of the form and amount
 21 of the bill; and

22 (C) the department's certification that the billed goods and
 23 services have been received and comply with the contract.

24 The department's approval and certification of a bill under subdivision
 25 (2) shall be treated as conclusively resolving the merits of a contractor's
 26 claim. Upon receipt of the documentation described in subdivision (3),
 27 the county auditor shall immediately certify that the bill is true and
 28 correct without further audit, publish the claim as required by
 29 IC 36-2-6-3, and submit the claim to the county executive. The county
 30 executive shall allow the claim, in full, as approved by the department,
 31 without further examination of the merits of the claim in a regular or
 32 special session that is held not less than three (3) days and not more
 33 than seven (7) days after the completion of the publication
 34 requirements under IC 36-2-6-3. Upon allowance of the claim by the
 35 county executive, the county auditor shall immediately issue a warrant
 36 or check for the full amount of the claim approved by the department.
 37 Compliance with this subsection constitutes compliance with section
 38 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The
 39 determination and payment of a claim in compliance with this
 40 subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f)
 41 and IC 36-2-6-9 do not apply to a claim submitted under this
 42 subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a

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claim in compliance with this subsection.

(m) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

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

(n) If the money in a county's property reassessment fund is insufficient to pay for a reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the reassessment.

(o) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter (**before its repeal**) for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter (**before its repeal**) do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter (**before its repeal**). The department or the contractor of the department shall notify the county's reassessment officials of the land values determined under this subsection.

- (p) A contractor of the department may notify the department if:
- (1) a county auditor fails to:
 - (A) certify the contractor's bill;
 - (B) publish the contractor's claim;
 - (C) submit the contractor's claim to the county executive; or
 - (D) issue a warrant or check for payment of the contractor's bill;
 as required by subsection (l) at the county auditor's first legal opportunity to do so;
 - (2) a county executive fails to allow the contractor's claim as legally required by subsection (l) at the county executive's first legal opportunity to do so; or
 - (3) a person or an entity authorized to act on behalf of the county

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1 takes or fails to take an action, including failure to request an
 2 appropriation, and that action or failure to act delays or halts
 3 progress under this section for payment of the contractor's bill.
 4 (q) The department, upon receiving notice under subsection (p)
 5 from a contractor of the department, shall:
 6 (1) verify the accuracy of the contractor's assertion in the notice
 7 that:
 8 (A) a failure occurred as described in subsection (p)(1) or
 9 (p)(2); or
 10 (B) a person or entity acted or failed to act as described in
 11 subsection (p)(3); and
 12 (2) provide to the treasurer of state the department's approval
 13 under subsection (l)(2)(A) of the contractor's bill with respect to
 14 which the contractor gave notice under subsection (p).
 15 (r) Upon receipt of the department's approval of a contractor's bill
 16 under subsection (q), the treasurer of state shall pay the contractor the
 17 amount of the bill approved by the department from money in the
 18 possession of the state that would otherwise be available for
 19 distribution to the county, including distributions from the property tax
 20 replacement fund or distribution of admissions taxes or wagering taxes.
 21 (s) The treasurer of state shall withhold from the money that would
 22 be distributed under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b) or
 23 any other law to a county described in a notice provided under
 24 subsection (p) the amount of a payment made by the treasurer of state
 25 to the contractor of the department under subsection (r). Money shall
 26 be withheld first from the money payable to the county under
 27 IC 6-1.1-21-4(b) and then from all other sources payable to the county.
 28 (t) Compliance with subsections (p) through (s) constitutes
 29 compliance with IC 5-11-10.
 30 (u) IC 5-11-10-1.6(d) applies to the treasurer of state with respect
 31 to the payment made in compliance with subsections (p) through (s).
 32 This subsection and subsections (p) through (s) must be interpreted
 33 liberally so that the state shall, to the extent legally valid, ensure that
 34 the contractual obligations of a county subject to this section are paid.
 35 Nothing in this section shall be construed to create a debt of the state.
 36 (v) The provisions of this section are severable as provided in
 37 IC 1-1-1-8(b).
 38 (w) This section expires January 1, 2007.
 39 SECTION 6. IC 6-1.1-4-40 IS ADDED TO THE INDIANA CODE
 40 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: **Sec. 40. (a) As used in this section:**
 42 **(1) "Appendix C" refers to the Real Property Assessment**

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- 1 **Guidelines for 2002, Book 1, Appendix C, issued by the**
- 2 **department of local government finance;**
- 3 **(2) "Appendix G" refers to the Real Property Assessment**
- 4 **Guidelines for 2002, Book 2, Appendix G, issued by the**
- 5 **department of local government finance; and**
- 6 **(3) "location cost multiplier" means:**
 - 7 **(A) any multiplier or factor designed to account in the real**
 - 8 **property assessment process for variances in construction**
 - 9 **costs among jurisdictions; or**
 - 10 **(B) a multiplier or factor determined for the same**
 - 11 **purposes and in the same manner as a location cost**
 - 12 **multiplier:**
 - 13 **(i) determined by a county assessor as described in**
 - 14 **Appendix C or Appendix G; or**
 - 15 **(ii) contained in Table G-1 to Appendix C or Table G-1**
 - 16 **to Appendix G.**

17 **(b) A location cost multiplier may not be used in the assessment**
 18 **of real property for assessments after December 31, 2008.**

19 SECTION 7. IC 6-1.1-5.5-3, AS AMENDED BY P.L.1-2004,
 20 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 3. (a) Before filing a conveyance document
 22 with the county auditor under IC 6-1.1-5-4, all the parties to the
 23 conveyance must complete and sign a sales disclosure form as
 24 prescribed by the department of local government finance under
 25 section 5 of this chapter. All the parties may sign one (1) form, or if all
 26 the parties do not agree on the information to be included on the
 27 completed form, each party may sign and file a separate form.

28 (b) Except as provided in subsection (c), the auditor shall forward
 29 each sales disclosure form to the county assessor. The county assessor
 30 shall retain the forms for five (5) years. The county assessor shall
 31 forward the sales disclosure form data to the department of local
 32 government finance and the legislative services agency:

- 33 (1) before January 1, 2005, in an electronic format, if possible;
- 34 and
- 35 (2) after December 31, 2004, in an electronic format specified
- 36 jointly by the department of local government finance and the
- 37 legislative services agency.

38 The county assessor shall forward a copy of the sales disclosure forms
 39 to the township assessors in the county. The forms may be used by the
 40 county assessing officials, the department of local government finance,
 41 and the legislative services agency for the purposes established in
 42 ~~IC 6-1.1-4-13.6~~; sales ratio studies, equalization, adoption of rules

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1 under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized
2 purpose.

3 (c) In a county containing a consolidated city, the auditor shall
4 forward the sales disclosure form to the appropriate township assessor.
5 The township assessor shall forward the sales disclosure form to the
6 department of local government finance and the legislative services
7 agency:

8 (1) before January 1, 2005, in an electronic format, if possible;
9 and

10 (2) after December 31, 2004, in an electronic format specified
11 jointly by the department of local government finance and the
12 legislative services agency.

13 The township assessor shall forward a copy of the sales disclosure
14 forms to the township assessors in the county. The forms may be used
15 by the county assessing officials, the department of local government
16 finance, and the legislative services agency for the purposes established
17 in ~~IC 6-1.1-4-13-6~~; sales ratio studies, equalization, adoption of rules
18 under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized
19 purpose.

20 SECTION 8. IC 6-1.1-12.1-14 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE UPON PASSAGE]: **Sec. 14. Notwithstanding the**
23 **enactment of P.L.245-2003 and P.L.256-2003, the duties under this**
24 **chapter that are transferred from the department of local**
25 **government finance to county auditors by the acts referred to in**
26 **this section shall be performed by the department of local**
27 **government finance for actions related to the granting of**
28 **deductions for property taxes first due and payable in 2006.**

29 SECTION 9. IC 6-1.1-13-1 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. ~~The powers~~
31 ~~granted to each county property tax assessment board of appeals under~~
32 ~~this chapter apply only to the tangible property assessments made with~~
33 ~~respect to the last preceding assessment date.~~ Before a county property
34 tax assessment board of appeals changes any valuation or adds any
35 tangible property and the value of it to a return or the assessment rolls
36 under this chapter, the board shall give prior notice by mail to the
37 taxpayer. The notice must state a time when and place where the
38 taxpayer may appear before the board. The time stated in the notice
39 must be at least ten (10) days after the date the notice is mailed.

40 SECTION 10. IC 6-1.1-13-6, AS AMENDED BY P.L.256-2003,
41 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 UPON PASSAGE]: Sec. 6. A county assessor shall inquire into the

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1 assessment of the classes of tangible property in the various townships
2 of the county:

3 (1) after March 1 in the year in which ~~the~~ a general reassessment
4 **of real property** becomes effective **under IC 6-1.1-4-4; or**

5 **(2) in other years under the rules of the department of local**
6 **government finance pertaining to:**

7 **(A) equalization under IC 6-1.1-14; and**

8 **(B) annual adjustments under IC 6-1.1-4-4.5.**

9 The county assessor shall make any changes, whether increases or
10 decreases, in the assessed values which are necessary in order to
11 equalize these values in and between the various townships of the
12 county. In addition, the county assessor shall determine the percent to
13 be added to or deducted from the assessed values in order to make a
14 just, equitable, and uniform equalization of assessments in and between
15 the townships of the county.

16 SECTION 11. IC 6-1.1-13-7 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. **(a)** If a county
18 assessor proposes to change assessments under section 6 of this
19 chapter, the property tax assessment board of appeals shall hold a
20 hearing on the proposed changes:

21 **(1) before July 15 in ~~the~~ a year in which a general assessment is**
22 **to commence; becomes effective; or**

23 **(2) in other years under the rules of the department of local**
24 **government finance pertaining to:**

25 **(A) equalization under IC 6-1.1-14; and**

26 **(B) annual adjustments under IC 6-1.1-4-4.5.**

27 **(b)** It is sufficient notice of ~~the~~ a hearing **under subsection (a)** and
28 of any changes in assessments ordered by the board subsequent to the
29 hearing if the board gives notice by publication once either in:

30 (1) two (2) newspapers which represent different political parties
31 and which are published in the county; or

32 (2) one (1) newspaper only, if two (2) newspapers which
33 represent different political parties are not published in the
34 county.

35 SECTION 12. IC 6-1.1-14-4, AS AMENDED BY P.L.90-2002,
36 SECTION 130, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE UPON PASSAGE]: Sec. 4. The department of local
38 government finance shall review the assessments of all tangible
39 property made by the various counties of this state. **The department**
40 **of local government finance may employ qualified professional**
41 **appraisers and other professionals to assist in the review.** If the
42 department of local government finance determines that the assessment

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1 of a county appears to be improper, the department shall mail a
2 certified notice to the auditor of the county informing the auditor of the
3 department's determination to consider the modification of that county's
4 assessment. The notice shall state whether the modification to be
5 considered is related to real property, personal property, or both. The
6 notice shall also state a day, at least ten (10) days after the day the
7 notice is mailed, when a hearing on the assessment will be held. In
8 addition to the notice to the county auditor, the department of local
9 government finance shall give the notice, if any, required under section
10 9(a) of this chapter.

11 SECTION 13. IC 6-1.1-15-0.5 IS ADDED TO THE INDIANA
12 CODE AS A NEW SECTION TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) This section applies to**
14 **an assessment of real property used as residential property for an**
15 **assessment date after February 28, 2002.**

16 (b) Notwithstanding IC 6-1.1-31-6(c), for purposes of:
17 (1) a review or an appeal under this chapter; or
18 (2) a hearing or an appeal under IC 6-1.1-4;
19 a taxpayer may state as a basis for the review that the assessed
20 value determined by the assessing officials for the property exceeds
21 the property's fair market value on the determination date used to
22 value the property under the rules of the department of local
23 government finance. If a taxpayer presents competent evidence of
24 the property's fair market value in a review, the property shall be
25 assessed at a value that does not exceed its fair market value.

26 SECTION 14. IC 6-1.1-17-1, AS AMENDED BY P.L.90-2002,
27 SECTION 147, IS AMENDED TO READ AS FOLLOWS
28 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) On or before August 1 of
29 each year, the county auditor shall send a certified statement, under the
30 seal of the board of county commissioners **and in the form required**
31 **by the department of local government finance**, to the fiscal officer
32 of each political subdivision of the county and the department of local
33 government finance. The statement shall contain:

- 34 (1) information concerning the assessed valuation in the political
35 subdivision for the next calendar year;
- 36 (2) an estimate of the taxes to be distributed to the political
37 subdivision during the last six (6) months of the current calendar
38 year;
- 39 (3) the current assessed valuation as shown on the abstract of
40 charges;
- 41 (4) the average growth in assessed valuation in the political
42 subdivision over the preceding three (3) budget years, excluding

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- 1 years in which a general reassessment occurs, determined
- 2 according to procedures established by the department of local
- 3 government finance; and
- 4 (5) any other information at the disposal of the county auditor that
- 5 might affect the assessed value used in the budget adoption
- 6 process.
- 7 (b) The estimate of taxes to be distributed shall be based on:
- 8 (1) the abstract of taxes levied and collectible for the current
- 9 calendar year, less any taxes previously distributed for the
- 10 calendar year; and
- 11 (2) any other information at the disposal of the county auditor
- 12 which might affect the estimate.
- 13 (c) The fiscal officer of each political subdivision shall present the
- 14 county auditor's statement to the proper officers of the political
- 15 subdivision.

16 SECTION 15. IC 6-1.1-19-1.5, AS AMENDED BY P.L.1-2004,
 17 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2004]: Sec. 1.5. (a) The following definitions apply
 19 throughout this section and IC 21-3-1.7:

- 20 (1) "Adjustment factor" means the adjustment factor determined
- 21 by the department of local government finance for a school
- 22 corporation under IC 6-1.1-34.
- 23 (2) "Adjusted target property tax rate" means:
- 24 (A) the school corporation's target general fund property tax
- 25 rate determined under IC 21-3-1.7-6.8; multiplied by
- 26 (B) the school corporation's adjustment factor.
- 27 (3) "Previous year property tax rate" means the school
- 28 corporation's previous year general fund property tax rate after the
- 29 reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and
- 30 IC 21-3-1.7-5(3).
- 31 (b) Except as otherwise provided in this chapter, a school
- 32 corporation may not, for a calendar year beginning after December 31,
- 33 2004, impose a general fund ad valorem property tax levy which
- 34 exceeds the following:
- 35 STEP ONE: Determine the result of:
- 36 (A) the school corporation's adjusted target property tax rate;
- 37 minus
- 38 (B) the school corporation's previous year property tax rate.
- 39 STEP TWO: If the school corporation's adjusted target property
- 40 tax rate:
- 41 (A) exceeds the school corporation's previous year property tax
- 42 rate, perform the calculation under STEP THREE and not

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1 under STEP FOUR;
 2 (B) is less than the school corporation's previous year property
 3 tax rate, perform the calculation under STEP FOUR and not
 4 under STEP THREE; or
 5 (C) equals the school corporation's previous year property tax
 6 rate, determine the levy resulting from using the school
 7 corporation's adjusted target property tax rate and do not
 8 perform the calculation under STEP THREE or STEP FOUR.
 9 STEP THREE: Determine the levy resulting from using the
 10 school corporation's previous year property tax rate after
 11 increasing the rate by the lesser of:
 12 (A) the STEP ONE result; or
 13 (B) five cents (\$0.05).
 14 STEP FOUR: Determine the levy resulting from using the school
 15 corporation's previous year property tax rate after reducing the
 16 rate by the lesser of:
 17 (A) the absolute value of the STEP ONE result; or
 18 (B) five cents (\$0.05).
 19 STEP FIVE: Determine the result of:
 20 (A) the STEP TWO (C), STEP THREE, or STEP FOUR result,
 21 whichever applies; plus
 22 (B) an amount equal to the annual decrease in federal aid to
 23 impacted areas from the year preceding the ensuing calendar
 24 year by three (3) years to the year preceding the ensuing
 25 calendar year by two (2) years.
 26 The maximum levy is to include the portion of any excessive levy
 27 and the levy for new facilities.
 28 STEP SIX: Determine the result of:
 29 (A) the STEP FIVE result; plus
 30 (B) the product of:
 31 (i) the weighted average of the amounts determined under
 32 IC 21-3-1.7-6.7(e) STEP NINE for all charter schools
 33 attended by students who have legal settlement in the school
 34 corporation; multiplied by
 35 (ii) thirty-five hundredths (0.35).
 36 In determining the number of students for purposes of this
 37 STEP, each kindergarten pupil shall be counted as one-half
 38 (1/2) pupil.
 39 The result determined under this STEP may not be included in the
 40 school corporation's adjusted base levy for the year following the
 41 year in which the result applies or in the school corporation's
 42 determination of tuition support.

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1 (c) For purposes of this section, "total assessed value" with respect
 2 to a school corporation means the total assessed value of all taxable
 3 property for ad valorem property taxes first due and payable during that
 4 year.

5 (d) The department of local government finance shall annually
 6 establish an assessment ratio and adjustment factor for each school
 7 corporation to be used upon the review and recommendation of the
 8 budget committee. The information compiled, including background
 9 documentation, may not be used in a:

- 10 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13,
 11 IC 6-1.1-14, or IC 6-1.1-15;
 12 (2) petition for a correction of error under IC 6-1.1-15-12; or
 13 (3) petition for refund under IC 6-1.1-26.

14 (e) All tax rates shall be computed by rounding the rate to the
 15 nearest ~~one-hundredth~~ **ten-thousandth** of a cent (~~\$0.0001~~;
 16 **\$0.00001**). All tax levies shall be computed by rounding the levy to
 17 the nearest dollar amount.

18 (f) For the calendar year beginning January 1, 2004, and ending
 19 December 31, 2004, a school corporation may impose a general fund
 20 ad valorem property tax levy in the amount determined under STEP
 21 EIGHT of the following formula:

22 STEP ONE: Determine the quotient of:

23 (A) the school corporation's 2003 assessed valuation; divided
 24 by

25 (B) the school corporation's 2002 assessed valuation.

26 STEP TWO: Determine the greater of zero (0) or the difference
 27 between:

28 (A) the STEP ONE amount; minus

29 (B) one (1).

30 STEP THREE: Determine the lesser of eleven-hundredths (0.11)
 31 or the product of:

32 (A) the STEP TWO amount; multiplied by

33 (B) eleven-hundredths (0.11).

34 STEP FOUR: Determine the sum of:

35 (A) the STEP THREE amount; plus

36 (B) one (1).

37 STEP FIVE: Determine the product of:

38 (A) the STEP FOUR amount; multiplied by

39 (B) the school corporation's general fund ad valorem property
 40 tax levy for calendar year 2003.

41 STEP SIX: Determine the lesser of:

42 (A) the STEP FIVE amount; or

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1 (B) the levy resulting from using the school corporation's
 2 previous year property tax rate after increasing the rate by five
 3 cents (\$0.05).
 4 STEP SEVEN: Determine the result of:
 5 (A) the STEP SIX amount; plus
 6 (B) an amount equal to the annual decrease in federal aid to
 7 impacted areas from the year preceding the ensuing calendar
 8 year by three (3) years to the year preceding the ensuing
 9 calendar year by two (2) years.
 10 The maximum levy is to include the part of any excessive levy
 11 and the levy for new facilities.
 12 STEP EIGHT: Determine the result of:
 13 (A) the STEP SEVEN result; plus
 14 (B) the product of:
 15 (i) the weighted average of the amounts determined under
 16 IC 21-3-1.7-6.7(e) STEP NINE for all charter schools
 17 attended by students who have legal settlement in the school
 18 corporation; multiplied by
 19 (ii) thirty-five hundredths (0.35).
 20 In determining the number of students for purposes of this
 21 STEP, each kindergarten pupil shall be counted as one-half
 22 (1/2) pupil.
 23 The result determined under this STEP may not be included in the
 24 school corporation's adjusted base levy for the year following the
 25 year in which the result applies or in the school corporation's
 26 determination of tuition support.
 27 SECTION 16. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003,
 28 SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12,
 29 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 30 [[EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the
 31 department shall allocate from the property tax replacement fund an
 32 amount equal to the sum of:
 33 (1) each county's total eligible property tax replacement amount
 34 for that year; plus
 35 (2) the total amount of homestead tax credits that are provided
 36 under IC 6-1.1-20.9 and allowed by each county for that year;
 37 plus
 38 (3) an amount for each county that has one (1) or more taxing
 39 districts that contain all or part of an economic development
 40 district that meets the requirements of section 5.5 of this chapter.
 41 This amount is the sum of the amounts determined under the
 42 following STEPS for all taxing districts in the county that contain

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1 all or part of an economic development district:
 2 STEP ONE: Determine that part of the sum of the amounts
 3 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is
 4 attributable to the taxing district.
 5 STEP TWO: Divide:
 6 (A) that part of the subdivision (1) amount that is
 7 attributable to the taxing district; by
 8 (B) the STEP ONE sum.
 9 STEP THREE: Multiply:
 10 (A) the STEP TWO quotient; times
 11 (B) the taxes levied in the taxing district that are allocated to
 12 a special fund under IC 6-1.1-39-5.
 13 (b) Except as provided in subsection (e), between March 1 and
 14 August 31 of each year, the department shall distribute to each county
 15 treasurer from the property tax replacement fund one-half (1/2) of the
 16 estimated distribution for that year for the county. Between September
 17 1 and December 15 of that year, the department shall distribute to each
 18 county treasurer from the property tax replacement fund the remaining
 19 one-half (1/2) of each estimated distribution for that year. The amount
 20 of the distribution for each of these periods shall be according to a
 21 schedule determined by the property tax replacement fund board under
 22 section 10 of this chapter. The estimated distribution for each county
 23 may be adjusted from time to time by the department to reflect any
 24 changes in the total county tax levy upon which the estimated
 25 distribution is based.
 26 (c) On or before December 31 of each year or as soon thereafter as
 27 possible, the department shall make a final determination of the amount
 28 which should be distributed from the property tax replacement fund to
 29 each county for that calendar year. This determination shall be known
 30 as the final determination of distribution. The department shall
 31 distribute to the county treasurer or receive back from the county
 32 treasurer any deficit or excess, as the case may be, between the sum of
 33 the distributions made for that calendar year based on the estimated
 34 distribution and the final determination of distribution. The final
 35 determination of distribution shall be based on the auditor's abstract
 36 filed with the auditor of state, adjusted for postabstract adjustments
 37 included in the December settlement sheet for the year, and such
 38 additional information as the department may require.
 39 (d) All distributions provided for in this section shall be made on
 40 warrants issued by the auditor of state drawn on the treasurer of state.
 41 If the amounts allocated by the department from the property tax
 42 replacement fund exceed in the aggregate the balance of money in the

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

10 (e) Except as provided in subsection (i), the ~~department auditor of~~ **department auditor of**
 11 **state shall not distribute to a county treasurer two percent (2%) of**
 12 **the money otherwise distributable** under subsection (b), **subsection**
 13 **(c), and section 10 of this chapter the money attributable to the county's**
 14 **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*
 20 *not 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 approved**
 23 **exemption applications required to be forwarded by that date**
 24 **under IC 6-1.1-11-8(a).**

25 **The auditor of state shall consider the provision of information**
 26 **referred to in this subsection to be untimely if the department**
 27 **notifies the auditor of state in writing that information provided is**
 28 **inaccurate, incomplete, or, with respect to information referred to**
 29 **in subdivisions (1) and (2), not in the form required by the**
 30 **department of local government finance. The withholding under**
 31 **this subsection of two percent (2%) of money otherwise**
 32 **distributable under section 10 of this chapter applies separately to**
 33 **each distribution referred to in section 10(b) of this chapter.**

34 (f) Except as provided in subsection (i), if the elected township
 35 assessors in the county, the elected township assessors and the county
 36 assessor, or the county assessor has not transmitted to the department
 37 of local government finance by October 1 of the year in which the
 38 distribution is scheduled to be made the data for all townships in the
 39 county required to be transmitted under IC 6-1.1-4-25(b), the ~~state~~
 40 ~~board or the department~~ **auditor of state shall not distribute to the**
 41 **county treasurer two percent (2%) of the money otherwise**
 42 **distributable to the county treasurer** under subsection (b),

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1 **subsection (c)**, and section 10 of this chapter. a part of the money
 2 attributable to the county's property reassessment fund. The portion not
 3 distributed is the amount that bears the same proportion to the total
 4 potential distribution as the number of townships in the county for
 5 which data was not transmitted by *August 1 October 1* as described in
 6 this section bears to the total number of townships in the county.

7 (g) Money not distributed *under subsection (e) for the reasons*
 8 *stated in subsection (e)(1), and (e)(2), and (e)(3)* shall be distributed
 9 to the county when:

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

13 (2) **the county auditor transmits data as required under**
 14 **IC 36-2-9-20; and**

15 (3) *the county assessor forwards to the department of local*
 16 *government finance the approved exemption applications*
 17 *required to be forwarded under IC 6-1.1-11-8(a);*

18 with respect to which the failure to send, **transmit**, *or forward* resulted
 19 in the withholding of the distribution under subsection (e).

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

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

30 (1) the failure of:

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

32 (B) *a county assessor to forward copies of all approved*
 33 *exemption applications;*

34 as described in subsection (e); or

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

37 is justified by unusual circumstances.

38 SECTION 17. IC 6-1.1-34-9, AS AMENDED BY P.L.90-2002,
 39 SECTION 244, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE UPON PASSAGE]: Sec. 9. In order to perform the duties
 41 assigned to it under this chapter, the department of local government
 42 finance:

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- 1 (1) shall conduct continuing studies of all property which is
- 2 subject to assessment in this state;
- 3 (2) may request access to all local and state official records;
- 4 (3) may secure information from the federal government or from
- 5 public or private agencies;
- 6 (4) may:
- 7 (A) contract with; and
- 8 (B) rely on findings made by:
- 9 the Indiana Fiscal Policy Institute and professional
- 10 appraisers;
- 11 (5) may inspect a person's books, records, or property if the item
- 12 is relevant to information which the department needs in order to
- 13 implement this chapter; and
- 14 (5) (6) may adopt appropriate forms and procedures.

15 SECTION 18. IC 6-2.3-9 IS ADDED TO THE INDIANA CODE
 16 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2004]:

18 **Chapter. 9. Supplemental Utility Receipts Tax**

19 **Sec. 1. Except as provided in this chapter, IC 6-2.3-1 through**
 20 **IC 6-2.3-8 apply to the supplemental utility receipts tax imposed**
 21 **under this chapter.**

22 **Sec. 2. The receipt of taxable gross receipts from transactions is**
 23 **subject to a tax rate of one and two tenths percent (1.2%).**

24 **Sec. 3. On or before the fifth day of each month, the total**
 25 **amount of supplemental utility tax revenues received by the**
 26 **department in the immediately preceding month shall be deposited**
 27 **in the property tax replacement fund established by IC 6-1.1-21-1.**

28 **Sec. 4. (a) This subsection applies after December 31, 2004. The**
 29 **department, with the assistance of the department of local**
 30 **government finance, shall determine before January 15 of each**
 31 **calendar year for each county the quotient of:**

32 **(1) the assessed value of all tangible property subject to**
 33 **assessment in the county in the immediately preceding**
 34 **calendar year under IC 6-1.1-8 owned by all public utility**
 35 **companies and subject to property taxes under IC 6-1.1;**
 36 **divided by**

37 **(2) the assessed value of all tangible property subject to**
 38 **assessment in the state in the immediately preceding calendar**
 39 **year under IC 6-1.1-8 owned by all public utility companies**
 40 **and subject to property taxes under IC 6-1.1.**

41 **(b) The department shall immediately notify the auditor of state**
 42 **of the quotient determined under subsection (a).**

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1 (c) The auditor of state shall deposit in an account for the
2 county in the property tax replacement fund established by
3 IC 6-1.1-21-1 the product of:

- 4 (1) the total deposits in the fund in the immediately preceding
- 5 calendar year under section 3 of this chapter; multiplied by
- 6 (2) the quotient determined under subsection (a).

7 (d) The auditor of state shall distribute annually to the treasurer
8 of a county at the same time that distributions are made to the
9 county under IC 6-1.1-21-10 an amount equal to the balance in the
10 county's account referred to in subsection (c) as of December 31 of
11 the immediately preceding calendar year.

12 **Sec. 5.** The county treasurer shall allocate to each taxing district
13 in the county each calendar year a part of the distributions
14 received under section 4(d) in an amount determined by the
15 department of local government finance to offset the amount of
16 supplemental homestead credits allowed in the taxing district
17 under section 6 of this chapter.

18 **Sec. 6.** A county that receives a distribution under section 4(d)
19 of this chapter shall apply supplemental homestead credits in the
20 county. A supplemental homestead credit:

- 21 (1) applies to each homestead (as defined in IC 6-1.1-20.9-1)
- 22 in the county; and
- 23 (2) is in addition to the homestead credit under IC 6-1.1-20.9.

24 **Sec. 7.** The department of local government finance shall:

- 25 (1) determine the percentage of supplemental homestead
- 26 credit that applies in each taxing district in the county; and
- 27 (2) calculate the percentage under subdivision (1) in an
- 28 amount that results in the reduction of net property taxes
- 29 imposed on homesteads in each taxing district that is
- 30 proportional to the increase in the last preceding general
- 31 reassessment of real property under IC 6-1.1-4 in the taxing
- 32 district in:

- 33 (A) the total assessed value of homesteads; as compared to
- 34 (B) the total assessed value of all tangible property subject
- 35 to assessment in the immediately preceding calendar year
- 36 under IC 6-1.1-8 owned by all public utility companies and
- 37 subject to property taxes under IC 6-1.1.

38 SECTION 19. IC 6-3.5-1.1-12, AS AMENDED BY P.L.90-2002,
39 SECTION 293, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The part of a county's
41 certified distribution for a calendar year that is to be used as property
42 tax replacement credits shall be allocated by the county auditor among

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1 the civil taxing units and school corporations of the county.

2 (b) Except as provided in section 13 of this chapter, the amount of

3 property tax replacement credits that each civil taxing unit and school

4 corporation in a county is entitled to receive during a calendar year

5 equals the product of:

6 (1) that part of the county's certified distribution that is dedicated

7 to providing property tax replacement credits for that same

8 calendar year; multiplied by

9 (2) a fraction:

10 (A) The numerator of the fraction equals the sum of the total

11 property taxes ~~being that were certified to be~~ collected by the

12 civil taxing unit or school corporation ~~during that in the~~

13 **immediately preceding** calendar year, **as provided in the**

14 **approved abstract for the immediately preceding calendar**

15 **year**, plus with respect to a civil taxing unit, the amount of

16 federal revenue sharing funds and certified shares received by

17 it during ~~that the immediately preceding~~ calendar year to the

18 extent that they ~~are were~~ used to reduce its property tax levy

19 below the limit imposed by IC 6-1.1-18.5 for that same

20 calendar year.

21 (B) The denominator of the fraction equals the sum of the total

22 property taxes ~~being that were certified to be~~ collected by all

23 civil taxing units and school corporations **in the immediately**

24 **preceding calendar year, as provided in the approved**

25 **abstract for the immediately preceding calendar year**, plus

26 the amount of federal revenue sharing funds and certified

27 shares received by all civil taxing units in the county to the

28 extent that they ~~are were~~ used to reduce the civil taxing units'

29 property tax levies below the limits imposed by IC 6-1.1-18.5

30 for that same calendar year.

31 (c) The department of local government finance shall provide each

32 county auditor with the amount of property tax replacement credits that

33 each civil taxing unit and school corporation in the auditor's county is

34 entitled to receive. The county auditor shall then certify to each civil

35 taxing unit and school corporation the amount of property tax

36 replacement credits it is entitled to receive (after adjustment made

37 under section 13 of this chapter) during that calendar year. The county

38 auditor shall also certify these distributions to the county treasurer.

39 SECTION 20. IC 6-3.5-1.1-15, AS AMENDED BY P.L.255-2003,

40 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

41 UPON PASSAGE]: Sec. 15. (a) As used in this section, "attributed

42 levy" of a civil taxing unit means the sum of:

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1 (1) the ad valorem property tax levy of the civil taxing unit that is
 2 ~~currently being~~ **was certified to be** collected at the time the
 3 ~~allocation is made;~~ **in the immediately preceding calendar year,**
 4 **as provided in the approved abstract for the immediately**
 5 **preceding calendar year;** plus
 6 (2) the ~~current~~ **ad valorem property tax levy in the immediately**
 7 **preceding calendar year, as provided in the approved abstract**
 8 **for the immediately preceding calendar year,** of any special
 9 taxing district, authority, board, or other entity formed to
 10 discharge governmental services or functions on behalf of or
 11 ordinarily attributable to the civil taxing unit; plus
 12 (3) the amount of federal revenue sharing funds and certified
 13 shares that were used by the civil taxing unit (or any special
 14 taxing district, authority, board, or other entity formed to
 15 discharge governmental services or functions on behalf of or
 16 ordinarily attributable to the civil taxing unit) to reduce its ad
 17 valorem property tax levies below the limits imposed by
 18 IC 6-1.1-18.5; plus
 19 (4) in the case of a county, an amount equal to the property taxes
 20 imposed by the county in 1999 for the county's welfare fund and
 21 welfare administration fund.
 22 (b) The part of a county's certified distribution that is to be used as
 23 certified shares shall be allocated only among the county's civil taxing
 24 units. Each civil taxing unit of a county is entitled to receive a
 25 percentage of the certified shares to be distributed in the county equal
 26 to the ratio of its attributed levy to the total attributed levies of all civil
 27 taxing units of the county.
 28 (c) The local government tax control board established by
 29 IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing
 30 units that are entitled to receive certified shares during a calendar year.
 31 If the ad valorem property tax levy of any special taxing district,
 32 authority, board, or other entity is attributed to another civil taxing unit
 33 under subsection (b)(2), then the special taxing district, authority,
 34 board, or other entity shall not be treated as having an attributed levy
 35 of its own. The local government tax control board shall certify the
 36 attributed levy amounts to the appropriate county auditor. The county
 37 auditor shall then allocate the certified shares among the civil taxing
 38 units of the auditor's county.
 39 (d) Certified shares received by a civil taxing unit shall be treated
 40 as additional revenue for the purpose of fixing its budget for the
 41 calendar year during which the certified shares will be received. The
 42 certified shares may be allocated to or appropriated for any purpose,

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1 including property tax relief or a transfer of funds to another civil
2 taxing unit whose levy was attributed to the civil taxing unit in the
3 determination of its attributed levy.

4 SECTION 21. IC 6-3.5-6-18, AS AMENDED BY P.L.255-2003,
5 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives
7 under this chapter shall be used to:

- 8 (1) replace the amount, if any, of property tax revenue lost due to
- 9 the allowance of an increased homestead credit within the county;
- 10 (2) fund the operation of a public communications system and
- 11 computer facilities district as provided in an election, if any, made
- 12 by the county fiscal body under IC 36-8-15-19(b);
- 13 (3) fund the operation of a public transportation corporation as
- 14 provided in an election, if any, made by the county fiscal body
- 15 under IC 36-9-4-42;
- 16 (4) make payments permitted under IC 36-7-15.1-17.5;
- 17 (5) make payments permitted under subsection (i); and
- 18 (6) make distributions of distributive shares to the civil taxing
- 19 units of a county.

20 (b) The county auditor shall retain from the payments of the county's
21 certified distribution, an amount equal to the revenue lost, if any, due
22 to the increase of the homestead credit within the county. This money
23 shall be distributed to the civil taxing units and school corporations of
24 the county as though they were property tax collections and in such a
25 manner that no civil taxing unit or school corporation shall suffer a net
26 revenue loss due to the allowance of an increased homestead credit.

27 (c) The county auditor shall retain the amount, if any, specified by
28 the county fiscal body for a particular calendar year under subsection
29 (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the
30 county's certified distribution for that same calendar year. The county
31 auditor shall distribute amounts retained under this subsection to the
32 county.

33 (d) All certified distribution revenues that are not retained and
34 distributed under subsections (b) and (c) shall be distributed to the civil
35 taxing units of the county as distributive shares.

36 (e) The amount of distributive shares that each civil taxing unit in
37 a county is entitled to receive during a month equals the product of the
38 following:

- 39 (1) The amount of revenue that is to be distributed as distributive
- 40 shares during that month; multiplied by
- 41 (2) A fraction. The numerator of the fraction equals the total
- 42 property taxes that ~~are first due and payable to~~ **were certified to**

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1 **be collected by** the civil taxing unit ~~during in~~ **the immediately**
 2 **preceding** calendar year, ~~in which the month falls,~~ **as provided**
 3 **in the approved abstract for the immediately preceding**
 4 **calendar year**, plus, for a county, an amount equal to the property
 5 taxes imposed by the county in 1999 for the county's welfare fund
 6 and welfare administration fund. The denominator of the fraction
 7 equals the sum of the total property taxes that ~~are first due and~~
 8 ~~payable to~~ **were certified to be collected by** all civil taxing units
 9 of the county during the **immediately preceding** calendar year,
 10 ~~in which the month falls,~~ **as provided in the approved abstract**
 11 **for the immediately preceding calendar year**, plus an amount
 12 equal to the property taxes imposed by the county in 1999 for the
 13 county's welfare fund and welfare administration fund.

14 (f) The department of local government finance shall provide each
 15 county auditor with the fractional amount of distributive shares that
 16 each civil taxing unit in the auditor's county is entitled to receive
 17 monthly under this section.

18 (g) Notwithstanding subsection (e), if a civil taxing unit of an
 19 adopting county does not impose a property tax levy that is first due
 20 and payable in a calendar year in which distributive shares are being
 21 distributed under this section, that civil taxing unit is entitled to receive
 22 a part of the revenue to be distributed as distributive shares under this
 23 section within the county. The fractional amount such a civil taxing
 24 unit is entitled to receive each month during that calendar year equals
 25 the product of the following:

- 26 (1) The amount to be distributed as distributive shares during that
 27 month; multiplied by
 28 (2) A fraction. The numerator of the fraction equals the budget of
 29 that civil taxing unit for that calendar year. The denominator of
 30 the fraction equals the aggregate budgets of all civil taxing units
 31 of that county for that calendar year.

32 (h) If for a calendar year a civil taxing unit is allocated a part of a
 33 county's distributive shares by subsection (g), then the formula used in
 34 subsection (e) to determine all other civil taxing units' distributive
 35 shares shall be changed each month for that same year by reducing the
 36 amount to be distributed as distributive shares under subsection (e) by
 37 the amount of distributive shares allocated under subsection (g) for that
 38 same month. The department of local government finance shall make
 39 any adjustments required by this subsection and provide them to the
 40 appropriate county auditors.

41 (i) Notwithstanding any other law, a county fiscal body may pledge
 42 revenues received under this chapter to the payment of bonds or lease

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1 rentals to finance a qualified economic development tax project under
 2 IC 36-7-27 in that county or in any other county if the county fiscal
 3 body determines that the project will promote significant opportunities
 4 for the gainful employment or retention of employment of the county's
 5 residents.

6 SECTION 22. IC 6-3.5-7-12, AS AMENDED BY P.L.224-2003,
 7 SECTION 255, AND AS AMENDED BY P.L.255-2003, SECTION 6,
 8 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided in
 10 sections 23, 25, ~~and~~ 26, ~~and~~ 27 of this chapter, the county auditor shall
 11 distribute in the manner specified in this section the certified
 12 distribution to the county.

13 (b) Except as provided in subsections (c) and (h) and sections 15
 14 and 25 of this chapter, the amount of the certified distribution that the
 15 county and each city or town in a county is entitled to receive during
 16 May and November of each year equals the product of the following:

17 (1) The amount of the certified distribution for that month;
 18 multiplied by

19 (2) A fraction. The numerator of the fraction equals the sum of the
 20 following:

21 (A) Total property taxes that ~~are first due and payable to were~~
 22 **certified to be collected by** the county, city, or town during
 23 the **immediately preceding** calendar year, ~~in which the month~~
 24 ~~falls;~~ **as provided in the approved abstract for the**
 25 **immediately preceding calendar year;** plus

26 (B) For a county, an amount equal to

27 ~~(i) the property taxes imposed by the county in 1999 for the~~
 28 ~~county's welfare fund and welfare administration fund. *plus*~~
 29 ~~(ii) after December 31, 2004, the greater of zero (0) or the~~
 30 ~~difference between the county hospital care for the indigent~~
 31 ~~property tax levy imposed by the county in 2004, adjusted~~
 32 ~~each year after 2004 by the statewide average assessed~~
 33 ~~value growth quotient described in IC 12-16-14-3, minus the~~
 34 ~~current uninsured parents program property tax levy~~
 35 ~~imposed by the county.~~

36 The denominator of the fraction equals the sum of the total
 37 property taxes that ~~are first due and payable to were certified to~~
 38 **by collected by** the county and all cities and towns of the county
 39 during the **immediately preceding** calendar year, ~~in which the~~
 40 ~~month falls;~~ **as provided in the approved abstract for the**
 41 **immediately preceding calendar year,** plus an amount equal to
 42 the property taxes imposed by the county in 1999 for the county's

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1 welfare fund and welfare administration fund. *and after*
 2 *December 31, 2004, the greater of zero (0) or the difference*
 3 *between the county hospital care for the indigent property tax*
 4 *levy imposed by the county in 2004, adjusted each year after*
 5 *2004 by the statewide average assessed value growth quotient*
 6 *described in IC 12-16-14-3, minus the current uninsured parents*
 7 *program property tax levy imposed by the county.*

8 (c) This subsection applies to a county council or county income tax
 9 council that imposes a tax under this chapter after June 1, 1992. The
 10 body imposing the tax may adopt an ordinance before July 1 of a year
 11 to provide for the distribution of certified distributions under this
 12 subsection instead of a distribution under subsection (b). The following
 13 apply if an ordinance is adopted under this subsection:

- 14 (1) The ordinance is effective January 1 of the following year.
 15 (2) Except as provided in sections 25 and 26 of this chapter, the
 16 amount of the certified distribution that the county and each city
 17 and town in the county is entitled to receive during May and
 18 November of each year equals the product of:
 19 (A) the amount of the certified distribution for the month;
 20 multiplied by
 21 (B) a fraction. For a city or town, the numerator of the fraction
 22 equals the population of the city or the town. For a county, the
 23 numerator of the fraction equals the population of the part of
 24 the county that is not located in a city or town. The
 25 denominator of the fraction equals the sum of the population
 26 of all cities and towns located in the county and the population
 27 of the part of the county that is not located in a city or town.
 28 (3) The ordinance may be made irrevocable for the duration of
 29 specified lease rental or debt service payments.

30 (d) The body imposing the tax may not adopt an ordinance under
 31 subsection (c) if, before the adoption of the proposed ordinance, any of
 32 the following have pledged the county economic development income
 33 tax for any purpose permitted by IC 5-1-14 or any other statute:

- 34 (1) The county.
 35 (2) A city or town in the county.
 36 (3) A commission, a board, a department, or an authority that is
 37 authorized by statute to pledge the county economic development
 38 income tax.

39 (e) The department of local government finance shall provide each
 40 county auditor with the fractional amount of the certified distribution
 41 that the county and each city or town in the county is entitled to receive
 42 under this section.

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1 (f) Money received by a county, city, or town under this section
2 shall be deposited in the unit's economic development income tax fund.

3 (g) Except as provided in subsection (b)(2)(B), in determining the
4 fractional amount of the certified distribution the county and its cities
5 and towns are entitled to receive under subsection (b) during a calendar
6 year, the department of local government finance shall consider only
7 property taxes imposed on tangible property subject to assessment in
8 that county.

9 (h) In a county having a consolidated city, only the consolidated city
10 is entitled to the certified distribution, subject to the requirements of
11 sections 15, 25, and 26 of this chapter.

12 SECTION 23. IC 21-3-1.7-7, AS AMENDED BY P.L.273-1999,
13 SECTION 136, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2004]: Sec. 7. If a computation under this
15 chapter results in a fraction and a rounding rule is not specified, the
16 fraction shall be rounded as follows:

17 (1) If it is a tax rate calculation, to the nearest ~~one-hundredth~~
18 **ten-thousandth** of a cent (~~\$0.0001~~): **(\$0.00001)**.

19 (2) If it is a tuition support calculation, to the nearest cent (\$0.01).

20 (3) If it is a calculation not covered by subdivision (1) or (2), to
21 the nearest ten-thousandth (.0001).

22 SECTION 24. IC 36-2-9-20, AS AMENDED BY P.L.245-2003,
23 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 UPON PASSAGE]: Sec. 20. The county auditor shall:

25 (1) maintain an electronic data file of the information contained
26 on the tax duplicate for all:

- 27 (A) parcels; and
 - 28 (B) personal property returns;
- 29 for each township in the county as of each assessment date;

30 (2) maintain the file in the form required by:

- 31 (A) the legislative services agency; and
- 32 (B) the department of local government finance; and

33 (3) transmit **to the legislative services agency and the**
34 **department of local government finance** the data in the file with
35 respect to the assessment date of each year **in the form required**
36 **by the department of local government finance** before the later
37 **of:**

38 (A) March 1 of the next year; ~~to:~~

39 ~~(A) the legislative services agency; and or~~

40 ~~(B) the department of local government finance;~~ **thirty (30)**
41 **days after the county mails its initial statement under**
42 **IC 6-1.1-22-8.**

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1 SECTION 25. [EFFECTIVE JULY 1, 2003 (RETROACTIVE)] (a)

2 For purposes of this SECTION:

3 (1) "department" refers to the department of local
4 government finance;

5 (2) "district" refers to a solid waste management district that
6 has territory in more than one (1) county; and

7 (3) "2004 levy" refers to the least of:

8 (A) the district's maximum permissible levy under
9 IC 6-1.1-18.5-3;

10 (B) the district's advertised levy; and

11 (C) the district's adopted levy;

12 for 2003 taxes payable in 2004.

13 (b) Notwithstanding:

14 (1) IC 13-21-7; or

15 (2) any action taken by a county or a district to fix a property
16 tax levy for 2003 taxes payable in 2004;

17 the department may, for each county that participates in a district,
18 determine under this SECTION the part of the district's property
19 tax levy under IC 13-21-3-12(13) for 2003 taxes payable in 2004 to
20 be levied in the county.

21 (c) The amount of the part referred to in subsection (b) for a
22 county that participates in a district is the amount that bears the
23 same proportion to the 2004 levy that the certified assessed value
24 of the county as of the 2002 assessment date bears to the total
25 certified assessed value as of the 2002 assessment date of all
26 counties that participate in the district.

27 (d) The department shall use the amount determined under
28 subsection (c) in setting the tax rate of the county.

29 (e) This SECTION expires July 1, 2005.

30 SECTION 26. [EFFECTIVE UPON PASSAGE] (a) For purposes
31 of this SECTION, "department" refers to the department of local
32 government finance.

33 (b) Except as provided in subsection (e), the auditor of state
34 shall not distribute to a county treasurer the part designated under
35 subsection (c) of the money otherwise distributable in July, 2004,
36 under IC 6-1.1-21-4, as amended by this act, and IC 6-1.1-21-10 if
37 before July 1, 2004:

38 (1) the elected township assessors in the county, the elected
39 township assessors and the county assessor, or the county
40 assessor do not transmit to the department the data for all
41 townships in the county required to be transmitted before
42 October 1, 2003, under IC 6-1.1-4-25(b);

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- 1 (2) the county assessor does not forward to the department
- 2 the duplicate copies of all approved exemption applications
- 3 required to be forwarded before August 2, 2003 under
- 4 IC 6-1.1-11-8(a);
- 5 (3) the county auditor does not send to the department a
- 6 certified statement required to be sent before August 2, 2003,
- 7 under IC 6-1.1-17-1 (as in effect before the amendments under
- 8 this act); or
- 9 (4) the county auditor does not transmit to the department
- 10 data required to be transmitted before March 1, 2003, under
- 11 IC 36-2-9-20 (as in effect before the amendments under this
- 12 act).
- 13 (c) The amount of money the auditor of state shall not distribute
- 14 under subsection (b) equals the product of:
- 15 (1) two percent (2%); multiplied by
- 16 (2) the combined amounts of the distributions for March,
- 17 April, and July, 2004, referred to in IC 6-1.1-21-10(b).
- 18 (d) Except as provided in subsection (g), the auditor of state
- 19 shall not distribute to a county treasurer two percent (2%) of the
- 20 money otherwise distributable after July, 2004, under
- 21 IC 6-1.1-21-4, as amended by this act, and IC 6-1.1-21-10 if before
- 22 the date of distribution the local officials referred to in subsection
- 23 (b) have not provided all of the data and information referred to in
- 24 subsection (b). The withholding under this subsection applies
- 25 separately to each distribution referred to in IC 6-1.1-21-10(b).
- 26 (e) Amounts withheld from distribution to the county treasurer
- 27 under this SECTION are in addition to any amounts withheld from
- 28 distribution under IC 6-1.1-21-4(e) or IC 6-1.1-21-4(f), both as
- 29 amended by this act, before deadlines in 2004 established in those
- 30 sections for failure to provide data or information.
- 31 (f) The auditor of state shall consider the provision of
- 32 information referred to in subsection (b) to be untimely if the
- 33 department notifies the auditor of state in writing that information
- 34 provided is inaccurate, incomplete, or, with respect to information
- 35 referred to in subsection (b)(2), not in the form required by the
- 36 department.
- 37 (g) The restrictions on distributions under subsection (b) do not
- 38 apply if the department determines that the failure to provide
- 39 information as referred to in subsection (b) is justified by unusual
- 40 circumstances.
- 41 (h) When local officials provide the data and information
- 42 referred to in subsection (b), money withheld under subsection (b)

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1 shall be distributed under IC 6-1.1-21-4(g) and IC 6-1.1-21-4(h),
2 both as amended by this act.

3 (i) This SECTION expires January 1, 2006.

4 SECTION 27. [EFFECTIVE UPON PASSAGE] (a) The definitions
5 in IC 6-1.1-1 apply throughout this SECTION.

6 (b) This SECTION applies only to the review or appeal of an
7 assessment of real property used as residential property on an
8 assessment date.

9 (c) This subsection applies only if the time in which a taxpayer
10 is authorized to:

11 (1) request a review under IC 6-1.1-15-1 or IC 6-1.1-15-3; or

12 (2) initiate the informal hearing process under IC 6-1.1-4-33
13 or IC 6-1.1-4-36 that is a prerequisite to an appeal under
14 IC 6-1.1-4-34 or IC 6-1.1-4-37; or

15 (3) initiate an appeal under IC 6-1.1-4-34 or IC 6-1.1-4-37
16 after initiating a timely informal hearing process;

17 has elapsed before the effective date of this SECTION, for an
18 assessment date after February 28, 2002, and before March 1,
19 2004, and no review or appeal is pending on the effective date of
20 this SECTION. The taxpayer may request a review or initiate an
21 appeal under the appropriate provision of law before July 1, 2004,
22 even if the taxpayer has previously initiated a review or an appeal
23 for the same assessment date. The review or appeal is limited to
24 consideration of competent evidence necessary to establish the fair
25 market value of the property.

26 (d) If a timely initiated review or appeal is pending on the
27 effective date of this SECTION, a taxpayer may raise the issue of
28 the fair market value of the property in the review or an appeal
29 after the effective date of this SECTION without initiating a new
30 review or appeal.

31 (e) An assessment change that results from a review or an
32 appeal subject to this SECTION applies to:

33 (1) the assessment date for which the review or an appeal is
34 initiated; and

35 (2) each subsequent assessment date for which:

36 (A) a new assessment is not determined under IC 6-1.1;
37 and

38 (B) there is not a review or an appeal of the assessment
39 under:

40 (i) IC 6-1.1-15, as amended by this act; or

41 (ii) this SECTION.

42 (f) This SECTION expires January 1, 2008.

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1 SECTION 28. [EFFECTIVE JULY 1, 2004] IC 6-1.1-19-1.5 and
 2 IC 21-3-1.7-7, both as amended by this act, apply only to property
 3 taxes first due and payable after December 31, 2004.
 4 SECTION 29. [EFFECTIVE UPON PASSAGE] The department
 5 of local government finance may adopt temporary rules in the
 6 manner provided for the adoption of emergency rules under
 7 IC 4-22-2-37.1 to implement IC 6-1.1-12.1-14, as added by this act.
 8 A temporary rule adopted under this SECTION expires on the
 9 earliest of the following:
 10 (1) The date of adoption under this SECTION of another
 11 temporary rule that supersedes the temporary rule previously
 12 adopted under this SECTION.
 13 (2) The date of adoption under IC 4-22-2 of a permanent rule
 14 that supersedes the temporary rule adopted under this
 15 SECTION.
 16 (3) January 1, 2006.
 17 SECTION 30. THE FOLLOWING ARE REPEALED [EFFECTIVE
 18 UPON PASSAGE]: IC 6-1.1-4-13.6; IC 6-1.1-4-13.8.
 19 SECTION 31. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1347, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-1-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.5. "Fair market value" means, for purposes of determining the assessed value of real property used as residential property, the price at which a willing buyer and a willing seller dealing at arm's length would arrive, after negotiation, for a sale of property for the existing use of the property as residential property when neither is acting under compulsion and both have a reasonable knowledge of all the facts that affect value.**

SECTION 2. IC 6-1.1-1-22.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22.7. "True tax value" means, for purposes of determining the assessed value of real property used as residential property, an assessed value that does not exceed fair market value.**

SECTION 3. IC 6-1.1-4-5, AS AMENDED BY P.L.90-2002, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A petition for the reassessment of real property situated within a township may be filed with the department of local government finance on or before March 31st of any year ~~which is not a general election year and~~ in which no general reassessment of real property is made.

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

- (1) fifteen percent (15%) for a township which does not contain an incorporated city or town;
- (2) five percent (5%) for a township containing all or part of an incorporated city or town which has a population of five thousand (5,000) or less;
- (3) four percent (4%) for a township containing all or part of an incorporated city which has a population of more than five thousand (5,000) but not exceeding ten thousand (10,000);
- (4) three percent (3%) for a township containing all or part of an

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incorporated city which has a population of more than ten thousand (10,000) but not exceeding fifty thousand (50,000);

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

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

at least the lesser of:

(1) ten (10) owners of real property in a township; or

(2) the number of owners of real property in the township that represents owners of one percent (1%) of the assessed value of real property in the township.

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

SECTION 4. IC 6-1.1-4-32, AS AMENDED BY P.L.235-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) As used in this section, "contract" refers to a contract entered into under this section.

(b) As used in this section, "contractor" refers to a firm that enters into a contract with the department of local government finance under this section.

(c) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(d) Notwithstanding sections 15 and 17 of this chapter, a township assessor in a qualifying county may not appraise property, or have property appraised, for the general reassessment of real property to be completed for the March 1, 2002, assessment date. Completion of that general reassessment in a qualifying county is instead governed by this section. The only duty of:

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

(2) a county assessor of a qualifying county;

with respect to that general reassessment is to provide to the department of local government finance or the department's contractor under subsection (e) any support and information requested by the department or the contractor. This subsection expires June 30, 2004.

(e) Subject to section 33 of this chapter, the department of local

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government finance shall select and contract with a certified public accounting firm with expertise in the appraisal of real property to appraise property for the general reassessment of real property in a qualifying county to be completed for the March 1, 2002, assessment date. The department of local government finance may enter into additional contracts to provide software or other auxiliary services to be used for the appraisal of property for the general reassessment. The contract applies for the appraisal of land and improvements with respect to all classes of real property in the qualifying county. The contract must include:

- (1) a provision requiring the appraisal firm to:
 - (A) prepare a detailed report of:
 - (i) expenditures made after July 1, 1999, and before the date of the report from the qualifying county's reassessment fund under section 28 of this chapter (repealed); and
 - (ii) the balance in the reassessment fund as of the date of the report; and
 - (B) file the report with:
 - (i) the legislative body of the qualifying county;
 - (ii) the prosecuting attorney of the qualifying county;
 - (iii) the department of local government finance; and
 - (iv) the attorney general;
- (2) a fixed date by which the appraisal firm must complete all responsibilities under the contract;
- (3) subject to subsection (t), a provision requiring the appraisal firm to use the land values determined for the qualifying county under section 13.6 of this chapter (**before its repeal**);
- (4) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;
- (5) a provision requiring the appraisal firm to make periodic reports to the department of local government finance;
- (6) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (5) are to be made;
- (7) a precise stipulation of what service or services are to be provided;
- (8) a provision requiring the appraisal firm to deliver a report of the assessed value of each parcel in a township in the qualifying county to the department of local government finance; and
- (9) any other provisions required by the department of local government finance.

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After December 31, 2001, the department of local government finance has all the powers and duties of the state board of tax commissioners provided under a contract entered into under this subsection (as effective before January 1, 2002) before January 1, 2002. The contract is valid to the same extent as if it were entered into by the department of local government finance. However, a reference in the contract to the state board of tax commissioners shall be treated as a reference to the department of local government finance. The contract shall be treated for all purposes, including the application of IC 33-3-5-2.5, as the contract of the department of local government finance. If the department of local government finance terminates a contract before completion of the work described in this subsection, the department shall contract for completion of the work as promptly as possible under IC 5-22-6. This subsection expires June 30, 2004.

(f) At least one (1) time each month, the contractors that will make physical visits to the site of real property for reassessment purposes shall publish a notice under IC 5-3-1 describing the areas that are scheduled to be visited within the next thirty (30) days and explaining the purposes of the visit. The notice shall be published in a way to promote understanding of the purposes of the visit in the affected areas. After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (e), the department of local government finance shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment:

- (1) is subject to appeal by the taxpayer under section 34 of this chapter; and
- (2) must include a statement of the taxpayer's rights under sections 33 and 34 of this chapter.

(g) The department of local government finance shall mail the notice required by subsection (f) within ninety (90) days after the department receives the report for a parcel from the professional appraisal firm. This subsection expires June 30, 2004.

(h) The qualifying county shall pay the cost of any contract under this section which shall be without appropriation from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under a contract. However, the maximum amount that the qualifying county is obligated to pay for all contracts entered into under subsection (e) for the general reassessment of real property in the qualifying county to be completed for the March 1, 2002, assessment date is twenty-five million five hundred thousand dollars (\$25,500,000). Notwithstanding any other law, a contractor is

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entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;
- (2) obtains from the department of local government finance:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and
- (3) files with the county auditor of the qualifying county:
 - (A) a duplicate copy of the bill submitted to the department of local government finance;
 - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and
 - (C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection. This subsection expires June 30, 2004.

- (i) Notwithstanding IC 4-13-2, a period of seven (7) days is

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permitted for each of the following to review and act under IC 4-13-2 on a contract of the department of local government finance under this section:

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

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

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

(k) If:

- (1) the variance determined under subsection (j) exceeds ten percent (10%); and
- (2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

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

(l) If the variance determined under subsection (j) is ten percent (10%) or less, the department of local government finance shall determine whether to correct the valuation of the property under:

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

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

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

- (1) the time of the hearing;
- (2) the location of the hearing; and
- (3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department of local government finance's intent to reassess property under this chapter.

(n) If the department of local government finance determines after the hearing that property should be reassessed under this section, the department shall:

- (1) cause the property to be reassessed under this section;
- (2) mail a certified notice of its final determination to the county auditor of the qualifying county in which the property is located; and
- (3) notify the taxpayer by mail of its final determination.

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

(p) If the department of local government finance contracts for a special reassessment of property under this section, the qualifying county shall pay the bill, without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under a contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;
- (2) obtains from the department of local government finance:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and
- (3) files with the county auditor of the qualifying county:
 - (A) a duplicate copy of the bill submitted to the department of local government finance;
 - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and
 - (C) the certification provided by the department of local

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government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

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

(r) The provisions of this section are severable in the manner provided in IC 1-1-1-8(b).

(s) A contract entered into under subsection (e) is subject to this subsection. A contractor shall use the land values determined for the qualifying county under section 13.6 of this chapter (**before its repeal**) to the extent that the contractor finds that the land values reflect the true tax value of land, as determined under the statutes and the rules of the department of local government finance. If the contractor finds that the land values determined for the qualifying county under section 13.6 of this chapter (**before its repeal**) do not reflect the true tax value of

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land, the contractor shall determine land values for the qualifying county that reflect the true tax value of land, as determined under the statutes and the rules of the department of local government finance. The land values determined by the contractor shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter **(before its repeal)**. The contractor shall notify the county assessor and the township assessors in the qualifying county of the land values as modified under this subsection. This subsection expires June 30, 2004.

(t) A contractor acting under a contract under subsection (e) may notify the department of local government finance if:

- (1) the county auditor fails to:
 - (A) certify the bill;
 - (B) publish the claim;
 - (C) submit the claim to the county executive; or
 - (D) issue a warrant or check;

as required in subsection (h) at the first opportunity the county auditor is legally permitted to do so;

- (2) the county executive fails to allow the claim as required in subsection (h) at the first opportunity the county executive is legally permitted to do so; or
- (3) a person or entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts the process under this section for payment of a bill submitted by a contractor under subsection (h).

This subsection expires June 30, 2004.

(u) The department of local government finance, upon receiving notice under subsection (t) from the contractor, shall:

- (1) verify the accuracy of the contractor's assertion in the notice that:
 - (A) a failure occurred as described in subsection (t)(1) or (t)(2); or
 - (B) a person or entity acted or failed to act as described in subsection (t)(3); and
- (2) provide to the treasurer of state the department of local government finance's approval under subsection (h)(2)(A) of the bill with respect to which the contractor gave notice under subsection (t).

This subsection expires June 30, 2004.

(v) Upon receipt of the approval of the department of local government finance under subsection (u), the treasurer of state shall

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pay the contractor the amount of the bill approved by the department of local government finance from money in the possession of the state that would otherwise be available for distribution to the qualifying county, including distributions from the property tax replacement fund or distributions of admissions taxes or wagering taxes. This subsection expires June 30, 2004.

(w) The treasurer of state shall withhold from the part attributable to the county of the next distribution to the county treasurer under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or another law the amount of any payment made by the treasurer of state to the contractor under subsection (v). Money shall be deducted first from money payable under IC 6-1.1-21.4(b) and then from all other funds payable to the qualifying county. This subsection expires June 30, 2004.

(x) Compliance with subsections (t) through (w) shall be treated as compliance with IC 5-11-10. This subsection expires June 30, 2004.

(y) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (t) through (w). This subsection and subsections (t) through (x) shall be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county under this section are paid. Nothing in this subsection or subsections (t) through (x) shall be construed to create a debt of the state. This subsection expires June 30, 2004.

(z) This section expires December 31, 2006.

SECTION 5. IC 6-1.1-4-35, AS ADDED BY P.L. 1-2004, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) This section applies to a county other than a county subject to section 32 of this chapter.

(b) This section applies to a general reassessment of real property conducted under section 4(a) of this chapter that is scheduled to become effective for property taxes first due and payable in 2003.

(c) As used in this section, "department" refers to the department of local government finance.

(d) As used in this section, "reassessment official" means any of the following:

- (1) A county assessor.
- (2) A township assessor.
- (3) A township trustee-assessor.

(e) If:

- (1) the department determines that a county's reassessment officials are unable to complete the reassessment in a timely manner; or
- (2) the department determines that a county's reassessment

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officials are likely to complete the reassessment in an inaccurate manner; the department may order a state conducted reassessment in the county. The department may consider a reassessment in a county untimely if the county does not submit the county's equalization study to the department in the manner prescribed under 50 IAC 14 before October 20, 2003. The department may consider the reassessment work of a county's reassessment officials inaccurate if the department determines from a sample of the assessments completed in the county that there is a variance exceeding ten percent (10%) between the total assessed valuation of the real property within the sample and the total assessed valuation that would result if the real property within the sample were valued in the manner provided by law.

(f) If the department orders a state conducted reassessment in a county, the department shall assume the duties of the county's reassessment officials. Notwithstanding sections 15 and 17 of this chapter, a reassessment official in a county subject to an order issued under this section may not assess property or have property assessed for the general reassessment. Until the state conducted reassessment is completed under this section, the reassessment duties of a reassessment official in the county are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(g) Before assuming the duties of a county's reassessment officials, the department shall transmit a copy of the department's order requiring a state conducted reassessment to the county's reassessment officials, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation in the county. The department is not required to conduct a public hearing before taking action under this section.

(h) Township and county officials in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

- (1) data;
- (2) records;
- (3) maps;
- (4) parcel record cards;
- (5) forms;
- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

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related to the reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to a general reassessment and is subject to IC 6-1.1-37-2.

(i) The department may enter into a contract with a professional appraising firm to conduct a reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's reassessment before the department orders a state conducted reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

(j) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (i), the department of local government finance shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment:

- (1) is subject to appeal by the taxpayer under section 37 of this chapter; and
- (2) must include a statement of the taxpayer's rights under section 37 of this chapter.

(k) The department shall forward a bill for services provided under a contract described in subsection (i) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (l).

(l) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (i), without appropriation, from the county's property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;
- (2) obtains from the department:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services have been received and comply with the contract; and
- (3) files with the county auditor:

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- (A) a duplicate copy of the bill submitted to the department;
- (B) proof of the department's approval of the form and amount of the bill; and
- (C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(m) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

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

(n) If the money in a county's property reassessment fund is insufficient to pay for a reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the reassessment.

(o) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter (**before its repeal**) for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and

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the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter **(before its repeal)** do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter **(before its repeal)**. The department or the contractor of the department shall notify the county's reassessment officials of the land values determined under this subsection.

- (p) A contractor of the department may notify the department if:
- (1) a county auditor fails to:
 - (A) certify the contractor's bill;
 - (B) publish the contractor's claim;
 - (C) submit the contractor's claim to the county executive; or
 - (D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (l) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (l) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(q) The department, upon receiving notice under subsection (p) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

- (A) a failure occurred as described in subsection (p)(1) or (p)(2); or
- (B) a person or entity acted or failed to act as described in subsection (p)(3); and

(2) provide to the treasurer of state the department's approval under subsection (l)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (p).

(r) Upon receipt of the department's approval of a contractor's bill under subsection (q), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for

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distribution to the county, including distributions from the property tax replacement fund or distribution of admissions taxes or wagering taxes.

(s) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b) or any other law to a county described in a notice provided under subsection (p) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (r). Money shall be withheld first from the money payable to the county under IC 6-1.1-21-4(b) and then from all other sources payable to the county.

(t) Compliance with subsections (p) through (s) constitutes compliance with IC 5-11-10.

(u) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (p) through (s). This subsection and subsections (p) through (s) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(v) The provisions of this section are severable as provided in IC 1-1-1-8(b).

(w) This section expires January 1, 2007.

SECTION 6. IC 6-1.1-4-40 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 40. (a) As used in this section:**

(1) "Appendix C" refers to the Real Property Assessment Guidelines for 2002, Book 1, Appendix C, issued by the department of local government finance;

(2) "Appendix G" refers to the Real Property Assessment Guidelines for 2002, Book 2, Appendix G, issued by the department of local government finance; and

(3) "location cost multiplier" means:

(A) any multiplier or factor designed to account in the real property assessment process for variances in construction costs among jurisdictions; or

(B) a multiplier or factor determined for the same purposes and in the same manner as a location cost multiplier:

(i) determined by a county assessor as described in Appendix C or Appendix G; or

(ii) contained in Table G-1 to Appendix C or Table G-1 to Appendix G.

(b) A location cost multiplier may not be used in the assessment of real property for assessments after December 31, 2008.

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SECTION 7. IC 6-1.1-5.5-3, AS AMENDED BY P.L.1-2004, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Before filing a conveyance document with the county auditor under IC 6-1.1-5-4, all the parties to the conveyance must complete and sign a sales disclosure form as prescribed by the department of local government finance under section 5 of this chapter. All the parties may sign one (1) form, or if all the parties do not agree on the information to be included on the completed form, each party may sign and file a separate form.

(b) Except as provided in subsection (c), the auditor shall forward each sales disclosure form to the county assessor. The county assessor shall retain the forms for five (5) years. The county assessor shall forward the sales disclosure form data to the department of local government finance and the legislative services agency:

- (1) before January 1, 2005, in an electronic format, if possible; and
- (2) after December 31, 2004, in an electronic format specified jointly by the department of local government finance and the legislative services agency.

The county assessor shall forward a copy of the sales disclosure forms to the township assessors in the county. The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in ~~IC 6-1.1-4-13.6~~, sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized purpose.

(c) In a county containing a consolidated city, the auditor shall forward the sales disclosure form to the appropriate township assessor. The township assessor shall forward the sales disclosure form to the department of local government finance and the legislative services agency:

- (1) before January 1, 2005, in an electronic format, if possible; and
- (2) after December 31, 2004, in an electronic format specified jointly by the department of local government finance and the legislative services agency.

The township assessor shall forward a copy of the sales disclosure forms to the township assessors in the county. The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in ~~IC 6-1.1-4-13.6~~, sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized

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purpose."

Page 1, line 9, delete "2004 or" and insert "2006."

Page 1, delete line 10, begin a new paragraph and insert:

"SECTION 9. IC 6-1.1-13-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. ~~The powers granted to each county property tax assessment board of appeals under this chapter apply only to the tangible property assessments made with respect to the last preceding assessment date.~~ Before a county property tax assessment board of appeals changes any valuation or adds any tangible property and the value of it to a return or the assessment rolls under this chapter, the board shall give prior notice by mail to the taxpayer. The notice must state a time when and place where the taxpayer may appear before the board. The time stated in the notice must be at least ten (10) days after the date the notice is mailed.

SECTION 10. IC 6-1.1-13-6, AS AMENDED BY P.L.256-2003, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. A county assessor shall inquire into the assessment of the classes of tangible property in the various townships of the county:

- (1) after March 1 in the year in which ~~the~~ a general reassessment of real property becomes effective under IC 6-1.1-4-4; or
- (2) in other years under the rules of the department of local government finance pertaining to:
 - (A) equalization under IC 6-1.1-14; and
 - (B) annual adjustments under IC 6-1.1-4-4.5.

The county assessor shall make any changes, whether increases or decreases, in the assessed values which are necessary in order to equalize these values in and between the various townships of the county. In addition, the county assessor shall determine the percent to be added to or deducted from the assessed values in order to make a just, equitable, and uniform equalization of assessments in and between the townships of the county.

SECTION 11. IC 6-1.1-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) If a county assessor proposes to change assessments under section 6 of this chapter, the property tax assessment board of appeals shall hold a hearing on the proposed changes:

- (1) before July 15 in ~~the~~ a year in which a general assessment is to commence; becomes effective; or
- (2) in other years under the rules of the department of local government finance pertaining to:
 - (A) equalization under IC 6-1.1-14; and

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(B) annual adjustments under IC 6-1.1-4-4.5.

(b) It is sufficient notice of ~~the~~ a hearing **under subsection (a)** and of any changes in assessments ordered by the board subsequent to the hearing if the board gives notice by publication once either in:

- (1) two (2) newspapers which represent different political parties and which are published in the county; or
- (2) one (1) newspaper only, if two (2) newspapers which represent different political parties are not published in the county.

SECTION 12. IC 6-1.1-14-4, AS AMENDED BY P.L.90-2002, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The department of local government finance shall review the assessments of all tangible property made by the various counties of this state. **The department of local government finance may employ qualified professional appraisers and other professionals to assist in the review.** If the department of local government finance determines that the assessment of a county appears to be improper, the department shall mail a certified notice to the auditor of the county informing the auditor of the department's determination to consider the modification of that county's assessment. The notice shall state whether the modification to be considered is related to real property, personal property, or both. The notice shall also state a day, at least ten (10) days after the day the notice is mailed, when a hearing on the assessment will be held. In addition to the notice to the county auditor, the department of local government finance shall give the notice, if any, required under section 9(a) of this chapter.

SECTION 13. IC 6-1.1-15-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) This section applies to an assessment of real property used as residential property for an assessment date after February 28, 2002.**

(b) Notwithstanding IC 6-1.1-31-6(c), for purposes of:

- (1) a review or an appeal under this chapter; or**
- (2) a hearing or an appeal under IC 6-1.1-4;**

a taxpayer may state as a basis for the review that the assessed value determined by the assessing officials for the property exceeds the property's fair market value on the determination date used to value the property under the rules of the department of local government finance. If a taxpayer presents competent evidence of the property's fair market value in a review, the property shall be assessed at a value that does not exceed its fair market value.

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SECTION 14. IC 6-1.1-17-1, AS AMENDED BY P.L.90-2002, SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners **and in the form required by the department of local government finance**, to the fiscal officer of each political subdivision of the county and the department of local government finance. The statement shall contain:

- (1) information concerning the assessed valuation in the political subdivision for the next calendar year;
- (2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;
- (3) the current assessed valuation as shown on the abstract of charges;
- (4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years, excluding years in which a general reassessment occurs, determined according to procedures established by the department of local government finance; and
- (5) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

- (1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and
- (2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

SECTION 15. IC 6-1.1-19-1.5, AS AMENDED BY P.L.1-2004, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

- (1) "Adjustment factor" means the adjustment factor determined by the department of local government finance for a school corporation under IC 6-1.1-34.
- (2) "Adjusted target property tax rate" means:
 - (A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

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(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the school corporation's previous year general fund property tax rate after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).

(b) Except as otherwise provided in this chapter, a school corporation may not, for a calendar year beginning after December 31, 2004, impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: If the school corporation's adjusted target property tax rate:

(A) exceeds the school corporation's previous year property tax rate, perform the calculation under STEP THREE and not under STEP FOUR;

(B) is less than the school corporation's previous year property tax rate, perform the calculation under STEP FOUR and not under STEP THREE; or

(C) equals the school corporation's previous year property tax rate, determine the levy resulting from using the school corporation's adjusted target property tax rate and do not perform the calculation under STEP THREE or STEP FOUR.

STEP THREE: Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:

(A) the STEP ONE result; or

(B) five cents (\$0.05).

STEP FOUR: Determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:

(A) the absolute value of the STEP ONE result; or

(B) five cents (\$0.05).

STEP FIVE: Determine the result of:

(A) the STEP TWO (C), STEP THREE, or STEP FOUR result, whichever applies; plus

(B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

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The maximum levy is to include the portion of any excessive levy and the levy for new facilities.

STEP SIX: Determine the result of:

(A) the STEP FIVE result; plus

(B) the product of:

(i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(e) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation; multiplied by

(ii) thirty-five hundredths (0.35).

In determining the number of students for purposes of this STEP, each kindergarten pupil shall be counted as one-half (1/2) pupil.

The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's determination of tuition support.

(c) For purposes of this section, "total assessed value" with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes first due and payable during that year.

(d) The department of local government finance shall annually establish an assessment ratio and adjustment factor for each school corporation to be used upon the review and recommendation of the budget committee. The information compiled, including background documentation, may not be used in a:

(1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;

(2) petition for a correction of error under IC 6-1.1-15-12; or

(3) petition for refund under IC 6-1.1-26.

(e) All tax rates shall be computed by rounding the rate to the nearest ~~one-hundredth~~ **ten-thousandth** of a cent (~~\$0.0001~~; **\$0.00001**). All tax levies shall be computed by rounding the levy to the nearest dollar amount.

(f) For the calendar year beginning January 1, 2004, and ending December 31, 2004, a school corporation may impose a general fund ad valorem property tax levy in the amount determined under STEP EIGHT of the following formula:

STEP ONE: Determine the quotient of:

(A) the school corporation's 2003 assessed valuation; divided by

(B) the school corporation's 2002 assessed valuation.

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STEP TWO: Determine the greater of zero (0) or the difference between:

- (A) the STEP ONE amount; minus
- (B) one (1).

STEP THREE: Determine the lesser of eleven-hundredths (0.11) or the product of:

- (A) the STEP TWO amount; multiplied by
- (B) eleven-hundredths (0.11).

STEP FOUR: Determine the sum of:

- (A) the STEP THREE amount; plus
- (B) one (1).

STEP FIVE: Determine the product of:

- (A) the STEP FOUR amount; multiplied by
- (B) the school corporation's general fund ad valorem property tax levy for calendar year 2003.

STEP SIX: Determine the lesser of:

- (A) the STEP FIVE amount; or
- (B) the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by five cents (\$0.05).

STEP SEVEN: Determine the result of:

- (A) the STEP SIX amount; plus
- (B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

The maximum levy is to include the part of any excessive levy and the levy for new facilities.

STEP EIGHT: Determine the result of:

- (A) the STEP SEVEN result; plus
- (B) the product of:
 - (i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(e) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation; multiplied by
 - (ii) thirty-five hundredths (0.35).

In determining the number of students for purposes of this STEP, each kindergarten pupil shall be counted as one-half (1/2) pupil.

The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's

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determination of tuition support.

SECTION 16. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003, SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [[EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

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

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

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

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

STEP TWO: Divide:

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

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

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

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

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

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (i), the **department auditor of state** shall not distribute **to a county treasurer two percent (2%) of the money otherwise distributable** under subsection (b), **subsection (c)**, and section 10 of this chapter **the money attributable to the county's property reassessment fund** if:

- (1) by the date the distribution is scheduled to be made, ~~(1)~~ the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance; ~~or~~
- (2) *by the deadline under IC 36-2-9-20, the county auditor has not transmitted data as required under that section; or*
- ~~(2)~~ **(3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a).**

The auditor of state shall consider the provision of information

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referred to in this subsection to be untimely if the department notifies the auditor of state in writing that information provided is inaccurate, incomplete, or, with respect to information referred to in subdivisions (1) and (2), not in the form required by the department of local government finance. The withholding under this subsection of two percent (2%) of money otherwise distributable under section 10 of this chapter applies separately to each distribution referred to in section 10(b) of this chapter.

(f) Except as provided in subsection (i), if the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b), the ~~state board or the department~~ auditor of state shall not distribute to the county treasurer two percent (2%) of the money otherwise distributable to the county treasurer under subsection (b), subsection (c), and section 10 of this chapter. ~~a part of the money attributable to the county's property reassessment fund. The portion not distributed is the amount that bears the same proportion to the total potential distribution as the number of townships in the county for which data was not transmitted by August 1 October 1 as described in this section bears to the total number of townships in the county.~~

(g) Money not distributed ~~under subsection (e) for the reasons stated in subsection (e)(1), and (e)(2), and (e)(3)~~ shall be distributed to the county when:

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

(2) the county auditor transmits data as required under IC 36-2-9-20; and

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

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

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

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distribution under subsection (f).

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

(1) the failure of:

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

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

as described in subsection (e); or

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

is justified by unusual circumstances.

SECTION 17. IC 6-1.1-34-9, AS AMENDED BY P.L.90-2002, SECTION 244, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. In order to perform the duties assigned to it under this chapter, the department of local government finance:

(1) shall conduct continuing studies of all property which is subject to assessment in this state;

(2) may request access to all local and state official records;

(3) may secure information from the federal government or from public or private agencies;

(4) may:

(A) contract with; and

(B) rely on findings made by:

the Indiana Fiscal Policy Institute and professional appraisers;

(5) may inspect a person's books, records, or property if the item is relevant to information which the department needs in order to implement this chapter; and

~~(5)~~ (6) may adopt appropriate forms and procedures.

SECTION 18. IC 6-2.3-9 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

Chapter. 9. Supplemental Utility Receipts Tax

Sec. 1. Except as provided in this chapter, IC 6-2.3-1 through IC 6-2.3-8 apply to the supplemental utility receipts tax imposed under this chapter.

Sec. 2. The receipt of taxable gross receipts from transactions is subject to a tax rate of one and two tenths percent (1.2%).

Sec. 3. On or before the fifth day of each month, the total amount of supplemental utility tax revenues received by the

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department in the immediately preceding month shall be deposited in the property tax replacement fund established by IC 6-1.1-21-1.

Sec. 4. (a) This subsection applies after December 31, 2004. The department, with the assistance of the department of local government finance, shall determine before January 15 of each calendar year for each county the quotient of:

(1) the assessed value of all tangible property subject to assessment in the county in the immediately preceding calendar year under IC 6-1.1-8 owned by all public utility companies and subject to property taxes under IC 6-1.1; divided by

(2) the assessed value of all tangible property subject to assessment in the state in the immediately preceding calendar year under IC 6-1.1-8 owned by all public utility companies and subject to property taxes under IC 6-1.1.

(b) The department shall immediately notify the auditor of state of the quotient determined under subsection (a).

(c) The auditor of state shall deposit in an account for the county in the property tax replacement fund established by IC 6-1.1-21-1 the product of:

(1) the total deposits in the fund in the immediately preceding calendar year under section 3 of this chapter; multiplied by

(2) the quotient determined under subsection (a).

(d) The auditor of state shall distribute annually to the treasurer of a county at the same time that distributions are made to the county under IC 6-1.1-21-10 an amount equal to the balance in the county's account referred to in subsection (c) as of December 31 of the immediately preceding calendar year.

Sec. 5. The county treasurer shall allocate to each taxing district in the county each calendar year a part of the distributions received under section 4(d) in an amount determined by the department of local government finance to offset the amount of supplemental homestead credits allowed in the taxing district under section 6 of this chapter.

Sec. 6. A county that receives a distribution under section 4(d) of this chapter shall apply supplemental homestead credits in the county. A supplemental homestead credit:

(1) applies to each homestead (as defined in IC 6-1.1-20.9-1) in the county; and

(2) is in addition to the homestead credit under IC 6-1.1-20.9.

Sec. 7. The department of local government finance shall:

(1) determine the percentage of supplemental homestead

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credit that applies in each taxing district in the county; and
 (2) calculate the percentage under subdivision (1) in an amount that results in the reduction of net property taxes imposed on homesteads in each taxing district that is proportional to the increase in the last preceding general reassessment of real property under IC 6-1.1-4 in the taxing district in:

- (A) the total assessed value of homesteads; as compared to
- (B) the total assessed value of all tangible property subject to assessment in the immediately preceding calendar year under IC 6-1.1-8 owned by all public utility companies and subject to property taxes under IC 6-1.1.

SECTION 19. IC 6-3.5-1.1-12, AS AMENDED BY P.L.90-2002, SECTION 293, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The part of a county's certified distribution for a calendar year that is to be used as property tax replacement credits shall be allocated by the county auditor among the civil taxing units and school corporations of the county.

(b) Except as provided in section 13 of this chapter, the amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive during a calendar year equals the product of:

- (1) that part of the county's certified distribution that is dedicated to providing property tax replacement credits for that same calendar year; multiplied by

(2) a fraction:

(A) The numerator of the fraction equals the sum of the total property taxes ~~being that were certified to be~~ collected by the civil taxing unit or school corporation ~~during that in the~~ immediately preceding calendar year, as provided in the approved abstract for the immediately preceding calendar year, plus with respect to a civil taxing unit, the amount of federal revenue sharing funds and certified shares received by it during ~~that the~~ immediately preceding calendar year to the extent that they ~~are were~~ used to reduce its property tax levy below the limit imposed by IC 6-1.1-18.5 for that same calendar year.

(B) The denominator of the fraction equals the sum of the total property taxes ~~being that were certified to be~~ collected by all civil taxing units and school corporations in the immediately preceding calendar year, as provided in the approved abstract for the immediately preceding calendar year, plus

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the amount of federal revenue sharing funds and certified shares received by all civil taxing units in the county to the extent that they ~~are were~~ used to reduce the civil taxing units' property tax levies below the limits imposed by IC 6-1.1-18.5 for that same calendar year.

(c) The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits it is entitled to receive (after adjustment made under section 13 of this chapter) during that calendar year. The county auditor shall also certify these distributions to the county treasurer.

SECTION 20. IC 6-3.5-1.1-15, AS AMENDED BY P.L.255-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) As used in this section, "attributed levy" of a civil taxing unit means the sum of:

- (1) the ad valorem property tax levy of the civil taxing unit that is ~~currently being~~ **was certified to be** collected at the time the allocation is made; **in the immediately preceding calendar year, as provided in the approved abstract for the immediately preceding calendar year;** plus
- (2) the ~~current~~ ad valorem property tax levy **in the immediately preceding calendar year, as provided in the approved abstract for the immediately preceding calendar year,** of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus
- (3) the amount of federal revenue sharing funds and certified shares that were used by the civil taxing unit (or any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit) to reduce its ad valorem property tax levies below the limits imposed by IC 6-1.1-18.5; plus
- (4) in the case of a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a percentage of the certified shares to be distributed in the county equal

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to the ratio of its attributed levy to the total attributed levies of all civil taxing units of the county.

(c) The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (b)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed levy of its own. The local government tax control board shall certify the attributed levy amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed levy.

SECTION 21. IC 6-3.5-6-18, AS AMENDED BY P.L.255-2003, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i); and
- (6) make distributions of distributive shares to the civil taxing units of a county.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net

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revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year. The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the total property taxes that ~~are first due and payable to~~ **were certified to be collected by** the civil taxing unit ~~during in~~ **the immediately preceding** calendar year, ~~in which the month falls, as provided in the approved abstract for the immediately preceding calendar year,~~ plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. The denominator of the fraction equals the sum of the total property taxes that ~~are first due and payable to~~ **were certified to be collected by** all civil taxing units of the county during the **immediately preceding** calendar year, ~~in which the month falls, as provided in the approved abstract for the immediately preceding calendar year,~~ plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

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(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 22. IC 6-3.5-7-12, AS AMENDED BY P.L.224-2003, SECTION 255, AND AS AMENDED BY P.L.255-2003, SECTION 6, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided in sections 23, 25, ~~and 26,~~ and 27 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that ~~are first due and payable to~~ **were certified to be collected** by the county, city, or town during the **immediately preceding** calendar year, ~~in which the month falls;~~ **as provided in the approved abstract for the immediately preceding calendar year;** plus

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- (B) For a county, an amount equal to
- ~~(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. *plus*~~
 - ~~(ii) after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.~~

The denominator of the fraction equals the sum of the total property taxes that ~~are first due and payable to~~ **were certified to be collected by** the county and all cities and towns of the county during the **immediately preceding** calendar year, ~~in which the month falls, as provided in the approved abstract for the immediately preceding calendar year,~~ plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. ~~and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.~~

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

- (1) The ordinance is effective January 1 of the following year.
- (2) Except as provided in sections 25 and 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:
 - (A) the amount of the certified distribution for the month; multiplied by
 - (B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population

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of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

- (1) The county.
- (2) A city or town in the county.
- (3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The department of local government finance shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of sections 15, 25, and 26 of this chapter.

SECTION 23. IC 21-3-1.7-7, AS AMENDED BY P.L.273-1999, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. If a computation under this chapter results in a fraction and a rounding rule is not specified, the fraction shall be rounded as follows:

- (1) If it is a tax rate calculation, to the nearest ~~one-hundredth~~ **ten-thousandth** of a cent (~~\$0.0001~~): **(\$0.00001)**.
- (2) If it is a tuition support calculation, to the nearest cent (\$0.01).
- (3) If it is a calculation not covered by subdivision (1) or (2), to the nearest ten-thousandth (.0001).

SECTION 24. IC 36-2-9-20, AS AMENDED BY P.L.245-2003, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. The county auditor shall:

- (1) maintain an electronic data file of the information contained

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on the tax duplicate for all:

- (A) parcels; and
- (B) personal property returns;

for each township in the county as of each assessment date;

(2) maintain the file in the form required by:

- (A) the legislative services agency; and
- (B) the department of local government finance; and

(3) transmit **to the legislative services agency and the department of local government finance** the data in the file with respect to the assessment date of each year **in the form required by the department of local government finance** before the later of:

- (A) March 1 of the next year; ~~to:~~
- ~~(A) the legislative services agency; and or~~
- (B) ~~the department of local government finance;~~ **thirty (30) days after the county mails its initial statement under IC 6-1.1-22-8.**

SECTION 25. [EFFECTIVE JULY 1, 2003 (RETROACTIVE)] (a)

For purposes of this SECTION:

- (1) "department" refers to the department of local government finance;
- (2) "district" refers to a solid waste management district that has territory in more than one (1) county; and
- (3) "2004 levy" refers to the least of:
 - (A) the district's maximum permissible levy under IC 6-1.1-18.5-3;
 - (B) the district's advertised levy; and
 - (C) the district's adopted levy;
 for 2003 taxes payable in 2004.

(b) Notwithstanding:

- (1) IC 13-21-7; or
- (2) any action taken by a county or a district to fix a property tax levy for 2003 taxes payable in 2004;

the department may, for each county that participates in a district, determine under this SECTION the part of the district's property tax levy under IC 13-21-3-12(13) for 2003 taxes payable in 2004 to be levied in the county.

(c) The amount of the part referred to in subsection (b) for a county that participates in a district is the amount that bears the same proportion to the 2004 levy that the certified assessed value of the county as of the 2002 assessment date bears to the total certified assessed value as of the 2002 assessment date of all

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counties that participate in the district.

(d) The department shall use the amount determined under subsection (c) in setting the tax rate of the county.

(e) This SECTION expires July 1, 2005.

SECTION 26. [EFFECTIVE UPON PASSAGE] (a) For purposes of this SECTION, "department" refers to the department of local government finance.

(b) Except as provided in subsection (e), the auditor of state shall not distribute to a county treasurer the part designated under subsection (c) of the money otherwise distributable in July, 2004, under IC 6-1.1-21-4, as amended by this act, and IC 6-1.1-21-10 if before July 1, 2004:

(1) the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor do not transmit to the department the data for all townships in the county required to be transmitted before October 1, 2003, under IC 6-1.1-4-25(b);

(2) the county assessor does not forward to the department the duplicate copies of all approved exemption applications required to be forwarded before August 2, 2003 under IC 6-1.1-11-8(a);

(3) the county auditor does not send to the department a certified statement required to be sent before August 2, 2003, under IC 6-1.1-17-1 (as in effect before the amendments under this act); or

(4) the county auditor does not transmit to the department data required to be transmitted before March 1, 2003, under IC 36-2-9-20 (as in effect before the amendments under this act).

(c) The amount of money the auditor of state shall not distribute under subsection (b) equals the product of:

(1) two percent (2%); multiplied by

(2) the combined amounts of the distributions for March, April, and July, 2004, referred to in IC 6-1.1-21-10(b).

(d) Except as provided in subsection (g), the auditor of state shall not distribute to a county treasurer two percent (2%) of the money otherwise distributable after July, 2004, under IC 6-1.1-21-4, as amended by this act, and IC 6-1.1-21-10 if before the date of distribution the local officials referred to in subsection (b) have not provided all of the data and information referred to in subsection (b). The withholding under this subsection applies separately to each distribution referred to in IC 6-1.1-21-10(b).

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(e) Amounts withheld from distribution to the county treasurer under this SECTION are in addition to any amounts withheld from distribution under IC 6-1.1-21-4(e) or IC 6-1.1-21-4(f), both as amended by this act, before deadlines in 2004 established in those sections for failure to provide data or information.

(f) The auditor of state shall consider the provision of information referred to in subsection (b) to be untimely if the department notifies the auditor of state in writing that information provided is inaccurate, incomplete, or, with respect to information referred to in subsection (b)(2), not in the form required by the department.

(g) The restrictions on distributions under subsection (b) do not apply if the department determines that the failure to provide information as referred to in subsection (b) is justified by unusual circumstances.

(h) When local officials provide the data and information referred to in subsection (b), money withheld under subsection (b) shall be distributed under IC 6-1.1-21-4(g) and IC 6-1.1-21-4(h), both as amended by this act.

(i) This SECTION expires January 1, 2006.

SECTION 27. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) This SECTION applies only to the review or appeal of an assessment of real property used as residential property on an assessment date.

(c) This subsection applies only if the time in which a taxpayer is authorized to:

- (1) request a review under IC 6-1.1-15-1 or IC 6-1.1-15-3; or
- (2) initiate the informal hearing process under IC 6-1.1-4-33 or IC 6-1.1-4-36 that is a prerequisite to an appeal under IC 6-1.1-4-34 or IC 6-1.1-4-37; or
- (3) initiate an appeal under IC 6-1.1-4-34 or IC 6-1.1-4-37 after initiating a timely informal hearing process;

has elapsed before the effective date of this SECTION, for an assessment date after February 28, 2002, and before March 1, 2004, and no review or appeal is pending on the effective date of this SECTION. The taxpayer may request a review or initiate an appeal under the appropriate provision of law before July 1, 2004, even if the taxpayer has previously initiated a review or an appeal for the same assessment date. The review or appeal is limited to consideration of competent evidence necessary to establish the fair market value of the property.

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(d) If a timely initiated review or appeal is pending on the effective date of this SECTION, a taxpayer may raise the issue of the fair market value of the property in the review or an appeal after the effective date of this SECTION without initiating a new review or appeal.

(e) An assessment change that results from a review or an appeal subject to this SECTION applies to:

(1) the assessment date for which the review or an appeal is initiated; and

(2) each subsequent assessment date for which:

(A) a new assessment is not determined under IC 6-1.1; and

(B) there is not a review or an appeal of the assessment under:

(i) IC 6-1.1-15, as amended by this act; or

(ii) this SECTION.

(f) This SECTION expires January 1, 2008.

SECTION 28. [EFFECTIVE JULY 1, 2004] IC 6-1.1-19-1.5 and IC 21-3-1.7-7, both as amended by this act, apply only to property taxes first due and payable after December 31, 2004."

Page 1, delete lines 11 through 17.

Delete pages 2 through 3.

Page 4, delete lines 1 through 9.

Page 4, between lines 22 and 23, begin a new paragraph and insert: "SECTION. 30. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 6-1.1-4-13.6; IC 6-1.1-4-13.8."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1347 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 15, nays 9.

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