
SENATE BILL No. 472

DIGEST OF INTRODUCED BILL

Citations Affected: Numerous provisions throughout the Indiana Code.

Synopsis: County property tax control board. Establishes a rate control and rate increase program for local units of governments, including school corporations, for all funds. Requires taxing units to use property tax rates for 2005 beginning in 2006. Combines the school transportation fund with the school general fund. Separates the rate controls into four categories: (1) social service funds; (2) bonds and leases paid from a debt service fund; (3) cumulative or capital funds; and (4) all other funds. Exempts the tax levy needed to pay for 1925, 1937, and 1953 pension plans from the controls. Allows increases in the 2005 property tax rate only with the approval of a newly established county property tax control board ("control board") for all four categories. Provides that the rate is adjusted downward each year using the change in the implicit price deflator for construction costs. Establishes a control board for each county consisting of elected officials representing each type of taxing unit. Establishes a referendum procedure allowing voters to contest the control board's decision. Requires control board approval of certain bonds and leases that will be paid from a taxing unit's debt service fund. Eliminates department of local government finance ("DLGF") review of all cumulative funds, and eliminates DLGF discretion with respect to increasing, decreasing, or modifying a taxing unit's budget. Requires the DLGF to review each taxing unit's budget, tax rate, and tax levy for accuracy. Makes numerous changes to correct references.

Effective: January 1, 2005.

Weatherwax

January 13, 2004, read first time and referred to Committee on Finance.

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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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SENATE BILL No. 472



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 3-11-6-1 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2005]: Sec. 1. The legislative body of a
3 county may establish a cumulative fund ~~under IC 6-1.1-41~~ to provide
4 funds for the purchase of voting machines, ballot card voting systems,
5 or electronic voting systems.

6 SECTION 2. IC 3-11-6-9 IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JANUARY 1, 2005]: Sec. 9. To provide for a cumulative
8 fund, a county may levy a tax ~~in compliance with IC 6-1.1-41~~ on all
9 taxable property within the county, **subject to IC 6-1.1-18.5**. The tax
10 may not exceed one and sixty-seven hundredths cents (\$0.0167) on
11 each one hundred dollars (\$100) of assessed valuation.

12 SECTION 3. IC 4-10-18-10, AS AMENDED BY P.L.170-2002,
13 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JANUARY 1, 2005]: Sec. 10. (a) The state board of finance may lend
15 money from the fund to entities listed in subsections (e) through (j) for
16 the purposes specified in those subsections.

17 (b) An entity must apply for the loan before May 1, 1989, in a form



1 approved by the state board of finance. As part of the application, the
2 entity shall submit a plan for its use of the loan proceeds and for the
3 repayment of the loan. Within sixty (60) days after receipt of each
4 application, the board shall meet to consider the application and to
5 review its accuracy and completeness and to determine the need for the
6 loan. The board shall authorize a loan to an entity that makes an
7 application if the board approves its accuracy and completeness and
8 determines that there is a need for the loan and an adequate method of
9 repayment.

10 (c) The state board of finance shall determine the terms of each
11 loan, which must include the following:

12 (1) The duration of the loan, which must not exceed twelve (12)
13 years.

14 (2) The repayment schedule of the loan, which must provide that
15 no payments are due during the first two (2) years of the loan.

16 (3) A variable rate of interest to be determined by the board and
17 adjusted annually. The interest rate must be the greater of:

18 (A) five percent (5%); or

19 (B) two-thirds (2/3) of the interest rate for fifty-two (52) week
20 United States Treasury bills on the anniversary date of the
21 loan, but not to exceed ten percent (10%).

22 (4) The amount of the loan or loans, which may not exceed the
23 maximum amounts established for the entity by this section.

24 (5) Any other conditions specified by the board.

25 (d) An entity may borrow money under this section by adoption of
26 an ordinance or a resolution and, as set forth in IC 5-1-14, may use any
27 source of revenue to repay a loan under this section. This section
28 constitutes complete authority for the entity to borrow from the fund.
29 If an entity described in subsection (i) fails to make any repayments of
30 a loan, the amount payable shall be withheld by the auditor of state
31 from any other money payable to the consolidated city. If any other
32 entity described in this section fails to make any repayments of a loan,
33 the amount payable shall be withheld by the auditor of state from any
34 other money payable to the entity. The amount withheld shall be
35 transferred to the fund to the credit of the entity.

36 (e) A loan under this section may be made to a city located in a
37 county having a population of more than twenty-four thousand (24,000)
38 but less than twenty-five thousand (25,000) for the city's waterworks
39 facility. The amount of the loan may not exceed one million six
40 hundred thousand dollars (\$1,600,000).

41 (f) A loan under this section may be made to a city the territory of
42 which is included in part within the Lake Michigan corridor (as defined

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1 in IC 14-13-3-2) for a marina development project. As a part of its
2 application under subsection (b), the city must include the following:

3 (1) Written approval by the Lake Michigan marina development
4 commission of the project to be funded by the loan proceeds.

5 (2) A written determination by the commission of the amount
6 needed by the city, for the project and of the amount of the
7 maximum loan amount under this subsection that should be lent
8 to the city.

9 The maximum amount of loans available for all cities that are eligible
10 for a loan under this subsection is eight million six hundred thousand
11 dollars (\$8,600,000).

12 (g) A loan under this section may be made to a county having a
13 population of more than one hundred seventy thousand (170,000) but
14 less than one hundred eighty thousand (180,000) for use by the airport
15 authority in the county for the construction of runways. The amount of
16 the loan may not exceed seven million dollars (\$7,000,000). The
17 county may lend the proceeds of its loan to an airport authority for the
18 public purpose of fostering economic growth in the county.

19 (h) A loan under this section may be made to a city having a
20 population of more than fifty-nine thousand (59,000) but less than
21 fifty-nine thousand seven hundred (59,700) for the construction of
22 parking facilities. The amount of the loan may not exceed three million
23 dollars (\$3,000,000).

24 (i) A loan or loans under this section may be made to a consolidated
25 city, a local public improvement bond bank, or any board, authority, or
26 commission of the consolidated city, to fund economic development
27 projects under IC 36-7-15.2-5 or to refund obligations issued to fund
28 economic development projects. The amount of the loan may not
29 exceed thirty million dollars (\$30,000,000).

30 (j) A loan under this section may be made to a county having a
31 population of more than thirteen thousand five hundred (13,500) but
32 less than fourteen thousand (14,000) for extension of airport runways.
33 The amount of the loan may not exceed three hundred thousand dollars
34 (\$300,000).

35 ~~(k) IC 6-1.1-20 does not apply to a loan made by an entity under this~~
36 ~~section.~~

37 ~~(†)(k)~~ As used in this section, "entity" means a governmental entity
38 authorized to obtain a loan under subsections (e) through (j).

39 SECTION 4. IC 4-33-12-6, AS AMENDED BY P.L.92-2003,
40 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JANUARY 1, 2005]: Sec. 6. (a) The department shall place in the state
42 general fund the tax revenue collected under this chapter.

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1 (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,
2 the treasurer of state shall quarterly pay the following amounts:

3 (1) Except as provided in subsection (k), one dollar (\$1) of the
4 admissions tax collected by the licensed owner for each person
5 embarking on a gambling excursion during the quarter or
6 admitted to a riverboat that has implemented flexible scheduling
7 under IC 4-33-6-21 during the quarter shall be paid to:

8 (A) the city in which the riverboat is docked, if the city:

9 (i) is located in a county having a population of more than
10 one hundred ten thousand (110,000) but less than one
11 hundred fifteen thousand (115,000); or

12 (ii) is contiguous to the Ohio River and is the largest city in
13 the county; and

14 (B) the county in which the riverboat is docked, if the
15 riverboat is not docked in a city described in clause (A).

16 (2) Except as provided in subsection (k), one dollar (\$1) of the
17 admissions tax collected by the licensed owner for each person:

18 (A) embarking on a gambling excursion during the quarter; or

19 (B) admitted to a riverboat during the quarter that has
20 implemented flexible scheduling under IC 4-33-6-21;

21 shall be paid to the county in which the riverboat is docked. In the
22 case of a county described in subdivision (1)(B), this one dollar
23 (\$1) is in addition to the one dollar (\$1) received under
24 subdivision (1)(B).

25 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
26 admissions tax collected by the licensed owner for each person:

27 (A) embarking on a gambling excursion during the quarter; or

28 (B) admitted to a riverboat during the quarter that has
29 implemented flexible scheduling under IC 4-33-6-21;

30 shall be paid to the county convention and visitors bureau or
31 promotion fund for the county in which the riverboat is docked.

32 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
33 the admissions tax collected by the licensed owner for each
34 person:

35 (A) embarking on a gambling excursion during the quarter; or

36 (B) admitted to a riverboat during a quarter that has
37 implemented flexible scheduling under IC 4-33-6-21;

38 shall be paid to the state fair commission, for use in any activity
39 that the commission is authorized to carry out under IC 15-1.5-3.

40 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
41 admissions tax collected by the licensed owner for each person:

42 (A) embarking on a gambling excursion during the quarter; or

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1 (B) admitted to a riverboat during the quarter that has
 2 implemented flexible scheduling under IC 4-33-6-21;
 3 shall be paid to the division of mental health and addiction. The
 4 division shall allocate at least twenty-five percent (25%) of the
 5 funds derived from the admissions tax to the prevention and
 6 treatment of compulsive gambling.

7 (6) Except as provided in subsection (k), sixty-five cents (\$0.65)
 8 of the admissions tax collected by the licensed owner for each
 9 person embarking on a gambling excursion during the quarter or
 10 admitted to a riverboat during the quarter that has implemented
 11 flexible scheduling under IC 4-33-6-21 shall be paid to the
 12 Indiana horse racing commission to be distributed as follows, in
 13 amounts determined by the Indiana horse racing commission, for
 14 the promotion and operation of horse racing in Indiana:

15 (A) To one (1) or more breed development funds established
 16 by the Indiana horse racing commission under IC 4-31-11-10.

17 (B) To a racetrack that was approved by the Indiana horse
 18 racing commission under IC 4-31. The commission may make
 19 a grant under this clause only for purses, promotions, and
 20 routine operations of the racetrack. No grants shall be made
 21 for long term capital investment or construction and no grants
 22 shall be made before the racetrack becomes operational and is
 23 offering a racing schedule.

24 (c) With respect to tax revenue collected from a riverboat located in
 25 a historic hotel district, the treasurer of state shall quarterly pay the
 26 following amounts:

27 (1) Twenty-five percent (25%) of the admissions tax collected
 28 during the quarter shall be paid to the county treasurer of the
 29 county in which the riverboat is docked. The county treasurer
 30 shall distribute the money received under this subdivision as
 31 follows:

32 (A) Twenty percent (20%) shall be quarterly distributed to the
 33 county treasurer of a county having a population of more than
 34 thirty-nine thousand six hundred (39,600) but less than forty
 35 thousand (40,000) for appropriation by the county fiscal body
 36 after receiving a recommendation from the county executive.
 37 The county fiscal body for the receiving county shall provide
 38 for the distribution of the money received under this clause to
 39 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 40 the county under a formula established by the county fiscal
 41 body after receiving a recommendation from the county
 42 executive.

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(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

- (A) is located in the county in which the riverboat docks; and
- (B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the department of commerce to

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1 be used by the department for the development and
 2 implementation of a regional economic development strategy to
 3 assist the residents of the county in which the riverboat is located
 4 and residents of contiguous counties in improving their quality of
 5 life and to help promote successful and sustainable communities.
 6 The regional economic development strategy must include goals
 7 concerning the following issues:

8 (A) Job creation and retention.

9 (B) Infrastructure, including water, wastewater, and storm
 10 water infrastructure needs.

11 (C) Housing.

12 (D) Workforce training.

13 (E) Health care.

14 (F) Local planning.

15 (G) Land use.

16 (H) Assistance to regional economic development groups.

17 (I) Other regional development issues as determined by the
 18 department.

19 (d) With respect to tax revenue collected from a riverboat that
 20 operates from a county having a population of more than four hundred
 21 thousand (400,000) but less than seven hundred thousand (700,000),
 22 the treasurer of state shall quarterly pay the following amounts:

23 (1) Except as provided in subsection (k), one dollar (\$1) of the
 24 admissions tax collected by the licensed owner for each person:

25 (A) embarking on a gambling excursion during the quarter; or

26 (B) admitted to a riverboat during the quarter that has
 27 implemented flexible scheduling under IC 4-33-6-21;

28 shall be paid to the city in which the riverboat is docked.

29 (2) Except as provided in subsection (k), one dollar (\$1) of the
 30 admissions tax collected by the licensed owner for each person:

31 (A) embarking on a gambling excursion during the quarter; or

32 (B) admitted to a riverboat during the quarter that has
 33 implemented flexible scheduling under IC 4-33-6-21;

34 shall be paid to the county in which the riverboat is docked.

35 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
 36 admissions tax collected by the licensed owner for each person:

37 (A) embarking on a gambling excursion during the quarter; or

38 (B) admitted to a riverboat during the quarter that has
 39 implemented flexible scheduling under IC 4-33-6-21;

40 shall be paid to the county convention and visitors bureau or
 41 promotion fund for the county in which the riverboat is docked.

42 (4) Except as provided in subsection (k), one cent (\$0.01) of the

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1 admissions tax collected by the licensed owner for each person:
 2 (A) embarking on a gambling excursion during the quarter; or
 3 (B) admitted to a riverboat during the quarter that has
 4 implemented flexible scheduling under IC 4-33-6-21;
 5 shall be paid to the northwest Indiana law enforcement training
 6 center.
 7 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
 8 the admissions tax collected by the licensed owner for each
 9 person:
 10 (A) embarking on a gambling excursion during the quarter; or
 11 (B) admitted to a riverboat during a quarter that has
 12 implemented flexible scheduling under IC 4-33-6-21;
 13 shall be paid to the state fair commission for use in any activity
 14 that the commission is authorized to carry out under IC 15-1.5-3.
 15 (6) Except as provided in subsection (k), ten cents (\$0.10) of the
 16 admissions tax collected by the licensed owner for each person:
 17 (A) embarking on a gambling excursion during the quarter; or
 18 (B) admitted to a riverboat during the quarter that has
 19 implemented flexible scheduling under IC 4-33-6-21;
 20 shall be paid to the division of mental health and addiction. The
 21 division shall allocate at least twenty-five percent (25%) of the
 22 funds derived from the admissions tax to the prevention and
 23 treatment of compulsive gambling.
 24 (7) Except as provided in subsection (k), sixty-five cents (\$0.65)
 25 of the admissions tax collected by the licensed owner for each
 26 person embarking on a gambling excursion during the quarter or
 27 admitted to a riverboat during the quarter that has implemented
 28 flexible scheduling under IC 4-33-6-21 shall be paid to the
 29 Indiana horse racing commission to be distributed as follows, in
 30 amounts determined by the Indiana horse racing commission, for
 31 the promotion and operation of horse racing in Indiana:
 32 (A) To one (1) or more breed development funds established
 33 by the Indiana horse racing commission under IC 4-31-11-10.
 34 (B) To a racetrack that was approved by the Indiana horse
 35 racing commission under IC 4-31. The commission may make
 36 a grant under this clause only for purses, promotions, and
 37 routine operations of the racetrack. No grants shall be made
 38 for long term capital investment or construction, and no grants
 39 shall be made before the racetrack becomes operational and is
 40 offering a racing schedule.
 41 (e) Money paid to a unit of local government under subsection
 42 (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

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- 1 (1) must be paid to the fiscal officer of the unit and may be
- 2 deposited in the unit's general fund or riverboat fund established
- 3 under IC 36-1-8-9, or both;
- 4 (2) may ~~not be used to reduce the unit's maximum levy under~~
- 5 ~~IC 6-1-1-18.5~~ but may be used at the discretion of the unit to
- 6 reduce the property tax levy of the unit for a particular year;
- 7 (3) may be used for any legal or corporate purpose of the unit,
- 8 including the pledge of money to bonds, leases, or other
- 9 obligations under IC 5-1-14-4; and
- 10 (4) is considered miscellaneous revenue.
- 11 (f) Money paid by the treasurer of state under subsection (b)(3) or
- 12 (d)(3) shall be:
- 13 (1) deposited in:
- 14 (A) the county convention and visitor promotion fund; or
- 15 (B) the county's general fund if the county does not have a
- 16 convention and visitor promotion fund; and
- 17 (2) used only for the tourism promotion, advertising, and
- 18 economic development activities of the county and community.
- 19 (g) Money received by the division of mental health and addiction
- 20 under subsections (b)(5) and (d)(6):
- 21 (1) is annually appropriated to the division of mental health and
- 22 addiction;
- 23 (2) shall be distributed to the division of mental health and
- 24 addiction at times during each state fiscal year determined by the
- 25 budget agency; and
- 26 (3) shall be used by the division of mental health and addiction
- 27 for programs and facilities for the prevention and treatment of
- 28 addictions to drugs, alcohol, and compulsive gambling, including
- 29 the creation and maintenance of a toll free telephone line to
- 30 provide the public with information about these addictions. The
- 31 division shall allocate at least twenty-five percent (25%) of the
- 32 money received to the prevention and treatment of compulsive
- 33 gambling.
- 34 (h) This subsection applies to the following:
- 35 (1) Each entity receiving money under subsection (b).
- 36 (2) Each entity receiving money under subsection (d)(1) through
- 37 (d)(2).
- 38 (3) Each entity receiving money under subsection (d)(5) through
- 39 (d)(7).
- 40 The treasurer of state shall determine the total amount of money paid
- 41 by the treasurer of state to an entity subject to this subsection during
- 42 the state fiscal year 2002. The amount determined under this subsection

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1 is the base year revenue for each entity subject to this subsection. The
2 treasurer of state shall certify the base year revenue determined under
3 this subsection to each entity subject to this subsection.

4 (i) This subsection applies to an entity receiving money under
5 subsection (d)(3) or (d)(4). The treasurer of state shall determine the
6 total amount of money paid by the treasurer of state to the entity
7 described in subsection (d)(3) during state fiscal year 2002. The
8 amount determined under this subsection multiplied by nine-tenths
9 (0.9) is the base year revenue for the entity described in subsection
10 (d)(3). The amount determined under this subsection multiplied by
11 one-tenth (0.1) is the base year revenue for the entity described in
12 subsection (d)(4). The treasurer of state shall certify the base year
13 revenue determined under this subsection to each entity subject to this
14 subsection.

15 (j) This subsection does not apply to an entity receiving money
16 under subsection (c). For state fiscal years beginning after June 30,
17 2002, the total amount of money distributed to an entity under this
18 section during a state fiscal year may not exceed the entity's base year
19 revenue as determined under subsection (h) or (i). If the treasurer of
20 state determines that the total amount of money distributed to an entity
21 under this section during a state fiscal year is less than the entity's base
22 year revenue, the treasurer of state shall make a supplemental
23 distribution to the entity under IC 4-33-13-5(g).

24 (k) This subsection does not apply to an entity receiving money
25 under subsection (c). For state fiscal years beginning after June 30,
26 2002, the treasurer of state shall pay that part of the riverboat
27 admissions taxes that:

- 28 (1) exceed a particular entity's base year revenue; and
 - 29 (2) would otherwise be due to the entity under this section;
- 30 to the property tax replacement fund instead of to the entity.

31 SECTION 5. IC 4-33-13-5, AS AMENDED BY P.L.224-2003,
32 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JANUARY 1, 2005]: Sec. 5. (a) This subsection does not apply to tax
34 revenue remitted by an operating agent operating a riverboat in a
35 historic hotel district. After funds are appropriated under section 4 of
36 this chapter, each month the treasurer of state shall distribute the tax
37 revenue deposited in the state gaming fund under this chapter to the
38 following:

- 39 (1) The first thirty-three million dollars (\$33,000,000) of tax
40 revenues collected under this chapter shall be set aside for
41 revenue sharing under subsection (e).
- 42 (2) Subject to subsection (c), twenty-five percent (25%) of the

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1 remaining tax revenue remitted by each licensed owner shall be
 2 paid:
 3 (A) to the city that is designated as the home dock of the
 4 riverboat from which the tax revenue was collected, in the case
 5 of:
 6 (i) a city described in IC 4-33-12-6(b)(1)(A); or
 7 (ii) a city located in a county having a population of more
 8 than four hundred thousand (400,000) but less than seven
 9 hundred thousand (700,000); or
 10 (B) to the county that is designated as the home dock of the
 11 riverboat from which the tax revenue was collected, in the case
 12 of a riverboat whose home dock is not in a city described in
 13 clause (A).
 14 (3) Subject to subsection (d), the remainder of the tax revenue
 15 remitted by each licensed owner shall be paid to the property tax
 16 replacement fund. In each state fiscal year beginning after June
 17 30, 2003, the treasurer of state shall make the transfer required by
 18 this subdivision not later than the last business day of the month
 19 in which the tax revenue is remitted to the state for deposit in the
 20 state gaming fund. However, if tax revenue is received by the
 21 state on the last business day in a month, the treasurer of state
 22 may transfer the tax revenue to the property tax replacement fund
 23 in the immediately following month.
 24 (b) This subsection applies only to tax revenue remitted by an
 25 operating agent operating a riverboat in a historic hotel district. After
 26 funds are appropriated under section 4 of this chapter, each month the
 27 treasurer of state shall distribute the tax revenue deposited in the state
 28 gaming fund under this chapter as follows:
 29 (1) Thirty-seven and one half percent (37.5%) shall be paid to the
 30 property tax replacement fund established under IC 6-1.1-21.
 31 (2) Thirty-seven and one-half percent (37.5%) shall be paid to the
 32 West Baden Springs historic hotel preservation and maintenance
 33 fund established by IC 36-7-11.5-11(b). However, at any time the
 34 balance in that fund exceeds twenty million dollars
 35 (\$20,000,000), the amount described in this subdivision shall be
 36 paid to the property tax replacement fund established under
 37 IC 6-1.1-21.
 38 (3) Five percent (5%) shall be paid to the historic hotel
 39 preservation commission established under IC 36-7-11.5.
 40 (4) Ten percent (10%) shall be paid in equal amounts to each
 41 town that:
 42 (A) is located in the county in which the riverboat docks; and

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(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

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1 (ii) A town having a population of more than three thousand
 2 five hundred (3,500) located in a county having a population
 3 of more than nineteen thousand three hundred (19,300) but
 4 less than twenty thousand (20,000).

5 (c) For each city and county receiving money under subsection
 6 (a)(2)(A) or (a)(2)(C), the treasurer of state shall determine the total
 7 amount of money paid by the treasurer of state to the city or county
 8 during the state fiscal year 2002. The amount determined is the base
 9 year revenue for the city or county. The treasurer of state shall certify
 10 the base year revenue determined under this subsection to the city or
 11 county. The total amount of money distributed to a city or county under
 12 this section during a state fiscal year may not exceed the entity's base
 13 year revenue. For each state fiscal year beginning after June 30, 2002,
 14 the treasurer of state shall pay that part of the riverboat wagering taxes
 15 that:

- 16 (1) exceeds a particular city or county's base year revenue; and
 17 (2) would otherwise be due to the city or county under this
 18 section;

19 to the property tax replacement fund instead of to the city or county.

20 (d) Each state fiscal year the treasurer of state shall transfer from the
 21 tax revenue remitted to the property tax replacement fund under
 22 subsection (a)(3) to the build Indiana fund an amount that when added
 23 to the following may not exceed two hundred fifty million dollars
 24 (\$250,000,000):

- 25 (1) Surplus lottery revenues under IC 4-30-17-3.
 26 (2) Surplus revenue from the charity gaming enforcement fund
 27 under IC 4-32-10-6.
 28 (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

29 The treasurer of state shall make transfers on a monthly basis as needed
 30 to meet the obligations of the build Indiana fund. If in any state fiscal
 31 year insufficient money is transferred to the property tax replacement
 32 fund under subsection (a)(3) to comply with this subsection, the
 33 treasurer of state shall reduce the amount transferred to the build
 34 Indiana fund to the amount available in the property tax replacement
 35 fund from the transfers under subsection (a)(3) for the state fiscal year.

36 (e) Before August 15 of 2003 and each year thereafter, the treasurer
 37 of state shall distribute the wagering taxes set aside for revenue sharing
 38 under subsection (a)(1) to the county treasurer of each county that does
 39 not have a riverboat according to the ratio that the county's population
 40 bears to the total population of the counties that do not have a
 41 riverboat. Except as provided in subsection (h), the county auditor shall
 42 distribute the money received by the county under this subsection as

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follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year. ~~(a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5);~~

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year. ~~or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.~~

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of 2003 and each year thereafter, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to the difference between the entity's base year revenue (as determined under IC 4-33-12-6) and the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6.

(h) This section applies only to a county containing a consolidated

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1 city. The county auditor shall distribute the money received by the
2 county under subsection (d) as follows:

3 (1) To each city, other than a consolidated city, located in the
4 county according to the ratio that the city's population bears to the
5 total population of the county.

6 (2) To each town located in the county according to the ratio that
7 the town's population bears to the total population of the county.

8 (3) After the distributions required in subdivisions (1) and (2) are
9 made, the remainder shall be paid in equal amounts to the
10 consolidated city and the county.

11 SECTION 6. IC 4-33-13-6 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) Money paid
13 to a unit of local government under this chapter:

14 (1) must be paid to the fiscal officer of the unit and may be
15 deposited in the unit's general fund or riverboat fund established
16 under IC 36-1-8-9, or both;

17 (2) may not be used to reduce the unit's ~~maximum~~ or actual levy;
18 ~~under IC 6-1.1-18.5~~; and

19 (3) may be used for any legal or corporate purpose of the unit,
20 including the pledge of money to bonds, leases, or other
21 obligations under IC 5-1-14-4.

22 (b) This chapter does not prohibit the city or county designated as
23 the home dock of the riverboat from entering into agreements with
24 other units of local government in Indiana or in other states to share the
25 city's or county's part of the tax revenue received under this chapter.

26 SECTION 7. IC 5-1-14-1, AS AMENDED BY P.L.90-2002,
27 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JANUARY 1, 2005]: Sec. 1. (a) Any bonds, notes, or warrants, whether
29 payable from property taxes, revenues, or any other source, are not
30 subject to the maximum interest rate limitations contained in any law
31 enacted before December 31, 1982, if they are issued by or in the name
32 of any entity named in IC 5-1-1-1.

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

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

41 SECTION 8. IC 5-1-16-42, AS AMENDED BY P.L.90-2002,
42 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2005]: Sec. 42. (a) When the authority, the board of
 2 trustees or board of managers of the hospital, the board of
 3 commissioners of the county, and a majority of the county council have
 4 agreed upon the terms and conditions of any lease proposed to be
 5 entered into under section 38 or 39 of this chapter, and before the final
 6 execution of the lease, the county auditor shall give notice by
 7 publication of a public hearing to be held in the county by the board of
 8 commissioners. The hearing shall take place on a day not earlier than
 9 ten (10) days after the publication of the notice. The notice of the
 10 hearing shall be published one (1) time in a newspaper of general
 11 circulation printed in the English language and published in the county.
 12 The notice shall do the following:

- 13 (1) Name the day, place, and hour of the hearing.
- 14 (2) Set forth a brief summary of the principal terms of the lease
 15 agreed upon, including the character and location of the property
 16 to be leased, the lease rental to be paid, and the number of years
 17 the contract is to be in effect.
- 18 (3) State a location where the proposed lease, drawings, plans,
 19 specifications, and estimates may be examined.

20 The proposed lease and the drawings, plans, specifications, and
 21 estimates of construction cost for the building shall be open to
 22 inspection by the public during the ten (10) day period and at the
 23 hearing. All interested persons shall have a right to be heard at the
 24 hearing on the necessity for the execution of the lease and whether the
 25 lease rental under the lease is fair and reasonable. The hearing may be
 26 adjourned to a later date with the place of the hearing fixed prior to
 27 adjournment. Following the hearing, the board of commissioners may
 28 either authorize the execution of the lease as originally agreed upon or
 29 may make modifications that are agreed upon by the authority, the
 30 board of trustees or board of managers of the hospital, and the county
 31 council. The authorization shall be by an order that is entered in the
 32 official records of the board of commissioners. The lease contract shall
 33 be executed on behalf of the county by the board of commissioners.

34 (b) If the execution of the lease as originally agreed upon or as
 35 modified by agreement is authorized, notice of the signing of the lease
 36 shall be given on behalf of the county by publication one (1) time in a
 37 newspaper of general circulation printed in the English language and
 38 published in the county. Except as provided in subsection (d), ten (10)
 39 or more taxpayers in the county whose tax rate will be affected by the
 40 proposed lease and who may be of the opinion that no necessity exists
 41 for the execution of the lease or that the lease rental under the lease is
 42 not fair and reasonable may file a petition in the office of the county

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1 auditor within thirty (30) days after publication of notice of the
 2 execution of the lease that sets forth the taxpayers' objections and facts
 3 supporting those objections. Upon the filing of a petition, the county
 4 auditor shall immediately certify a copy of the petition together with
 5 such other data as may be necessary in order to present the questions
 6 involved to the department of local government finance. Upon receipt
 7 of the certified petition and information, the department of local
 8 government finance shall fix a time and place in the affected county for
 9 the hearing of the matter that is not less than five (5) or more than
 10 fifteen (15) days after receipt. Notice of the hearing shall be given by
 11 the department of local government finance to the board of county
 12 commissioners and to the first ten (10) taxpayer petitioners upon the
 13 petition by certified mail sent to the addresses listed on the petition at
 14 least five (5) days before the date of the hearing.

15 (c) (b) No action to contest the validity of the lease or to enjoin the
 16 performance of any of the terms and conditions of the lease shall be
 17 instituted at any time later than thirty (30) days after publication of
 18 notice of the execution of the lease, or if an appeal has been taken to
 19 the department of local government finance; **a remonstrance petition**
 20 **is filed under IC 6-1.1-17.5-11**, then within thirty (30) days after the
 21 **decision of the department: deadline for filing a counterpetition**
 22 **under IC 6-1.1-17.5-12.**

23 (d) The authority for taxpayers to object to a proposed lease under
 24 subsection (b) does not apply if the authority complies with the
 25 procedures for the issuance of bonds and other evidences of
 26 indebtedness described in IC 6-1.1-20-3.1 and IC 6-1.1-20-3.2.

27 SECTION 9. IC 5-3-1-2, AS AMENDED BY P.L.90-2002,
 28 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2005]: Sec. 2. (a) This section applies only when notice
 30 of an event is required to be given by publication in accordance with
 31 IC 5-3-1.

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

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

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

- 40 (1) the first publication made at least fifteen (15) days before the
- 41 date of the sale; and
- 42 (2) the second publication made at least three (3) days before the

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1 date of the sale.

2 (e) If the event is the receiving of bids, notice shall be published two

3 (2) times, at least one (1) week apart, with the second publication made

4 at least seven (7) days before the date the bids will be received.

5 (f) If the event is the establishment of a cumulative or sinking fund,

6 notice of the proposal and of the public hearing that is required to be

7 held by the political subdivision shall be published two (2) times, at

8 least one (1) week apart, with the second publication made at least

9 three (3) days before the date of the hearing.

10 ~~(g) If the event is the submission of a proposal adopted by a political~~

11 ~~subdivision for a cumulative or sinking fund for the approval of the~~

12 ~~department of local government finance, the notice of the submission~~

13 ~~shall be published one (1) time. The political subdivision shall publish~~

14 ~~the notice when directed to do so by the department of local~~

15 ~~government finance.~~

16 ~~(h)~~ (g) If the event is the required publication of an ordinance,

17 notice of the passage of the ordinance shall be published one (1) time

18 within thirty (30) days after the passage of the ordinance.

19 ~~(i)~~ (h) If the event is one about which notice is required to be

20 published after the event, notice shall be published one (1) time within

21 thirty (30) days after the date of the event.

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

23 times, at least one (1) week apart, with the second publication made at

24 least three (3) days before the event.

25 ~~(k)~~ (j) In case any officer charged with the duty of publishing any

26 notice required by law is unable to procure advertisement at the price

27 fixed by law, or the newspaper refuses to publish the advertisement, it

28 is sufficient for the officer to post printed notices in three (3) prominent

29 places in the political subdivision, instead of advertisement in

30 newspapers.

31 ~~(l)~~ (k) If a notice of budget estimates for a political subdivision is

32 published as required in IC 6-1.1-17-3, and the published notice

33 contains an error due to the fault of a newspaper, the notice as

34 presented for publication is a valid notice under this chapter.

35 ~~(m)~~ (l) Notwithstanding subsection ~~(j)~~, (i), if a notice of budget

36 estimates for a political subdivision is published as required in

37 IC 6-1.1-17-3, and if the notice is not published at least ten (10) days

38 before the date fixed for the public hearing on the budget estimate due

39 to the fault of a newspaper, the notice is a valid notice under this

40 chapter if it is published one (1) time at least three (3) days before the

41 hearing.

42 SECTION 10. IC 5-10.3-11-4, AS AMENDED BY P.L.38-2001,

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1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2005]: Sec. 4. (a) Monies from the pension relief fund
3 shall be paid annually by the state board under the procedures specified
4 in this section.

5 (b) Before April 1 of each year, each unit of local government must
6 certify to the state board:

7 (1) the amount of payments made during the preceding year for
8 benefits under its pension funds covered by this chapter, referred
9 to in this section as "pension payments";

10 (2) the data determined necessary by the state board to perform an
11 actuarial valuation of the unit's pension funds covered by this
12 chapter; and

13 (3) the names required to prepare the list specified in subsection
14 (c).

15 A unit is ineligible to receive a distribution under this section if it does
16 not supply before April 1 of each year (i) the complete information
17 required by this subsection; or (ii) a substantial amount of the
18 information required if it is accompanied by an affidavit of the chief
19 executive officer of the unit detailing the steps which have been taken
20 to obtain the information and the reasons the complete information has
21 not been obtained. This subsection supersedes the reporting
22 requirement of IC 5-10-1.5 as it applies to pension funds covered by
23 this chapter.

24 (c) Before July 1 of each year, the state board shall prepare a list of
25 all police officers and firefighters, active, retired, and deceased if their
26 beneficiaries are eligible for benefits, who are members of a police or
27 fire pension fund that was established before May 1, 1977. The list may
28 not include police officers, firefighters, or their beneficiaries for whom
29 no future benefits will be paid. The state board shall then compute the
30 present value of the accrued liability to provide the pension and other
31 benefits to each person on the list.

32 (d) Before July 1 of each year, the state board shall determine the
33 total pension payments made by all units of local government for the
34 preceding year and shall estimate the total pension payments to be
35 made to all units in the calendar year in which the July 1 occurs and in
36 the following calendar year.

37 (e) Each calendar year, the state board shall, with respect to the
38 following calendar year, determine for each unit of local government
39 an amount (D_y). The state board shall, in two (2) equal installments
40 before July 1 and before October 2, distribute to each eligible unit of
41 local government the amount (D_y) determined for the unit with respect
42 to the following calendar year. The amount (D_y) shall be determined by

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1 the following STEPS:

2 STEP ONE. Subtract the total distribution made to units (D_{y-1}) in the
3 preceding calendar year from the total pension payments made by units
4 (P_{y-1}) in the preceding calendar year.

5 STEP TWO. Multiply the STEP ONE difference by $(1+k)$ as (k) is
6 determined in STEP THREE.

7 STEP THREE. Determine the annual percentage increase (k) in the
8 STEP ONE difference which will allow the present value of all future
9 estimated distributions, as computed under STEP FOUR, from the
10 pension relief fund to equal the "k portion" of the pension relief fund
11 balance plus the present value of all future receipts to the "k portion"
12 of the fund, but which will not allow the "k portion" of the pension
13 relief fund balance to be negative. These present values shall be
14 determined based on the current long term actuarial assumptions. The
15 "k portion" of the pension relief fund balance is the total pension relief
16 fund balance less the "m portion" of the fund. The percentage increase
17 (k) shall be computed to the nearest one thousandth of one percent
18 $(.001\%)$. All years, after the year 2000, in which the receipts to the
19 fund plus the net pension payments by all the units equal or exceed the
20 total pension payments shall be ignored for the purposes of these
21 calculations.

22 STEP FOUR. Subtract the STEP TWO product from the estimated
23 total pension payments to be made by all units (P_y) in the calendar year
24 for which the distribution is to be made.

25 STEP FIVE. Multiply the STEP FOUR difference by one-half $(1/2)$
26 of the sum of two quotients, (1) the quotient of the unit's number of
27 police officers and firefighters on December 31 of the year before the
28 year of the distribution who are members of a pension fund established
29 before May 1, 1977, who are retired, and who are deceased if their
30 beneficiaries are eligible for benefits (unit) divided by the total number
31 of these police officers and firefighters (total units) on December 31 of
32 the year before the year of the distribution in all units plus (2) the
33 quotient of the unit's pension payments (payments) divided by the total
34 pension payments (total payments) by all units.

35 Expressed mathematically:

$$36 D_y = (P_y - ((P_{y-1} - D_{y-1}) \times (1 + k))) \times 1/2$$

$$37 (\text{unit}/(\text{total unit}) + \text{payment}/(\text{total payment})).$$

38 (f) If in any year the distribution made to a unit of local government
39 is larger than the unit's pension payments to its retirees and their
40 beneficiaries for that year, the excess may not be distributed to the unit
41 but must be transferred to the 1977 police officers' and firefighters'
42 pension and disability fund and the unit's contributions to that fund

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1 shall be reduced for that year by the amount of the transfer.

2 (g) If in any year after 2000, the STEP FOUR difference under
3 subsection (e) is smaller than the revenue to the pension relief fund in
4 that year, then the revenue plus interest plus the fund balance in that
5 year shall be used in STEP FIVE of subsection (e) instead of the STEP
6 FOUR difference.

7 (h) The state board shall have its actuary report annually on the
8 appropriateness of the actuarial assumptions used in determining the
9 distribution amount under subsection (e). At least every five (5) years,
10 the state board shall have its actuary recompute the value of (k) under
11 STEP TWO of subsection (e).

12 (i) Each calendar year the state board shall determine the amounts
13 to be allocated to the "m portion" of the pension relief fund under the
14 following STEPS, which shall be completed before July 1 of each year:

15 STEP ONE. The state board shall determine the following:

16 (1) "Excess earnings", which are the state board's projection of
17 earnings for the calendar year from investments of the "k portion" of
18 the fund that exceed the amount of earnings that would have been
19 earned if the rate of earnings was the rate assumed by the actuary of the
20 state board in ~~his~~ **the actuary's** calculation of (k) under STEP THREE
21 of subsection (e).

22 (2) "Prior deficit amount", which is:

23 (A) the amount of earnings that would have been earned under
24 the rate assumed by the actuary of the state board in ~~his~~ **the**
25 **actuary's** calculation of (k) under STEP THREE of subsection
26 (e); minus

27 (B) the amount of earnings received;

28 for a calendar year after 1981 in which (B) is less than (A).

29 STEP TWO. The state board shall distribute to the "m portion" the
30 excess earnings less any prior deficit amounts.

31 (j) The "m portion" of the fund shall be any direct allocations plus:

32 (1) amounts allocated under subsection (i); and

33 (2) any earnings on the "m portion" less amounts previously
34 distributed under subsection (i).

35 (k) The state board shall determine, based on actual experience and
36 reasonable projections, the units eligible for distribution from the "m
37 portion" of the pension relief fund according to the following STEPS:

38 STEP ONE. Determine the amount of pension payments to be paid
39 by the unit in the calendar year, net of the amount of the distribution to
40 be received by the unit under subsection (e) in that year, plus
41 contributions to be made under IC 36-8-8 in that year.

42 STEP TWO. Divide the amount determined under STEP ONE by

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1 the amount of the ~~maximum permissible~~ ad valorem property tax levy
2 for the unit as determined under ~~IC 6-1.1-18.5~~ for the calendar year.

3 STEP THREE. If the quotient determined under STEP TWO is
4 equal to or greater than one-tenth (0.1), the unit shall receive a
5 distribution under subsection (l).

6 (l) For a calendar year, the state board shall, before July 1 of the
7 year, distribute from the "m portion" of the pension relief fund to the
8 extent there are assets in the "m portion" to each eligible unit an
9 amount, not less than zero (0), determined according to the following
10 STEPS:

11 STEP ONE. For the first of consecutive years that a unit is eligible
12 to receive a distribution under this subsection, determine the amount
13 of pension payments paid by the unit in the calendar year two (2) years
14 preceding the calendar year net of the amount of distributions received
15 by the unit under subsection (e) in the calendar year two (2) years
16 preceding the calendar year.

17 STEP TWO. For the first of consecutive years that a unit is eligible
18 to receive a distribution under this subsection, divide the amount
19 determined under STEP ONE by the amount of the ~~maximum~~
20 ~~permissible~~ ad valorem property tax levy for the unit as determined
21 ~~under IC 6-1.1-18.5~~ for the calendar year two (2) years preceding the
22 calendar year.

23 STEP THREE. For the first and all subsequent consecutive years
24 that a unit is eligible to receive a distribution under this subsection,
25 multiply the amount of the ~~maximum permissible~~ ad valorem property
26 tax levy for the unit as determined under ~~IC 6-1.1-18.5~~ for the calendar
27 year by the quotient determined under STEP TWO.

28 STEP FOUR. Subtract the amount determined under STEP THREE
29 from the amount of pension payments to be paid by the unit in the
30 calendar year, net of distributions to be received under subsection (e)
31 for the calendar year.

32 SECTION 11. IC 6-1.1-1-3, AS AMENDED BY P.L.291-2001,
33 SECTION 204, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE JANUARY 1, 2005]: Sec. 3. (a) Except as provided in
35 subsection (b), "assessed value" or "assessed valuation" means an
36 amount equal to:

- 37 (1) for assessment dates before March 1, 2001, thirty-three and
38 one-third percent (33 1/3%) of the true tax value of property; and
- 39 (2) for assessment dates after February 28, 2001, the true tax
40 value of property.

41 (b) For purposes of calculating a budget, rate, or levy under
42 IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-19, ~~IC 6-1.1-20;~~

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1 ~~IC 21-2-11.5~~, and IC 21-2-15, "assessed value" or "assessed valuation"
2 does not include the assessed value of tangible property excluded and
3 kept separately on a tax duplicate by a county auditor under
4 IC 6-1.1-17-0.5.

5 SECTION 12. IC 6-1.1-17-3, AS AMENDED BY P.L.256-2003,
6 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2005]: Sec. 3. (a) The proper officers of a political
8 subdivision shall formulate its estimated budget and its proposed tax
9 rate and tax levy on the form prescribed by the department of local
10 government finance and approved by the state board of accounts. The
11 political subdivision shall give notice by publication to taxpayers of:

- 12 (1) the estimated budget;
- 13 (2) the ~~estimated maximum permissible levy~~; **proposed tax rate;**
- 14 **and**
- 15 (3) the current and proposed tax levies of each fund. ~~and~~
- 16 ~~(4) the amounts of excessive levy appeals to be requested.~~

17 In the notice, the political subdivision shall also state the time and
18 place at which a public hearing will be held on these items. The notice
19 shall be published twice in accordance with IC 5-3-1 with the first
20 publication at least ten (10) days before the date fixed for the public
21 hearing.

22 **(b) If a remonstrance petition that satisfies the requirements of**
23 **IC 6-1.1-17.5 has been filed to reverse a county property tax**
24 **control board's decision under IC 6-1.1-17.5 with respect to a**
25 **political subdivision, the political subdivision shall publish the**
26 **information required by this subsection for each of the tax rates**
27 **that would be permitted if the voters:**

- 28 **(1) reject the tax rate increase; or**
- 29 **(2) approve the tax rate increase.**

30 **(c)** The board of directors of a solid waste management district
31 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
32 conduct the public hearing required under subsection (a):

- 33 (1) in any county of the solid waste management district; and
- 34 (2) in accordance with the annual notice of meetings published
35 under IC 13-21-5-2.

36 ~~(c)~~ **(d)** The trustee of each township in the county shall estimate the
37 amount necessary to meet the cost of poor relief in the township for the
38 ensuing calendar year. The township board shall adopt with the
39 township budget a tax rate sufficient to meet the estimated cost of poor
40 relief. The taxes collected as a result of the tax rate adopted under this
41 subsection are credited to the township poor relief fund.

42 SECTION 13. IC 6-1.1-17-5, AS AMENDED BY P.L.1-2003,

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1 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2005]: Sec. 5. (a) The officers of political subdivisions
3 shall meet each year to fix the budget, tax rate, and tax levy of their
4 respective subdivisions for the ensuing budget year as follows:

5 (1) The fiscal body of a consolidated city and county, not later
6 than the last meeting of the fiscal body in September.

7 (2) The fiscal body of a second class city, not later than
8 September 30.

9 (3) The board of school trustees of a school corporation that is
10 located in a city having a population of more than one hundred
11 five thousand (105,000) but less than one hundred twenty
12 thousand (120,000), not later than:

13 (A) the time required in section 5.6(b) of this chapter; or

14 (B) September 20 if a resolution adopted under section 5.6(d)
15 of this chapter is in effect.

16 (4) The proper officers of all other political subdivisions, not later
17 than September 20.

18 Except in a consolidated city and county and in a second class city, the
19 public hearing required by section 3 of this chapter must be completed
20 at least ten (10) days before the proper officers of the political
21 subdivision meet to fix the budget, tax rate, and tax levy. In a
22 consolidated city and county and in a second class city, that public
23 hearing, by any committee or by the entire fiscal body, may be held at
24 any time after introduction of the budget.

25 (b) Ten (10) or more taxpayers may object to a budget, tax rate, or
26 tax levy of a political subdivision fixed under subsection (a) by filing
27 an objection petition with the proper officers of the political
28 subdivision not more than seven (7) days after the hearing. The
29 objection petition must specifically identify the provisions of the
30 budget, tax rate, and tax levy to which the taxpayers object.

31 (c) If a petition is filed under subsection (b), the fiscal body of the
32 political subdivision shall adopt with its budget a finding concerning
33 the objections in the petition and any testimony presented at the
34 adoption hearing.

35 (d) ~~This subsection does not apply to a school corporation.~~ Each
36 year at least two (2) days before the first meeting of the county board
37 of tax adjustment held under ~~IC 6-1.1-29-4~~, **second Monday in**
38 **September**, a political subdivision shall file with the county auditor:

39 (1) a statement of the tax rate and levy fixed by the political
40 subdivision for the ensuing budget year;

41 (2) two (2) copies of the budget adopted by the political
42 subdivision for the ensuing budget year; and

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1 (3) two (2) copies of any findings adopted under subsection (c).
2 Each year the county auditor shall present these items to the county
3 board of tax adjustment at the board's first meeting.

4 (e) In a consolidated city and county and in a second class city, the
5 clerk of the fiscal body shall, notwithstanding subsection (d), file the
6 adopted budget and tax ordinances with the county ~~board of tax~~
7 ~~adjustment auditor~~ within two (2) days after the ordinances are signed
8 by the executive, or within two (2) days after action is taken by the
9 fiscal body to override a veto of the ordinances, whichever is later.

10 (f) If a fiscal body does not fix the budget, tax rate, and tax levy of
11 the political subdivisions for the ensuing budget year as required under
12 this section, the most recent annual appropriations and annual tax levy
13 are continued for the ensuing budget year.

14 **(g) If a remonstrance petition that satisfies the requirements of**
15 **IC 6-1.1-17.5 has been filed to reverse a county property tax**
16 **control board's decision under IC 6-1.1-17.5 with respect to a**
17 **political subdivision, the political subdivision shall adopt a budget,**
18 **tax rate, and tax levy for each of the tax rates that would be**
19 **permitted if the voters:**

- 20 (1) reject the tax rate increase; or
- 21 (2) approve the tax rate increase.

22 SECTION 14. IC 6-1.1-17-5.6, AS AMENDED BY P.L.177-2002,
23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JANUARY 1, 2005]: Sec. 5.6. (a) This section applies only to a school
25 corporation that is located in a city having a population of more than
26 one hundred five thousand (105,000) but less than one hundred twenty
27 thousand (120,000).

28 (b) Before February 1 of each year, the officers of the school
29 corporation shall meet to fix the budget for the school corporation for
30 the ensuing budget year, with notice given by the same officers.
31 However, if a resolution adopted under subsection (d) is in effect, the
32 officers shall meet to fix the budget for the ensuing budget year before
33 September 20.

34 (c) Each year at least two (2) days before the first meeting of the
35 county board of tax adjustment held under IC 6-1.1-29-4, **second**
36 **Monday in September**, the school corporation shall file with the
37 county auditor:

- 38 (1) a statement of the tax rate and tax levy fixed by the school
39 corporation for the ensuing budget year; **and**
- 40 (2) two (2) copies of the budget adopted by the school corporation
41 for the ensuing budget year. ~~and~~
- 42 ~~(3) any written notification from the department of local~~

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1 government finance under section 16(i) of this chapter that
 2 specifies a proposed revision, reduction, or increase in the budget
 3 adopted by the school corporation for the ensuing budget year.
 4 Each year the county auditor shall present these items to the county
 5 board of tax adjustment at the board's first meeting.

6 (d) The governing body of the school corporation may adopt a
 7 resolution to cease using a school year budget year and return to using
 8 a calendar year budget year. A resolution adopted under this subsection
 9 must be adopted after January 1 and before July 1. The school
 10 corporation's initial calendar year budget year following the adoption
 11 of a resolution under this subsection begins on January 1 of the year
 12 following the year the resolution is adopted. The first six (6) months of
 13 the initial calendar year budget for the school corporation must be
 14 consistent with the last six (6) months of the final school year budget
 15 fixed by the department of local government finance before the
 16 adoption of a resolution under this subsection.

17 (e) A resolution adopted under subsection (d) may be rescinded by
 18 a subsequent resolution adopted by the governing body. If the
 19 governing body of the school corporation rescinds a resolution adopted
 20 under subsection (d) and returns to a school year budget year, the
 21 school corporation's initial school year budget year begins on July 1
 22 following the adoption of the rescinding resolution and ends on June
 23 30 of the following year. The first six (6) months of the initial school
 24 year budget for the school corporation must be consistent with the last
 25 six (6) months of the last calendar year budget fixed by the department
 26 of local government finance before the adoption of a rescinding
 27 resolution under this subsection.

28 SECTION 15. IC 6-1.1-17-12 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 12. As soon as the
 30 budgets, tax rates, and tax levies are approved or modified by the
 31 county board of tax adjustment, **Not more than five (5) business days**
 32 **after the review by the department of local government finance**
 33 **is completed under section 16 of this chapter**, the county auditor shall
 34 within fifteen (15) days prepare a notice of the tax rates to be charged
 35 on each one hundred dollars (\$100) of assessed valuation for the
 36 various funds in each taxing district. The notice shall also inform the
 37 taxpayers of the manner in which they may initiate an appeal of the
 38 county board's action. The county auditor shall post the notice at the
 39 county courthouse and publish it in two (2) newspapers which
 40 represent different political parties and which have a general
 41 circulation in the county.

42 SECTION 16. IC 6-1.1-17-16, AS AMENDED BY P.L.256-2003,

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1 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JANUARY 1, 2005]: Sec. 16. (a) Subject to the limitations and
 3 requirements prescribed in this section; The department of local
 4 government finance **shall review the budget, tax rate, and tax levy**
 5 **for each taxing unit to ensure that the budget, tax rate, and tax levy**
 6 **comply with this article. The department may not** revise, reduce, or
 7 increase a political subdivision's budget, tax rate, or tax levy which the
 8 department reviews under section 8 or 10 of this chapter: **unless the**
 9 **revision, reduction, or increase is necessary for the budget, tax**
 10 **rate, or tax levy to comply with this article. The department shall**
 11 **correct any mathematical errors in data that affect the**
 12 **determination of a political subdivision's property tax rate or levy.**

13 (b) Subject to the limitations and requirements prescribed in this
 14 section; the department of local government finance may review;
 15 revise; reduce; or increase the budget; tax rate; or tax levy of any of the
 16 political subdivisions whose tax rates compose the aggregate tax rate
 17 within a political subdivision whose budget; tax rate; or tax levy is the
 18 subject of an appeal initiated under this chapter:

19 (c) Except as provided in subsection (j); before the department of
 20 local government finance reviews; revises; reduces; or increases a
 21 political subdivision's budget; tax rate; or tax levy under this section;
 22 the department must hold a public hearing on the budget; tax rate; and
 23 tax levy. The department of local government finance shall hold the
 24 hearing in the county in which the political subdivision is located. The
 25 department of local government finance may consider the budgets; tax
 26 rates; and tax levies of several political subdivisions at the same public
 27 hearing. At least five (5) days before the date fixed for a public hearing;
 28 the department of local government finance shall give notice of the
 29 time and place of the hearing and of the budgets; levies; and tax rates
 30 to be considered at the hearing. The department of local government
 31 finance shall publish the notice in two (2) newspapers of general
 32 circulation published in the county. However, if only one (1)
 33 newspaper of general circulation is published in the county; the
 34 department of local government finance shall publish the notice in that
 35 newspaper:

36 (d) Except as provided in subsection (i); IC 6-1.1-19; or
 37 IC 6-1.1-18.5; the department of local government finance may not
 38 increase a political subdivision's budget; tax rate; or tax levy to an
 39 amount which exceeds the amount originally fixed by the political
 40 subdivision. The department of local government finance shall give the
 41 political subdivision written notification specifying any revision;
 42 reduction; or increase the department proposes in a political

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1 subdivision's tax levy or tax rate. The political subdivision has one (1)
 2 week from the date the political subdivision receives the notice to
 3 provide a written response to the department of local government
 4 finance's Indianapolis office specifying how to make the required
 5 reductions in the amount budgeted for each office or department. The
 6 department of local government finance shall make reductions as
 7 specified in the political subdivision's response if the response is
 8 provided as required by this subsection and sufficiently specifies all
 9 necessary reductions. The department of local government finance may
 10 make a revision, a reduction, or an increase in a political subdivision's
 11 budget only in the total amounts budgeted for each office or department
 12 within each of the major budget classifications prescribed by the state
 13 board of accounts.

14 (e) The department of local government finance may not approve a
 15 levy for lease payments by a city, town, county, library, or school
 16 corporation if the lease payments are payable to a building corporation
 17 for use by the building corporation for debt service on bonds and if:

- 18 (1) no bonds of the building corporation are outstanding; or
- 19 (2) the building corporation has enough legally available funds on
 20 hand to redeem all outstanding bonds payable from the particular
 21 lease rental levy requested.

22 (f) (b) The department of local government finance shall certify its
 23 action to

- 24 (1) the county auditor, and
- 25 (2) the political subdivision if the department acts pursuant to an
 26 appeal initiated by the political subdivision.

27 (g) (c) The following may petition for judicial review of the final
 28 determination of the department of local government finance under
 29 subsection (f): (b):

- 30 (1) If the department acts under an appeal initiated by a political
 31 subdivision; The political subdivision.
- 32 (2) If the department acts under an appeal initiated by taxpayers
 33 under section 13 of this chapter; A taxpayer who signed the
 34 petition under that section: **in the political subdivision.**
- 35 (3) If the department acts under an appeal initiated by the county
 36 auditor under section 14 of this chapter; The county auditor.

37 The petition must be filed in the tax court not more than forty-five (45)
 38 days after the department certifies its action under subsection (f): (b).

39 (h) (d) The department of local government finance is expressly
 40 directed to complete the duties assigned to it under this section not later
 41 than February 15th of each year for taxes to be collected during that
 42 year.

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1 (i) Subject to the provisions of all applicable statutes, the
2 department of local government finance may increase a political
3 subdivision's tax levy to an amount that exceeds the amount originally
4 fixed by the political subdivision if the increase is:

5 (1) requested in writing by the officers of the political
6 subdivision;

7 (2) either:

8 (A) based on information first obtained by the political
9 subdivision after the public hearing under section 3 of this
10 chapter; or

11 (B) results from an inadvertent mathematical error made in
12 determining the levy; and

13 (3) published by the political subdivision according to a notice
14 provided by the department.

15 (j) The department of local government finance shall annually
16 review the budget of each school corporation not later than April 1. The
17 department of local government finance shall give the school
18 corporation written notification specifying any revision, reduction, or
19 increase the department proposes in the school corporation's budget. A
20 public hearing is not required in connection with this review of the
21 budget.

22 SECTION 17. IC 6-1.1-17-17, AS AMENDED BY P.L.90-2002,
23 SECTION 159, IS AMENDED TO READ AS FOLLOWS
24 [EFFECTIVE JANUARY 1, 2005]: Sec. 17. Subject to the limitations
25 contained in IC 6-1.1-19 and IC 6-1.1-18.5; The department of local
26 government finance may at any time increase the tax rate and tax levy
27 of a political subdivision for the following reasons:

28 (1) To pay the principal or interest upon a funding, refunding, or
29 judgment funding obligation of a political subdivision.

30 (2) To pay the interest or principal upon an outstanding obligation
31 of the political subdivision.

32 (3) To pay a judgment rendered against the political subdivision.

33 (4) To pay lease rentals that have become an obligation of the
34 political subdivision under IC 21-5-11 or IC 21-5-12.

35 SECTION 18. IC 6-1.1-17.5 IS ADDED TO THE INDIANA CODE
36 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
37 JANUARY 1, 2005]:

38 **Chapter 17.5. County Property Tax Control Board**

39 **Sec. 1. This chapter applies to all taxing units.**

40 **Sec. 2. For purposes of this chapter:**

41 (1) "board" refers to the county property tax control board
42 established under section 3 of this chapter;

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- 1 (2) "bonds" means any bonds or other evidences of
- 2 indebtedness payable from property taxes for a controlled
- 3 project, but does not include:
- 4 (A) notes representing loans under IC 36-2-6-18,
- 5 IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 that are
- 6 payable not later than five (5) years after issuance;
- 7 (B) warrants representing temporary loans that are
- 8 payable out of taxes levied and in the course of collection;
- 9 (C) a lease;
- 10 (D) obligations; or
- 11 (E) funding, refunding, or judgment funding bonds;
- 12 of a political subdivision;
- 13 (3) "controlled project" means any project financed by bonds
- 14 or a lease, except for:
- 15 (A) a project for which the political subdivision reasonably
- 16 expects to pay:
- 17 (i) debt service; or
- 18 (ii) lease rentals;
- 19 from funds other than property taxes that are exempt from
- 20 the rate limitations of IC 6-1.1-18.5 or IC 6-1.1-19,
- 21 regardless of whether the political subdivision has pledged
- 22 to levy property taxes to pay the debt service or lease
- 23 rentals if those other funds are insufficient;
- 24 (B) a project that will not cost the political subdivision
- 25 more than two million dollars (\$2,000,000);
- 26 (C) a project that is being refinanced to provide gross or
- 27 net present value savings to taxpayers;
- 28 (D) a project for which bonds were issued or leases were
- 29 entered into before January 1, 1996, or where the state
- 30 board of tax commissioners (before the board was
- 31 abolished) approved the issuance of bonds or the execution
- 32 of leases before January 1, 1996; or
- 33 (E) a project that is required by a court order holding that
- 34 a federal law mandates the project;
- 35 (4) "debt service" means principal of and interest on bonds,
- 36 including the repayment of an advance from the common
- 37 school fund under IC 21-1-5-3;
- 38 (5) "lease" means a lease by a political subdivision of any
- 39 controlled project with lease rentals payable from property
- 40 taxes that are exempt from the rate limitations of
- 41 IC 6-1.1-18.5 or IC 6-1.1-19;
- 42 (6) "lease rentals" means the payments required under a

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1 lease;

2 (7) "obligations" refers to a contract or promise to pay of a

3 political subdivision that would be considered a bond or lease

4 under this chapter but for the fact that it is payable solely

5 from funds other than property taxes;

6 (8) "property taxes" means a property tax rate or levy to pay

7 debt service or to pay lease rentals, but does not include taxes

8 allocated for an allocation area under:

9 (A) IC 6-1.1-39;

10 (B) IC 8-22-3.5;

11 (C) IC 36-7-14;

12 (D) IC 36-7-14.5;

13 (E) IC 36-7-15.1; or

14 (F) IC 36-7-30; and

15 (9) "project" means any project or purpose for which a

16 political subdivision may issue bonds or enter into leases,

17 including a sale-lease back of an existing building.

18 **Sec. 3. (a) There is established in each county a county property**

19 **tax control board. Each member of the board must be an elected**

20 **official serving on the fiscal body of the taxing unit or the group of**

21 **taxing units that the individual represents. The board consists of**

22 **nine (9) members. All members are voting members. However, the**

23 **county auditor is entitled to vote only to break a tie vote.**

24 (b) For a county having at least two (2) cities, at least two (2)

25 towns, and at least two (2) school corporations, the members are as

26 follows:

27 (1) Two (2) individuals from the county fiscal body.

28 (2) One (1) individual from the fiscal body of the municipality

29 that has the greatest taxable assessed valuation.

30 (3) One (1) individual from the fiscal body of the school

31 corporation that has the greatest taxable assessed valuation.

32 (4) One (1) individual from the fiscal bodies of the cities

33 within the county, excluding a municipality described in

34 subdivision (2).

35 (5) One (1) individual from the fiscal bodies of the school

36 corporations within the county, excluding a school

37 corporation described in subdivision (3).

38 (6) One (1) individual from the fiscal bodies of the towns

39 within the county, excluding a town described in subdivision

40 (2).

41 (7) One (1) individual from the fiscal bodies of the townships

42 within the county.

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(8) The county auditor.

(c) For a county not described in subsection (b), the members are as follows:

(1) Two (2) individuals from the county fiscal body.

(2) One (1) individual from the fiscal body of the municipality that has the greatest taxable assessed valuation.

(3) One (1) individual from the fiscal body of the school corporation that has the greatest taxable assessed valuation.

(4) One (1) individual from the fiscal bodies of the cities within the county, or towns within the county in the case of a county not having any cities. However, a municipality described in subdivision (2) is excluded.

(5) One (1) individual from the fiscal bodies of the school corporations within the county, excluding the school corporation described in subdivision (3), unless that school corporation is the only school corporation within the county.

(6) One (1) individual from the fiscal bodies of the towns within the county. However, a town described by subdivision (2) and a town described in subdivision (4) are excluded.

(7) One (1) individual from the fiscal bodies of the townships within the county.

(8) The county auditor.

However, if the county has less than three (3) municipalities, subsection (d) rather than subdivisions (2), (4), and (6) governs the selection of members.

(d) If the county has:

(1) two (2) municipalities, the members are two (2) individuals from the fiscal body of the municipality that has the greatest taxable assessed valuation and one (1) individual from the fiscal body of the other municipality; or

(2) one (1) municipality, the members are three (3) individuals from the fiscal body of the municipality.

(e) Members of the board shall be selected as provided in section 4 of this chapter.

Sec. 4. (a) The fiscal bodies shall select the members of the board before March 1 of each year. The term for each member ends on December 31 of the year in which the member is selected. A vacancy shall be filled by the fiscal body or bodies that appointed the original member.

(b) If a member is to be selected by one (1) fiscal body, the selection must be made by a majority vote of the fiscal body in official session. If a member is to be selected by more than one (1)

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1 fiscal body, the selection must be made by a majority vote of the
2 total members of the fiscal bodies taken in joint session.

3 (c) If a fiscal body, or fiscal bodies in the case of joint selections,
4 fails to select a member by March 1, the executive of the county
5 shall select the member of the board before March 15.

6 **Sec. 5. The board has the following powers:**

7 (1) To approve or disapprove, but not modify, a proposed
8 increase in a civil taxing unit's property tax rate that results
9 in a rate greater than the rate permitted by IC 6-1.1-18.5.

10 (2) To approve or disapprove, but not modify, a proposed
11 increase in a school corporation's property tax rate that
12 results in a rate greater than the rate permitted by
13 IC 6-1.1-19.

14 (3) To approve or disapprove, but not modify, a proposed
15 increase in a school corporation's property tax rate that
16 results in a rate greater than the rate permitted by IC 21-2-15.

17 (4) To approve or disapprove, but not modify, a proposed
18 bond issue or lease of a taxing unit.

19 A decision is made by the board only if there is a majority vote by
20 the board in favor of the decision.

21 **Sec. 6. (a) A majority of all the elected members of the board
22 constitutes a quorum.**

23 (b) The board may adopt rules for the transaction of business at
24 its meetings.

25 (c) A requirement that an action be passed by a majority vote
26 means at least a majority vote of all the members.

27 (d) The county auditor is the clerk of the board and shall:

28 (1) preserve the board's records in the auditor's office;

29 (2) keep an accurate record of the board's proceedings; and

30 (3) record the ayes and nays on each vote of the board.

31 (e) Within a reasonable time after an action is voted upon, the
32 county auditor shall record the action in a book or other record
33 kept for that purpose. The record must include the signature of the
34 board members, including the attestation of the auditor. The
35 record or a certified copy of the record is presumptive evidence
36 that the action was taken and took effect.

37 **Sec. 7. (a) Except as provided in this chapter:**

38 (1) a civil taxing unit may not use a property tax rate that is
39 greater than the rate permitted by:

40 (A) IC 6-1.1-18.5 for the combination of all funds other
41 than the unit's social service funds, debt service fund, and
42 cumulative or capital development funds;

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- 1 **(B) IC 6-1.1-18.5 for the unit's cumulative and capital**
 2 **development funds; or**
 3 **(C) IC 6-1.1-18.5 for the unit's social service funds; and**
 4 **(2) a school corporation may not use a property tax rate that**
 5 **is greater than the rate permitted by:**
 6 **(A) IC 6-1.1-19 for the school corporation's general fund;**
 7 **or**
 8 **(B) IC 21-2-15 for the school corporation's capital projects**
 9 **fund.**

10 **(b) A taxing unit desiring to use a greater rate than the**
 11 **maximum permitted rate must file a petition with the board of**
 12 **each county in which the unit is located requesting permission to**
 13 **increase the unit's tax rate above the permitted rate.**

14 **Sec. 8. A taxing unit may, subject to the limitations provided by**
 15 **law, issue any bonds, notes, or warrants or enter into any leases or**
 16 **obligations that it considers necessary.**

17 **Sec. 9. A taxing unit may not issue bonds or enter into a lease**
 18 **unless the taxing unit receives the approval of the board of each**
 19 **county in which the unit is located. A taxing unit desiring to issue**
 20 **bonds or enter into a lease must file a petition with the board of**
 21 **each county in which the unit is located requesting permission to**
 22 **issue bonds or enter into a lease.**

23 **Sec. 10. (a) A petition by a taxing unit under section 7 or 9 of**
 24 **this chapter must be filed before May 1.**

25 **(b) The board shall hold a public hearing to hear testimony on**
 26 **and discuss each petition filed by a taxing unit under section 7 or**
 27 **9 of this chapter. The board shall make a decision on each petition**
 28 **filed by a taxing unit. The board shall publish a notice of the public**
 29 **hearing at least ten (10) days before the date of the hearing as**
 30 **provided in IC 5-3-1. After a decision is made by the board, the**
 31 **board shall publish a notice describing each question and the**
 32 **board's decision. The notice shall include each member's vote on**
 33 **the question. Before June 1, the board shall publish the notice of**
 34 **each question and decision as provided in IC 5-3-1, except that the**
 35 **notice must be:**

- 36 **(1) in at least 12 point bold type; and**
 37 **(2) signed by all members of the board.**

38 **(c) If a taxing unit is located in more than one (1) county and if**
 39 **one (1) of the boards rejects a tax rate increase, bond issue, or**
 40 **lease, the taxing unit's proposal is considered rejected for purposes**
 41 **of this chapter.**

42 **Sec. 11. (a) Except as provided in section 17 of this chapter, a**

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1 decision of the board may be reversed only if more resident
2 registered voters sign a petition to reverse the board's decision
3 than sign a petition to uphold the board's decision. A resident
4 registered voter is an individual who:

- 5 (1) resides within the taxing unit regardless of the individual's
- 6 resident county; and
- 7 (2) is registered to vote.

8 (b) To reverse the board's decision, resident registered voters
9 may file a remonstrance petition with the county auditor of each
10 county in which the taxing unit is located. The remonstrance
11 petition must:

- 12 (1) be filed before July 16 of the same year that the board
- 13 publishes the notice required by section 10 of this chapter;
- 14 and
- 15 (2) identify each petitioner with sufficient detail so that the
- 16 circuit court clerk can identify the validity of the petitioner.

17 (c) Each county auditor shall immediately deliver a certified
18 copy of the remonstrance petition to the circuit court clerk of each
19 county in which the taxing unit is located. Before August 16 of that
20 year, each circuit court clerk shall:

- 21 (1) certify whether the remonstrance petition satisfies the
- 22 requirements of subsection (d); and
- 23 (2) publish a notice that includes the form of the remonstrance
- 24 petition being filed and whether the remonstrance petition
- 25 satisfies the requirements of subsection (d).

26 If the remonstrance petition satisfies the requirements of
27 subsection (d), the notice must include the number of valid
28 remonstrators and the last date on which a counterpetition may be
29 filed under section 12 of this chapter.

- 30 (d) If the remonstrance petition is signed by the lesser of:
- 31 (1) ten percent (10%) of the resident registered voters,
- 32 determined by using the number of resident voters who voted
- 33 for the office of secretary of state in the most recent general
- 34 election; or
- 35 (2) seven thousand five hundred (7,500) resident registered
- 36 voters;

37 the board's decision is stayed until each circuit court clerk certifies
38 whether the board's decision is reversed or upheld.

39 (e) If the remonstrance petition does not satisfy the
40 requirements of subsection (d), the board's action becomes
41 effective upon the certification and publication that the petition
42 does not satisfy the requirements of subsection (d). The published

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1 notice must include a statement that the board's action takes effect.

2 Sec. 12. (a) If a remonstrance petition satisfies the requirements
3 of section 11 of this chapter, resident registered voters may file a
4 counterpetition with the county auditor of each county in which the
5 taxing unit is located. The counterpetition must:

6 (1) be filed not later than forty-five (45) days after the date the
7 notice is published under section 11 of this chapter; and

8 (2) identify each petitioner with sufficient detail so that the
9 circuit court clerk can identify the validity of the petitioner.

10 (b) Not more than fifteen (15) days after the last date for
11 submitting counterpetitions, the circuit court clerk of each county
12 shall:

13 (1) certify the number of valid signatures on the
14 counterpetition and whether the number of counterpetitioners
15 is greater than the number of remonstrators; and

16 (2) publish a notice that includes a description of the issue on
17 which petitions were filed, the number of voters signing the
18 remonstrance petition and counterpetition, and the voters'
19 decision on the issue.

20 If more resident registered voters sign the remonstrance petition
21 than sign the counterpetition, the board's decision is reversed. If
22 more resident registered voters sign the counterpetition than sign
23 the remonstrance petition, the board's decision takes effect.

24 Sec. 13. (a) This section applies to the form of a remonstrance
25 petition to reverse a board's action. If more than one (1) question
26 was decided upon by the board, a separate remonstrance petition
27 must be used for each question.

28 (b) In the case of a request to increase a taxing unit's maximum
29 tax rate and the board's approval of the increase, the remonstrance
30 petition must read as follows:

31 "Should the _____ (insert the name of the taxing
32 unit) not be permitted to increase its property tax rate from
33 _____ (insert current rate) to _____ (insert
34 requested rate)? Signing this remonstrance petition means the
35 maximum property tax rate for _____ (insert name of
36 taxing unit) will not be increased."

37 (c) In the case of a request to increase a taxing unit's maximum
38 tax rate and the board's rejection of the increase, the remonstrance
39 petition must read as follows:

40 "Should the _____ (insert the name of the taxing
41 unit) be permitted to increase its property tax rate from
42 _____ (insert current rate) to _____ (insert

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1 requested rate)? Signing this remonstrance petition means the
2 maximum property tax rate for _____ (insert name of
3 taxing unit) will be increased."

4 (d) In the case of a request to issue bonds and the board's
5 approval of the issuance, the remonstrance petition must read as
6 follows:

7 "Should the _____ (insert the name of the taxing unit)
8 not be permitted to issue bonds for the purpose of financing
9 _____ (insert description of project)? Signing this
10 remonstrance petition means _____ (insert name of
11 taxing unit) will not be permitted to issue the bonds."

12 (e) In the case of a request to issue bonds and the board's
13 rejection of the issuance, the remonstrance petition must read as
14 follows:

15 "Should the _____ (insert the name of the taxing unit)
16 be permitted to issue bonds for the purpose of financing
17 _____ (insert description of project)? Signing this
18 remonstrance petition means _____ (insert name of
19 taxing unit) will be permitted to issue the bonds."

20 (f) In the case of a request to enter into a lease and the board's
21 approval of the request, the remonstrance petition must read as
22 follows:

23 "Should the _____ (insert the name of the taxing unit)
24 not be permitted to enter into a lease for _____ (insert
25 description of project)? Signing this remonstrance petition
26 means _____ (insert name of taxing unit) will not be
27 permitted to enter into the lease."

28 (g) In the case of a request to enter into a lease and the board's
29 rejection of the request, the remonstrance petition must read as
30 follows:

31 "Should the _____ (insert the name of the taxing unit)
32 be permitted to enter into a lease for _____ (insert
33 description of project)? Signing this remonstrance petition
34 means _____ (insert name of taxing unit) will be
35 permitted to enter into the lease."

36 Sec. 14. (a) This section applies to the form of a counterpetition
37 in response to a remonstrance petition. If more than one (1)
38 remonstrance petition is filed, a separate counterpetition must be
39 used in response to each remonstrance petition.

40 (b) In the case of a request to increase a taxing unit's maximum
41 tax rate and the board's approval of the increase, the
42 counterpetition must read as follows:

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1 **"The county property tax control board approved a property**
 2 **tax rate increase for _____ (insert name of taxing unit).**
 3 **A remonstrance petition has been filed to prevent the tax rate**
 4 **increase. Should the _____ (insert the name of the**
 5 **taxing unit) be permitted to increase its property tax rate**
 6 **from _____ (insert current rate) to _____ (insert**
 7 **requested rate)? Signing this counterpetition means the**
 8 **maximum property tax rate for _____ (insert name of**
 9 **taxing unit) will be increased."**

10 **(c) In the case of a request to increase a taxing unit's maximum**
 11 **tax rate and the board's rejection of the increase, the**
 12 **counterpetition must read as follows:**

13 **"The county property tax control board rejected a property**
 14 **tax rate increase for _____ (insert name of taxing unit).**
 15 **A remonstrance petition has been filed to permit the tax rate**
 16 **increase. Should the _____ (insert the name of the**
 17 **taxing unit) not be permitted to increase its property tax rate**
 18 **from _____ (insert current rate) to _____ (insert**
 19 **requested rate)? Signing this counterpetition means the**
 20 **maximum property tax rate for _____ (insert name of**
 21 **taxing unit) will not be increased."**

22 **(d) In the case of a request to issue bonds and the board's**
 23 **approval of the bond issue, the counterpetition must read as**
 24 **follows:**

25 **"The county property tax control board approved a bond**
 26 **issue for _____ (insert name of taxing unit). A**
 27 **remonstrance petition has been filed to prevent the bond**
 28 **issue. Should the _____ (insert the name of the taxing**
 29 **unit) be permitted to issue bonds for the purpose of financing**
 30 **_____ (insert description of project)? Signing this**
 31 **counterpetition means _____ (insert name of taxing**
 32 **unit) will be permitted to issue the bonds."**

33 **(e) In the case of a request to issue bonds and the board's**
 34 **rejection of the bond issue, the counterpetition must read as**
 35 **follows:**

36 **"The county property tax control board rejected a bond issue**
 37 **for _____ (insert name of taxing unit). A remonstrance**
 38 **petition has been filed to permit the bond issue. Should the**
 39 **_____ (insert the name of the taxing unit) not be**
 40 **permitted to issue bonds for the purpose of financing**
 41 **_____ (insert description of project)? Signing this**
 42 **counterpetition means _____ (insert name of taxing**

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unit) will not be permitted to issue the bonds."
(f) In the case of a request to enter into a lease and the board's approval of the request, the counterpetition must read as follows:
"The county property tax control board approved a lease for _____ (insert name of taxing unit). A remonstrance petition has been filed to prevent the lease. Should the _____ (insert the name of the taxing unit) be permitted to enter into a lease for _____ (insert description of project)? Signing this counterpetition means _____ (insert name of taxing unit) will be permitted to enter into the lease."

(g) In the case of a request to enter into a lease and the board's rejection of the request, the counterpetition must read as follows:
"The county property tax control board rejected a lease for _____ (insert name of taxing unit). A remonstrance petition has been filed to permit the lease. Should the _____ (insert the name of the taxing unit) not be permitted to enter into a lease for _____ (insert description of project)? Signing this counterpetition means _____ (insert name of taxing unit) will not be permitted to enter into the lease."

Sec. 15. If the board's decision is to permit a taxing unit to use a property tax rate that is greater than the taxing unit's maximum permitted rate for the previous year and the decision is not reversed by the petition procedure prescribed by this chapter, the new rate becomes the permitted maximum tax rate.

Sec. 16. When the proper officers of a taxing unit decide to issue bonds, they shall adopt an ordinance or a resolution that sets forth their determination to issue the bonds. The taxing unit may not advertise for or receive bids for the construction of an improvement to be financed by the bonds until the expiration of the later of:

- (1) if:
 - (A) no remonstrance petition is filed under section 11 of this chapter; or
 - (B) a filed remonstrance petition does not satisfy the requirements of section 11(d) of this chapter;
- the period within which taxpayers may file a remonstrance petition against the proposed bond issue under section 11 of this chapter; or
- (2) if a remonstrance petition is filed that satisfies the requirements of section 11(d) of this chapter, the period

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during which taxpayers may file a counterpetition under section 12 of this chapter.

Sec. 17. A taxpayer affected by a determination of the board under this chapter may appeal to the Indiana tax court alleging that the board did not follow the procedure set forth in this chapter. The appeal must state the procedural error and comply with any other requirements of the court. The tax court shall give priority to appeals filed under this section over other cases before the court and make a decision as soon as possible.

Sec. 18. (a) This section applies during a period during which:

(1) a remonstrance petition is or may be filed under section 11 of this chapter; or

(2) a counterpetition is or may be filed under section 12 of this chapter.

(b) A taxing unit seeking to issue bonds or enter into a lease may not promote a position on the petition or remonstrance by doing any of the following:

(1) Allowing facilities or equipment, including mail and messaging systems, owned by the taxing unit to be used for public relations purposes to promote a position on the petition or remonstrance, unless equal access to the facilities or equipment is given to persons with a position opposite to that of the taxing unit.

(2) Making an expenditure of money from a fund controlled by the taxing unit to promote a position on the petition or remonstrance (except as necessary to explain the project to the public) or to pay for the gathering of signatures on a petition or remonstrance. This subdivision does not prohibit a taxing unit from making an expenditure of money to an attorney, an architect, a construction manager, or a financial adviser for professional services provided with respect to a controlled project.

(3) Using an employee to promote a position on the petition or remonstrance during the employee's normal working hours or paid overtime.

(4) In the case of a school corporation, promoting a position on a petition or remonstrance by:

(A) using students to transport written materials to their residences; or

(B) including a statement within another communication sent to the students' residences.

This section does not prohibit an employee of the taxing unit from

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1 carrying out duties with respect to a petition or remonstrance that
2 are part of the normal and regular conduct of the employee's office
3 or agency.

4 (c) A person may not solicit or collect signatures for a petition
5 or remonstrance on property owned or controlled by the taxing
6 unit.

7 SECTION 19. IC 6-1.1-18-1 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. When fixing a
9 budget, tax rate, and tax levy under IC 6-1.1-17-5, **except as provided**
10 **in IC 6-1.1-17.5**, the officers of a political subdivision may not fix a
11 budget or tax levy which exceeds the amount published by the political
12 subdivision. **Except as provided in IC 6-1.1-17.5**, the portion of a
13 budget or tax levy which exceeds the published amount is void.

14 SECTION 20. IC 6-1.1-18-2 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The state may
16 not impose a tax rate on tangible property in excess of thirty-three
17 hundredths of one cent (\$0.0033) on each one hundred dollars (\$100)
18 of assessed valuation. The state tax rate is not subject to review by
19 county boards of tax adjustment or county auditors. This section does
20 not apply to political subdivisions of the state.

21 SECTION 21. IC 6-1.1-18-11 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 11. If there is a
23 conflict between the provisions of this chapter and the provisions of
24 **IC 6-1.1-17.5**, IC 6-1.1-19, or IC 6-1.1-18.5, the provisions of the latter
25 two (2) **three (3)** chapters control with respect to the adoption of,
26 review of, and limitations on budgets, tax rates, and tax levies.

27 SECTION 22. IC 6-1.1-18.5-1, AS AMENDED BY P.L.1-2004,
28 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JANUARY 1, 2005]: Sec. 1. As used in this chapter:

30 "Ad valorem property tax levy for an ensuing calendar year" means
31 the total property taxes imposed by a civil taxing unit for current
32 property taxes collectible in that ensuing calendar year.

33 "Adopting county" means any county in which the county adjusted
34 gross income tax is in effect.

35 "**Bonds**" has the meaning set forth in IC 6-1.1-17.5-2.

36 "Civil taxing unit" means any taxing unit except a school
37 corporation.

38 "Maximum permissible ad valorem property tax levy for the
39 preceding calendar year" means the civil taxing unit's ad valorem
40 property tax levy for the calendar year immediately preceding the
41 ensuing calendar year, as that levy was determined by the department
42 of local government finance in fixing the civil taxing unit's budget;

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1 levy, and rate for that preceding calendar year under IC 6-1.1-17, and
 2 after eliminating the effects of temporary excessive levy appeals and
 3 temporary adjustments made to the working maximum levy for the
 4 calendar year immediately preceding the ensuing calendar year, as
 5 determined by the department of local government finance.

6 "Taxable property" means all tangible property that is subject to
 7 the tax imposed by this article and is not exempt from the tax under
 8 IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this
 9 chapter, the term "taxable property" is further defined in section 6 of
 10 this chapter.

11 "Unadjusted assessed value" means the assessed value of a civil
 12 taxing unit as determined by local assessing officials and the
 13 department of local government finance in a particular calendar year
 14 before the application of an annual adjustment under IC 6-1.1-4-4.5 for
 15 that particular calendar year or any calendar year since the last general
 16 reassessment preceding the particular calendar year.

17 "Lease rental" has the meaning set forth in IC 6-1.1-17.5-2.

18 "Maximum permissible property tax rate" means the tax rate
 19 determined under section 3 of this chapter.

20 SECTION 23. IC 6-1.1-18.5-3, AS AMENDED BY P.L.1-2003,
 21 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2005]: Sec. 3. (a) Except as otherwise provided in this
 23 chapter subsection (b), IC 6-1.1-17.5, and IC 6-3.5-8-12, a civil taxing
 24 unit that is treated as not being located in an adopting county under
 25 section 4 of this chapter may not impose use an ad valorem property
 26 tax levy rate for an ensuing calendar year that exceeds the amount
 27 determined in the last STEP of the following STEPS:

28 STEP ONE: Add the civil taxing unit's maximum permissible ad
 29 valorem property tax levy for the preceding calendar year to the
 30 part of the civil taxing unit's certified share, if any, that was used
 31 to reduce the civil taxing unit's ad valorem property tax levy under
 32 STEP EIGHT of subsection (b) for that preceding calendar year.
 33 STEP TWO: Multiply the amount determined in STEP ONE by
 34 the amount determined in the last STEP of section 2(b) of this
 35 chapter.

36 STEP THREE: Determine the lesser of one and fifteen hundredths
 37 (1.15) or the quotient (rounded to the nearest ten-thousandth
 38 (0.0001)); of the assessed value of all taxable property subject to
 39 the civil taxing unit's ad valorem property tax levy for the ensuing
 40 calendar year, divided by the assessed value of all taxable
 41 property that is subject to the civil taxing unit's ad valorem
 42 property tax levy for the ensuing calendar year and that is

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1 contained within the geographic area that was subject to the civil
 2 taxing unit's ad valorem property tax levy in the preceding
 3 calendar year.
 4 STEP FOUR: Determine the greater of the amount determined in
 5 STEP THREE or one (1).
 6 STEP FIVE: Multiply the amount determined in STEP TWO by
 7 the amount determined in STEP FOUR.
 8 STEP SIX: Add the amount determined under STEP TWO to the
 9 amount determined under subsection (c).
 10 STEP SEVEN: Determine the greater of the amount determined
 11 under STEP FIVE or the amount determined under STEP SIX.
 12 (b) Except as otherwise provided in this chapter and IC 6-3.5-8-12,
 13 a civil taxing unit that is treated as being located in an adopting county
 14 under section 4 of this chapter may not impose an ad valorem property
 15 tax levy for an ensuing calendar year that exceeds the amount
 16 determined in the last STEP of the following STEPS:
 17 STEP ONE: Add the civil taxing unit's maximum permissible ad
 18 valorem property tax levy for the preceding calendar year to the
 19 part of the civil taxing unit's certified share, if any, used to reduce
 20 the civil taxing unit's ad valorem property tax levy under STEP
 21 EIGHT of this subsection for that preceding calendar year.
 22 STEP TWO: Multiply the amount determined in STEP ONE by
 23 the amount determined in the last STEP of section 2(b) of this
 24 chapter.
 25 STEP THREE: Determine the lesser of one and fifteen hundredths
 26 (1.15) or the quotient of the assessed value of all taxable property
 27 subject to the civil taxing unit's ad valorem property tax levy for
 28 the ensuing calendar year divided by the assessed value of all
 29 taxable property that is subject to the civil taxing unit's ad
 30 valorem property tax levy for the ensuing calendar year and that
 31 is contained within the geographic area that was subject to the
 32 civil taxing unit's ad valorem property tax levy in the preceding
 33 calendar year.
 34 STEP FOUR: Determine the greater of the amount determined in
 35 STEP THREE or one (1).
 36 STEP FIVE: Multiply the amount determined in STEP TWO by
 37 the amount determined in STEP FOUR.
 38 STEP SIX: Add the amount determined under STEP TWO to the
 39 amount determined under subsection (c).
 40 STEP SEVEN: Determine the greater of the amount determined
 41 under STEP FIVE or the amount determined under STEP SIX.
 42 STEP EIGHT: Subtract the amount determined under STEP FIVE

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1 of subsection (e) from the amount determined under STEP
2 SEVEN of this subsection.

3 (c) If a civil taxing unit in the immediately preceding calendar year
4 provided an area outside its boundaries with services on a contractual
5 basis and in the ensuing calendar year that area has been annexed by
6 the civil taxing unit, the amount to be entered under STEP SIX of
7 subsection (a) or STEP SIX of subsection (b), as the case may be,
8 equals the amount paid by the annexed area during the immediately
9 preceding calendar year for services that the civil taxing unit must
10 provide to that area during the ensuing calendar year as a result of the
11 annexation. In all other cases, the amount to be entered under STEP
12 SIX of subsection (a) or STEP SIX of subsection (b), as the case may
13 be, equals zero (0).

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

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

23 STEP TWO: For the determination year, the amount to be used as
24 the STEP TWO amount is the amount determined in subsection
25 (f) for the civil taxing unit. For each year following the
26 determination year the STEP TWO amount is the lesser of:

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

28 (B) the amount determined in subsection (f) for the civil taxing
29 unit.

30 STEP THREE: Determine the greater of:

31 (A) zero (0); or

32 (B) the civil taxing unit's certified share for the ensuing
33 calendar year minus the greater of:

34 (i) the civil taxing unit's certified share for the calendar year
35 that immediately precedes the ensuing calendar year; or

36 (ii) the civil taxing unit's base year certified share.

37 STEP FOUR: Determine the greater of:

38 (A) zero (0); or

39 (B) the amount determined in STEP TWO minus the amount
40 determined in STEP THREE.

41 Add the amount determined in STEP FOUR to the amount determined
42 in subsection (c), STEP THREE, as provided in subsection (e), STEP

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1 FOUR:

2 (e) For each civil taxing unit, the amount to be subtracted under
3 subsection (b); STEP EIGHT; is determined using the following
4 formula:

5 STEP ONE: Determine the lesser of the civil taxing unit's base
6 year certified share for the ensuing calendar year, as determined
7 under section 5 of this chapter; or the civil taxing unit's certified
8 share for the ensuing calendar year:

9 STEP TWO: Determine the greater of:

10 (A) zero (0); or

11 (B) the remainder of:

12 (i) the amount of federal revenue sharing money that was
13 received by the civil taxing unit in 1985; minus

14 (ii) the amount of federal revenue sharing money that will be
15 received by the civil taxing unit in the year preceding the
16 ensuing calendar year:

17 STEP THREE: Determine the lesser of:

18 (A) the amount determined in STEP TWO; or

19 (B) the amount determined in subsection (f) for the civil taxing
20 unit:

21 STEP FOUR: Add the amount determined in subsection (d);
22 STEP FOUR; to the amount determined in STEP THREE:

23 STEP FIVE: Subtract the amount determined in STEP FOUR
24 from the amount determined in STEP ONE:

25 (f) As used in this section, a taxing unit's "determination year"
26 means the latest of:

27 (1) calendar year 1987, if the taxing unit is treated as being
28 located in an adopting county for calendar year 1987 under
29 section 4 of this chapter;

30 (2) the taxing unit's base year, as defined in section 5 of this
31 chapter; if the taxing unit is treated as not being located in an
32 adopting county for calendar year 1987 under section 4 of this
33 chapter; or

34 (3) the ensuing calendar year following the first year that the
35 taxing unit is located in a county that has a county adjusted gross
36 income tax rate of more than one-half percent (0.5%) on July 1 of
37 that year:

38 The amount to be used in subsections (d) and (e) for a taxing unit
39 depends upon the taxing unit's certified share for the ensuing calendar
40 year; the taxing unit's determination year, and the county adjusted gross
41 income tax rate for resident county taxpayers (as defined in
42 IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of

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the year preceding the ensuing calendar year. For the determination year and the ensuing calendar years following the taxing unit's determination year, the amount is the taxing unit's certified share for the ensuing calendar year multiplied by the appropriate factor prescribed in the following table:

COUNTIES WITH A TAX RATE OF 1/2%

Year	Subsection (e) Factor
For the determination year and each ensuing calendar year following the determination year	0

COUNTIES WITH A TAX RATE OF 3/4%

Year	Subsection (e) Factor
For the determination year and each ensuing calendar year following the determination year	1/2

COUNTIES WITH A TAX RATE OF 1.0%

Year	Subsection (d) Factor	Subsection (e) Factor
For the determination year	1/6	1/3
For the ensuing calendar year following the determination year	1/4	1/3
For the ensuing calendar year following the determination year by two (2) years	1/3	1/3

the rate used by the civil taxing unit for property taxes first due and payable in 2005 for the following funds:

- (1) The rate used by the civil taxing unit for the combination of all funds other than the civil taxing unit's social service funds, debt service fund, and cumulative or capital development funds, and excluding the money needed to meet the unit's obligations for the 1925 police pension fund (IC 36-8-6), the 1937 firefighter's pension fund (IC 36-8-7), and the 1953 police pension fund (IC 36-8-7.5).
- (2) The rate used by the civil taxing unit for its cumulative and capital development funds.
- (3) The rate used by the civil taxing unit for its social service funds. Social service funds include property taxes levied under the authority of the following:
 - (A) IC 12-13-8-5.
 - (B) IC 12-16-14-3.
 - (C) IC 12-19-7-3.
 - (D) IC 12-19-7.5-5.

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1 (E) IC 12-20, excluding IC 12-20-23.

2 (b) The maximum permissible property tax rate shall be
3 adjusted each year to equal the quotient of:

4 (1) the maximum permissible property tax rate for the year
5 preceding the ensuing calendar year; divided by

6 (2) the tax rate adjustment.

7 As used in this subsection, the tax rate adjustment is one (1) plus
8 the percentage increase in the implicit price deflator for
9 construction costs, as published by the Bureau of Census, or a
10 similar index if the implicit price deflator is no longer published.
11 The department of local government finance shall determine the
12 tax rate adjustment. To determine the adjustment, the department
13 of local government finance shall use the change in the implicit
14 price deflator from the last quarter of the year that precedes the
15 ensuing calendar year by three (3) years to the last quarter of the
16 year that precedes the ensuing calendar year by two (2) years. The
17 department of local government finance shall publish the tax rate
18 adjustment in the Indiana Register before March 1 of the year
19 preceding the ensuing calendar year. The tax rate after the
20 adjustment becomes the unit's maximum permissible tax rate.

21 SECTION 24. IC 6-1.1-18.5-7, AS AMENDED BY P.L.90-2002,
22 SECTION 163, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) A civil taxing unit is not
24 subject to the ~~levy rate~~ limits imposed by ~~section 3~~ of this chapter for
25 an ensuing calendar year if the civil taxing unit did not adopt an ad
26 valorem property tax levy for the immediately preceding calendar year.

27 (b) If under subsection (a) a civil taxing unit is not subject to the
28 ~~levy rate~~ limits imposed under ~~section 3~~ of this chapter for a calendar
29 year, the civil taxing unit shall refer its proposed ~~budget, ad valorem~~
30 ~~property tax levy, and~~ property tax rate for that calendar year to the
31 ~~local government~~ **appropriate county property** tax control board
32 established by ~~section 11~~ of this chapter **under IC 6-1.1-17.5** before
33 the **budget, tax levy, is and tax rate are** advertised. The ~~local~~
34 ~~government~~ **county property** tax control board shall then review and
35 make a recommendation to the department of local government finance
36 ~~on set~~ the civil taxing unit's ~~budget, ad valorem property tax levy, and~~
37 property tax rate for that calendar year, **subject to IC 6-1.1-17.5**. The
38 department of local government finance shall make a final
39 determination of the civil taxing unit's ~~budget, ad valorem property tax~~
40 ~~levy, and~~ property tax rate for that calendar year. However, a civil
41 taxing unit may not impose a property tax levy for a year if the unit did
42 not exist as of March 1 of the preceding year.

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1 SECTION 25. IC 6-1.1-18.5-8, AS AMENDED BY P.L.256-2003,
 2 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2005]: Sec. 8. (a) The ad valorem property tax levy
 4 limits imposed by section 3 of this chapter do not apply to ad valorem
 5 property taxes imposed by a civil taxing unit if the civil taxing unit is
 6 committed to levy the taxes to pay or fund either:

7 (1) bonded indebtedness; or

8 (2) lease rentals under a lease with an original term of at least five
 9 (5) years:

10 **tax rate attributable to the part of a civil taxing unit's levy that is**
 11 **used to pay lease rentals and debt service on bonds may not exceed**
 12 **the rate necessary to pay the lease rentals and debt service on**
 13 **leases and bonds that existed on April 1, 2005, and that are not**
 14 **paid when the rate is determined, plus any lease rentals and debt**
 15 **service on leases and bonds approved by the county property tax**
 16 **control board under IC 6-1.1-17.5 after April 1, 2005.**

17 (b) A civil taxing unit must file a petition requesting approval from
 18 the department of local government finance to incur bonded
 19 indebtedness or execute a lease with an original term of at least five (5)
 20 years not later than twenty-four (24) months after the first date of
 21 publication of notice of a preliminary determination under
 22 IC 6-1.1-20-3.1(2), unless the civil taxing unit demonstrates that a
 23 longer period is reasonable in light of the civil taxing unit's facts and
 24 circumstances. A civil taxing unit must obtain approval from the
 25 department of local government finance **appropriate county property**
 26 **tax control board under IC 6-1.1-17.5** before the civil taxing unit
 27 may:

28 (1) incur the bonded indebtedness; or

29 (2) enter into the a lease.

30 The department of local government finance may seek
 31 recommendations from the local government tax control board
 32 established by section 11 of this chapter when determining whether to
 33 authorize incurring the bonded indebtedness or the execution of the
 34 lease:

35 (c) The department of local government finance shall render a
 36 decision within three (3) months after the date it receives a request for
 37 approval under subsection (b). However, the department of local
 38 government finance may extend this three (3) month period by an
 39 additional three (3) months if, at least ten (10) days before the end of
 40 the original three (3) month period, the department sends notice of the
 41 extension to the executive officer of the civil taxing unit. A civil taxing
 42 unit may petition for judicial review of the final determination of the

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1 department of local government finance under this section. The petition
 2 must be filed in the tax court not more than forty-five (45) days after
 3 the department enters its order under this section:

4 ~~(d)~~ (c) A civil taxing unit does not need approval under subsection
 5 (b) to obtain temporary loans made in anticipation of and to be paid
 6 from current revenues of the civil taxing unit actually levied and in the
 7 course of collection for the fiscal year in which the loans are made.

8 ~~(e)~~ (d) For purposes of computing the ad valorem property tax ~~levy~~
 9 **rate** limits imposed on a civil taxing unit by ~~section 3~~ of this chapter,
 10 the civil taxing unit's ad valorem property tax ~~levy rate~~ for a calendar
 11 year does not include that part of its ~~levy rate~~ that is committed to fund
 12 or pay bond indebtedness or lease rentals. ~~with an original term of five~~
 13 ~~(5) years in subsection (a):~~

14 ~~(f)~~ A taxpayer may petition for judicial review of the final
 15 determination of the department of local government finance under this
 16 section. The petition must be filed in the tax court not more than thirty
 17 ~~(30) days after the department enters its order under this section:~~

18 SECTION 26. IC 6-1.1-18.5-9.9, AS ADDED BY P.L.272-2003,
 19 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2005]: Sec. 9.9. (a) The department of local government
 21 finance shall adjust the maximum property tax rate levied under ~~the~~
 22 ~~statutes listed in section 9.8(a) of this chapter; IC 6-1.1-19-10; or~~
 23 IC 21-2-15-11 in each county for property taxes first due and payable
 24 in:

- 25 (1) 2004;
 26 (2) the year the county first applies the deduction under
 27 IC 6-1.1-12-41 if the county first applies that deduction for
 28 property taxes first due and payable in 2005 or 2006; and
 29 (3) 2007 if the county does not apply the deduction under
 30 IC 6-1.1-12-41 for any year.

31 (b) If the county does not apply the deduction under IC 6-1.1-12-41
 32 for property taxes first due and payable in 2004, the department shall
 33 compute the adjustment under subsection (a)(1) to allow a levy for the
 34 fund for which the property tax rate is levied that equals the levy that
 35 would have applied for the fund if exemptions under
 36 IC 6-1.1-10-29(b)(2) did not apply for the 2003 assessment date.

37 (c) If the county applies the deduction under IC 6-1.1-12-41 for
 38 property taxes first due and payable in 2004, the department shall
 39 compute the adjustment under subsection (a)(1) to allow a levy for the
 40 fund for which the property tax rate is levied that equals the levy that
 41 would have applied for the fund if:

- 42 (1) exemptions under IC 6-1.1-10-29(b)(2); and



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1 (2) deductions under IC 6-1.1-12-41;
2 did not apply for the 2003 assessment date.

3 (d) The department shall compute the adjustment under subsection
4 (a)(2) to allow a levy for the fund for which the property tax rate is
5 levied that equals the levy that would have applied for the fund if
6 deductions under IC 6-1.1-12-41 did not apply for the assessment date
7 of the year that immediately precedes the year for which the adjustment
8 is made.

9 (e) The department shall compute the adjustment under subsection
10 (a)(3) to allow a levy for the fund for which the property tax rate is
11 levied that equals the levy that would have applied for the fund if
12 deductions under IC 6-1.1-12-42 did not apply for the 2006 assessment
13 date.

14 SECTION 27. IC 6-1.1-18.5-14, AS AMENDED BY P.L.90-2002,
15 SECTION 169, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JANUARY 1, 2005]: Sec. 14. (a) ~~The local government~~
17 ~~tax control board may recommend to the department of local~~
18 ~~government finance a correction of any advertising error, mathematical~~
19 ~~error, or error in data made at the local level for any calendar year that~~
20 ~~affects the determination of the limitations established by section 3 of~~
21 ~~this chapter or the tax rate or levy of a civil taxing unit.~~ The department
22 of local government finance may on its own initiative correct ~~such~~ an
23 advertising error, mathematical error, or error in data for any civil
24 taxing unit.

25 (b) A correction made under subsection (a) for a prior calendar year
26 shall be applied to the civil taxing unit's levy limitations, rate, and levy
27 for the ensuing calendar year to offset any cumulative effect that the
28 error caused in the determination of the civil taxing unit's levy
29 limitations, rate, or levy for the ensuing calendar year.

30 SECTION 28. IC 6-1.1-19-1 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. As used in this
32 chapter, the following terms have the following meanings, unless the
33 context clearly requires otherwise:

34 (a) "School year" means the period of time from July 1 of each year
35 until June 30 of the following year.

36 (b) "ADA" means, as to any school corporation, the average number
37 of pupils in daily attendance in the school corporation, determined in
38 accordance with the rules and regulations established by the Indiana
39 state board of education.

40 (c) "Current ADA" means the most recently determined ADA for
41 the school corporation in question.

42 (d) With the exception provided for in section 6(b) of this chapter,

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1 "ADA ratio" means, as to any school corporation, the quotient resulting
2 from a division of that school corporation's current ADA by that school
3 corporation's ADA for the school year ending in 1973. However, in any
4 case in which the quotient is less than one (1), the ADA ratio for the
5 school corporation is one (1).

6 (e) "General fund" means the fund that the governing body of each
7 school corporation is required to establish by IC 21-2-11-2.

8 (f) With the exceptions provided for in sections 4.4(a)(4), 4.5(c),
9 6(b), and 6(c) of this chapter, "base tax levy" means the total dollar
10 amount of the ad valorem tax levy for its general fund that was levied
11 by a school corporation for taxes collectible in 1973, assuming one
12 hundred percent (100%) tax collection.

13 (g) "Excessive tax levy" means a school corporation's general fund
14 ad valorem property tax levy for a calendar year which exceeds the
15 maximum general fund ad valorem property tax levy permitted under
16 section 4.5 of this chapter.

17 (h) "Normal tax levy" means the total dollar amount of any general
18 fund ad valorem property tax levy that is made by a school corporation
19 for a calendar year, and that is not an excessive tax levy.

20 (i) "Tax control board" means the school property tax control board
21 established by section 4.1 of this chapter.

22 SECTION 29. IC 6-1.1-19-1.5, AS AMENDED BY P.L.1-2004,
23 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JANUARY 1, 2005]: Sec. 1.5. (a) The following definitions apply
25 throughout this section and IC 21-3-1.7:

26 (1) "Adjustment factor" means the adjustment factor determined
27 by the department of local government finance for a school
28 corporation under IC 6-1.1-34.

29 (2) "Adjusted target property tax rate" means:
30 (A) the school corporation's target general fund property tax
31 rate determined under IC 21-3-1.7-6.8; multiplied by
32 (B) the school corporation's adjustment factor.

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

37 (b) Except as otherwise provided in this chapter, **IC 6-1.1-17.5 and**
38 **subsection (c)**, a school corporation may not, for a calendar year
39 beginning after December 31, ~~2004~~, **2005**, impose a general fund ad
40 valorem property tax levy which exceeds the following:

41 **STEP ONE: Determine the result of:**
42 (A) the school corporation's adjusted target property tax rate;

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

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1 STEP; each kindergarten pupil shall be counted as one-half
 2 (1/2) pupil.
 3 The result determined under this STEP may not be included in the
 4 school corporation's adjusted base levy for the year following the
 5 year in which the result applies or in the school corporation's
 6 determination of tuition support.
 7 (c) For purposes of this section; "total assessed value" with respect
 8 to a school corporation means the total assessed value of all taxable
 9 property for ad valorem property taxes first due and payable during that
 10 year.
 11 (d) The department of local government finance shall annually
 12 establish an assessment ratio and adjustment factor for each school
 13 corporation to be used upon the review and recommendation of the
 14 budget committee. The information compiled; including background
 15 documentation; may not be used in a:
 16 (1) review of an assessment under IC 6-1.1-8; IC 6-1.1-13;
 17 IC 6-1.1-14; or IC 6-1.1-15;
 18 (2) petition for a correction of error under IC 6-1.1-15-12; or
 19 (3) petition for refund under IC 6-1.1-26.
 20 (e) All tax rates shall be computed by rounding the rate to the
 21 nearest one-hundredth of a cent (\$0.0001). All tax levies shall be
 22 computed by rounding the levy to the nearest dollar amount.
 23 (f) For the calendar year beginning January 1, 2004; and ending
 24 December 31, 2004; a school corporation may impose a general fund
 25 ad valorem property tax levy in the amount determined under STEP
 26 EIGHT of the following formula:
 27 STEP ONE: Determine the quotient of:
 28 (A) the school corporation's 2003 assessed valuation; divided
 29 by
 30 (B) the school corporation's 2002 assessed valuation.
 31 STEP TWO: Determine the greater of zero (0) or the difference
 32 between:
 33 (A) the STEP ONE amount; minus
 34 (B) one (1).
 35 STEP THREE: Determine the lesser of eleven-hundredths (0.11)
 36 or the product of:
 37 (A) the STEP TWO amount; multiplied by
 38 (B) eleven-hundredths (0.11).
 39 STEP FOUR: Determine the sum of:
 40 (A) the STEP THREE amount; plus
 41 (B) one (1).
 42 STEP FIVE: Determine the product of:

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1 (A) the STEP FOUR amount; multiplied by
 2 (B) the school corporation's general fund ad valorem property
 3 tax levy for calendar year 2003.
 4 STEP SIX: Determine the lesser of:
 5 (A) the STEP FIVE amount; or
 6 (B) the levy resulting from using the school corporation's
 7 previous year property tax rate after increasing the rate by five
 8 cents (\$0.05).
 9 STEP SEVEN: Determine the result of:
 10 (A) the STEP SIX amount; plus
 11 (B) an amount equal to the annual decrease in federal aid to
 12 impacted areas from the year preceding the ensuing calendar
 13 year by three (3) years to the year preceding the ensuing
 14 calendar year by two (2) years.
 15 The maximum levy is to include the part of any excessive levy
 16 and the levy for new facilities.
 17 STEP EIGHT: Determine the result of:
 18 (A) the STEP SEVEN result; plus
 19 (B) the product of:
 20 (i) the weighted average of the amounts determined under
 21 IC 21-3-1.7-6.7(e) STEP NINE for all charter schools
 22 attended by students who have legal settlement in the school
 23 corporation; multiplied by
 24 (ii) thirty-five hundredths (0.35).
 25 In determining the number of students for purposes of this
 26 STEP, each kindergarten pupil shall be counted as one-half
 27 (1/2) pupil.
 28 The result determined under this STEP may not be included in the
 29 school corporation's adjusted base levy for the year following the
 30 year in which the result applies or in the school corporation's
 31 determination of tuition support.
 32 **rate that exceeds the rate used by the school corporation for**
 33 **property taxes first due and payable in 2005 for the school's**
 34 **general fund, transportation fund, school bus replacement fund,**
 35 **and special education preschool fund.**
 36 (c) If a statewide general reassessment of real property under
 37 IC 6-1.1-4-4 or an annual adjustment under IC 6-1.1-4-4.5 first
 38 becomes effective for the ensuing calendar year, the maximum
 39 permissible property tax rate shall be adjusted to equal the
 40 quotient of:
 41 (1) the maximum permissible rate for the year preceding the
 42 ensuing calendar year; divided by

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1 **(2) the tax rate adjustment used under IC 6-1.1-18.5-3.**
2 **The tax rate after the adjustment becomes the unit's maximum**
3 **permissible tax rate.**

4 SECTION 30. IC 6-1.1-19-5.3, AS AMENDED BY P.L.90-2002,
5 SECTION 185, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JANUARY 1, 2005]: Sec. 5.3. ~~(a)~~ The tax control board
7 may recommend to the department of local government finance a
8 correction of mathematical errors in data that affect the determination
9 of:

- 10 (1) a school corporation's adjusted base levy;
- 11 (2) a school corporation's excessive tax levy; or
- 12 (3) a school corporation's normal tax levy.

13 ~~(b)~~ The department of local government finance ~~may~~ **shall** correct
14 mathematical errors in data for any school corporation **that affect the**
15 **determination of a school corporation's property tax rate or levy.**

16 SECTION 31. IC 6-1.1-19-6, AS AMENDED BY P.L.90-2002,
17 SECTION 187, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JANUARY 1, 2005]: Sec. 6. ~~(a)~~ A school corporation
19 that did not impose a general fund tax levy for the preceding calendar
20 year may not collect a general fund tax levy for the ensuing calendar
21 year until **that the proposed** general fund tax levy (and the related
22 budget, appropriations, and general fund tax rate), after being adopted
23 and advertised and considered by the proper county board of tax
24 adjustment as provided by law, is reviewed by the tax control board,
25 which shall make its recommendations in respect thereof to the
26 department of local government finance, and is approved by the
27 department.

28 ~~(b)~~ For all purposes relevant to this chapter:

- 29 (1) the adjusted base levy for a school corporation that must have
30 its levy approved under subsection (a) is the total dollar amount
31 of the ad valorem tax levy for its general fund that, after being
32 approved, is made by the school corporation for taxes collectible
33 in the first full calendar year after the approval; and
- 34 (2) the ADA ratio for a school corporation that must have its levy
35 approved under subsection (a) is the quotient resulting from a
36 division of the school corporation's current ADA by the ADA first
37 determined after the approval for the school corporation in
38 accordance with the rules and regulations established by the state
39 board of education.

40 ~~(c)~~ For purposes of this chapter:

- 41 (1) where territory is transferred from one (1) school corporation
42 to another after April 4, 1973, under IC 20-4-4 or IC 20-3-14;

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1 ADA, current ADA, and ADA ratio shall be interpreted; insofar
 2 as possible; as though the pupils in the territory had been
 3 transferred in the school year ending in 1973; and
 4 (2) where territory is transferred for one (1) school corporation to
 5 another after June 1, 1978, under IC 20-4-4 or IC 20-3-14,
 6 adjusted base levy, normal tax levy, and the other terms used in
 7 this chapter shall be interpreted; insofar as possible; as though the
 8 assessed valuation of the territory had been transferred prior to
 9 March 1, 1977, in accordance with rules and a final determination
 10 by the department of local government finance.

11 **rate is referred to the appropriate county property tax control**
 12 **board established under IC 6-1.1-17.5 before the budget, levy, and**
 13 **rate are advertised. The county property tax control board shall**
 14 **then review and set the school corporation's property tax rate for**
 15 **that calendar year, subject to IC 6-1.1-17.5.**

16 SECTION 32. IC 6-1.1-19-8, AS AMENDED BY P.L.256-2003,
 17 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2005]: Sec. 8. (a) A school corporation must file a
 19 petition requesting approval from the department of local government
 20 finance to incur bond indebtedness, enter into a lease rental agreement,
 21 or repay from the debt service fund loans made for the purchase of
 22 school buses under IC 20-9.1-6-5 not later than twenty-four (24)
 23 months after the first date of publication of notice of a preliminary
 24 determination under IC 6-1.1-20-3.1(2) (unless the school corporation
 25 demonstrates that a longer period is reasonable in light of the school
 26 corporation's facts and circumstances) **tax rate attributable to the**
 27 **part of a school corporation's levy that is used to pay lease rentals,**
 28 **debt service on bonds, and school bus purchase loans may not**
 29 **exceed the rate necessary to pay the lease rentals, debt service, and**
 30 **payments on leases, bonds, and school bus purchase loans that**
 31 **existed on April 1, 2005, and that are not paid when the rate is**
 32 **determined, plus any lease rentals, debt service, and payments on**
 33 **leases, bonds, and school bus purchase loans approved by the**
 34 **county property tax control board under IC 6-1.1-17.5 after April**
 35 **1, 2005.** A school corporation must obtain approval from the
 36 department of local government finance **appropriate county property**
 37 **tax control board under IC 6-1.1-17.5** before the school corporation
 38 may:

- 39 (1) incur the indebtedness;
- 40 (2) enter into the a lease agreement; or
- 41 (3) repay the a school bus purchase loan.

42 This restriction does not apply to ad valorem property taxes which a

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1 school corporation levies to pay or fund bond or lease rental
2 indebtedness created or incurred before July 1, 1974.

3 (b) The department of local government finance may either approve;
4 disapprove; or modify then approve a school corporation's proposed
5 lease rental agreement; bond issue or school bus purchase loan. Before
6 it approves or disapproves a proposed lease rental agreement; bond
7 issue or school bus purchase loan; the department of local government
8 finance may seek the recommendation of the tax control board:

9 (c) The department of local government finance shall render a
10 decision not more than three (3) months after the date it receives a
11 request for approval under subsection (a). However; the department of
12 local government finance may extend this three (3) month period by an
13 additional three (3) months if; at least ten (10) days before the end of
14 the original three (3) month period; the department sends notice of the
15 extension to the executive officer of the school corporation. A school
16 corporation may petition for judicial review of the final determination
17 of the department of local government finance under this section. The
18 petition must be filed in the tax court not more than forty-five (45) days
19 after the department enters its order under this section:

20 (d) After December 31, 1995; the department of local government
21 finance may not approve a school corporation's proposed lease rental
22 agreement or bond issue to finance the construction of additional
23 classrooms unless the school corporation first:

- 24 (1) establishes that additional classroom space is necessary; and
- 25 (2) conducts a feasibility study; holds public hearings; and hears
26 public testimony on using a twelve (12) month school term
27 (instead of the nine (9) month school term (as defined in
28 IC 20-10.1-2-2)) rather than expanding classroom space:

29 (e) (b) This section does not apply to school bus purchase loans
30 made by a school corporation which will be repaid solely from the
31 general fund of the school corporation.

32 (f) A taxpayer may petition for judicial review of the final
33 determination of the department of local government finance under this
34 section. The petition must be filed in the tax court not more than thirty
35 (30) days after the department enters its order under this section:

36 SECTION 33. IC 6-1.1-21-2, AS AMENDED BY P.L.1-2004,
37 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JANUARY 1, 2005]: Sec. 2. As used in this chapter:

39 (a) "Taxpayer" means a person who is liable for taxes on property
40 assessed under this article.

41 (b) "Taxes" means property taxes payable in respect to property
42 assessed under this article. The term does not include special

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1 assessments, penalties, or interest, but does include any special charges
 2 which a county treasurer combines with all other taxes in the
 3 preparation and delivery of the tax statements required under
 4 IC 6-1.1-22-8(a).

5 (c) "Department" means the department of state revenue.

6 (d) "Auditor's abstract" means the annual report prepared by each
 7 county auditor which under IC 6-1.1-22-5, is to be filed on or before
 8 March 1 of each year with the auditor of state.

9 (e) "Mobile home assessments" means the assessments of mobile
 10 homes made under IC 6-1.1-7.

11 (f) "Postabstract adjustments" means adjustments in taxes made
 12 subsequent to the filing of an auditor's abstract which change
 13 assessments therein or add assessments of omitted property affecting
 14 taxes for such assessment year.

15 (g) "Total county tax levy" means the sum of:

16 (1) the remainder of:

17 (A) the aggregate levy of all taxes for all taxing units in a
 18 county which are to be paid in the county for a stated
 19 assessment year as reflected by the auditor's abstract for the
 20 assessment year, adjusted, however, for any postabstract
 21 adjustments which change the amount of the aggregate levy;
 22 minus

23 (B) the sum of any increases in property tax levies of taxing
 24 units of the county that result from appeals described in:

25 (i) IC 6-1.1-18.5-13(4) (**repealed**) and IC 6-1.1-18.5-13(5)
 26 (**repealed**) filed after December 31, 1982; plus

27 (ii) the sum of any increases in property tax levies of taxing
 28 units of the county that result from any other appeals
 29 described in IC 6-1.1-18.5-13 (**repealed**) filed after
 30 December 31, 1983; plus

31 (iii) IC 6-1.1-18.6-3 (children in need of services and
 32 delinquent children who are wards of the county)
 33 (**repealed**); minus

34 (C) the total amount of property taxes imposed for the stated
 35 assessment year by the taxing units of the county under the
 36 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),
 37 IC 12-19-5, or IC 12-20-24; minus

38 (D) the total amount of property taxes to be paid during the
 39 stated assessment year that will be used to pay for interest or
 40 principal due on debt that:

41 (i) is entered into after December 31, 1983;

42 (ii) is not debt that is issued under IC 5-1-5 to refund debt

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1 incurred before January 1, 1984; and
 2 (iii) does not constitute debt entered into for the purpose of
 3 building, repairing, or altering school buildings for which
 4 the requirements of IC 20-5-52 were satisfied prior to
 5 January 1, 1984; minus
 6 (E) the amount of property taxes imposed in the county for the
 7 stated assessment year under the authority of IC 21-2-6
 8 (repealed) or any citation listed in IC 6-1.1-18.5-9.8
 9 **(repealed)** for a cumulative building fund whose property tax
 10 rate was initially established or reestablished for a stated
 11 assessment year that succeeds the 1983 stated assessment year;
 12 minus
 13 (F) the remainder of:
 14 (i) the total property taxes imposed in the county for the
 15 stated assessment year under authority of IC 21-2-6
 16 (repealed) or any citation listed in IC 6-1.1-18.5-9.8
 17 **(repealed)** for a cumulative building fund whose property
 18 tax rate was not initially established or reestablished for a
 19 stated assessment year that succeeds the 1983 stated
 20 assessment year; minus
 21 (ii) the total property taxes imposed in the county for the
 22 1984 stated assessment year under the authority of IC 21-2-6
 23 (repealed) or any citation listed in IC 6-1.1-18.5-9.8
 24 **(repealed)** for a cumulative building fund whose property
 25 tax rate was not initially established or reestablished for a
 26 stated assessment year that succeeds the 1983 stated
 27 assessment year; minus
 28 (G) the amount of property taxes imposed in the county for the
 29 stated assessment year under:
 30 (i) IC 21-2-15 for a capital projects fund; plus
 31 (ii) IC 6-1.1-19-10 **(repealed)** for a racial balance fund; plus
 32 (iii) IC 20-14-13 for a library capital projects fund; plus
 33 (iv) IC 20-5-17.5-3 for an art association fund; plus
 34 (v) IC 21-2-17 for a special education preschool fund; plus
 35 (vi) IC 21-2-11.6 **(repealed)** for a referendum tax levy fund;
 36 plus
 37 (vii) an appeal filed under IC 6-1.1-19-5.1 **(repealed)** for an
 38 increase in a school corporation's maximum permissible
 39 general fund levy for certain transfer tuition costs; plus
 40 (viii) an appeal filed under IC 6-1.1-19-5.4 **(repealed)** for an
 41 increase in a school corporation's maximum permissible
 42 general fund levy for transportation operating costs; minus

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~~(H)~~ the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19; including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus

~~(H)~~ (H) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE **(repealed)** or IC 6-1.1-18.5-19(b) STEP THREE **(repealed)**, whichever ~~is~~ **was** applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) **(repealed)** filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

~~(I)~~ (I) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 **(as in effect on January 1, 2004)** and IC 6-1.1-18.5-19 **(repealed)** for that same year; minus

~~(J)~~ (J) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 **(repealed)** that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

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- 1 (3) the amounts, if any, of county adjusted gross income taxes that
- 2 were applied by the taxing units in the county as property tax
- 3 replacement credits to reduce the individual levies of the taxing
- 4 units for the assessment year, as provided in IC 6-3.5-1.1; plus
- 5 (4) the amounts, if any, by which the maximum permissible ad
- 6 valorem property tax levies of the taxing units of the county were
- 7 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT **(as in effect on**
- 8 **January 1, 2004)** for the stated assessment year; plus
- 9 (5) the difference between:
- 10 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR
- 11 **(as in effect on January 1, 2004);** minus
- 12 (B) the amount the civil taxing units' levies were increased
- 13 because of the reduction in the civil taxing units' base year
- 14 certified shares under IC 6-1.1-18.5-3(e) **(as in effect on**
- 15 **January 1, 2004).**
- 16 (h) "December settlement sheet" means the certificate of settlement
- 17 filed by the county auditor with the auditor of state, as required under
- 18 IC 6-1.1-27-3.
- 19 (i) "Tax duplicate" means the roll of property taxes which each
- 20 county auditor is required to prepare on or before March 1 of each year
- 21 under IC 6-1.1-22-3.
- 22 (j) "Eligible property tax replacement amount" is equal to the sum
- 23 of the following:
- 24 (1) Sixty percent (60%) of the total county tax levy imposed by
- 25 each school corporation in a county for its general fund for a
- 26 stated assessment year.
- 27 (2) Twenty percent (20%) of the total county tax levy (less sixty
- 28 percent (60%) of the levy for the general fund of a school
- 29 corporation that is part of the total county tax levy) imposed in a
- 30 county on real property for a stated assessment year.
- 31 (3) Twenty percent (20%) of the total county tax levy (less sixty
- 32 percent (60%) of the levy for the general fund of a school
- 33 corporation that is part of the total county tax levy) imposed in a
- 34 county on tangible personal property, excluding business personal
- 35 property, for an assessment year.
- 36 (k) "Business personal property" means tangible personal property
- 37 (other than real property) that is being:
- 38 (1) held for sale in the ordinary course of a trade or business; or
- 39 (2) held, used, or consumed in connection with the production of
- 40 income.
- 41 (l) "Taxpayer's property tax replacement credit amount" means the
- 42 sum of the following:

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- 1 (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar
 2 year for taxes imposed by a school corporation for its general fund
 3 for a stated assessment year.
- 4 (2) Twenty percent (20%) of a taxpayer's tax liability for a stated
 5 assessment year for a total county tax levy (less sixty percent
 6 (60%) of the levy for the general fund of a school corporation that
 7 is part of the total county tax levy) on real property.
- 8 (3) Twenty percent (20%) of a taxpayer's tax liability for a stated
 9 assessment year for a total county tax levy (less sixty percent
 10 (60%) of the levy for the general fund of a school corporation that
 11 is part of the total county tax levy) on tangible personal property
 12 other than business personal property.
- 13 (m) "Tax liability" means tax liability as described in section 5 of
 14 this chapter.
- 15 (n) "General school operating levy" means the ad valorem property
 16 tax levy of a school corporation in a county for the school corporation's
 17 general fund.
- 18 SECTION 34. IC 6-1.1-21.2-15, AS ADDED BY P.L.192-2002(ss),
 19 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2005]: Sec. 15. (a) A tax levied under this chapter shall
 21 be certified by the department of local government finance to the
 22 auditor of the county in which the district is located and shall be:
- 23 (1) estimated and entered upon the tax duplicates by the county
 24 auditor; and
- 25 (2) collected and enforced by the county treasurer;
 26 in the same manner as state and county taxes are estimated, entered,
 27 collected, and enforced.
- 28 (b) As the tax is collected by the county treasurer, it shall be
 29 transferred to the governing body and accumulated and kept in the
 30 special fund for the allocation area.
- 31 (c) A tax levied under this chapter
 32 ~~(1)~~ is exempt from the ~~levy rate~~ limitations imposed under
 33 IC 6-1.1-18.5. ~~and~~
 34 ~~(2) is not subject to IC 6-1.1-20.~~
- 35 (d) A tax levied under this chapter and the use of revenues from a
 36 tax levied under this chapter by a governing body do not create a
 37 constitutional or statutory debt, pledge, or obligation of the governing
 38 body, the district, or any unit.
- 39 SECTION 35. IC 6-1.1-21.5-5, AS AMENDED BY P.L.291-2001,
 40 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JANUARY 1, 2005]: Sec. 5. (a) The board shall
 42 determine the terms of a loan made under this chapter. However,

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1 interest may not be charged on the loan, and the loan must be repaid
2 not later than ten (10) years after the date on which the loan was made.

3 (b) The loan shall be repaid only from property tax revenues of the
4 qualified taxing unit that are subject to the ~~levy rate~~ limitations
5 imposed by IC 6-1.1-18.5 or IC 6-1.1-19. The payment of any
6 installment of principal constitutes a first charge against such property
7 tax revenues as collected by the qualified taxing unit during the
8 calendar year the installment is due and payable.

9 ~~(c) The obligation to repay the loan is not a basis for the qualified~~
10 ~~taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or~~
11 ~~IC 6-1.1-19.~~

12 ~~(d)~~ (c) Whenever the board receives a payment on a loan made
13 under this chapter, the board shall deposit the amount paid in the
14 counter-cyclical revenue and economic stabilization fund.

15 ~~(e)~~ (d) This section may not be construed to prevent the qualified
16 taxing unit from repaying a loan made under this chapter before the
17 date specified in subsection (a) if a taxpayer described in section 3 of
18 this chapter resumes paying property taxes to the qualified taxing unit.

19 SECTION 36. IC 6-1.1-21.5-6, AS AMENDED BY P.L.90-2002,
20 SECTION 202, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) ~~The receipt by the~~
22 ~~qualified taxing unit of the loan proceeds is not considered to be part~~
23 ~~of the ad valorem property tax levy actually collected by the qualified~~
24 ~~taxing unit for taxes first due and payable during a particular calendar~~
25 ~~year for the purpose of calculating the levy excess under~~
26 ~~IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by the qualified~~
27 ~~taxing unit of any payment of delinquent tax owed by a taxpayer in~~
28 ~~bankruptcy is considered to be part of the ad valorem property tax levy~~
29 ~~actually collected by the qualified taxing unit for taxes first due and~~
30 ~~payable during a particular calendar year for the purpose of calculating~~
31 ~~the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7.~~

32 (b) The loan proceeds and any payment of delinquent tax may be
33 expended by the qualified taxing unit only to pay debts of the qualified
34 taxing unit that have been incurred pursuant to duly adopted
35 appropriations ~~approved by the department of local government finance~~
36 for operating expenses.

37 (c) ~~In the event the sum of the receipts of the qualified taxing unit~~
38 ~~that are attributable to:~~

39 (1) the loan proceeds; and

40 (2) the payment of property taxes owed by a taxpayer in a
41 bankruptcy proceeding initially filed in 2000 and payable in 2001;
42 exceeds sixteen million dollars (\$16,000,000); the excess as received

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1 during any calendar year or years shall be set aside and treated for the
2 calendar year when received as a levy excess subject to
3 IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. In calculating the payment of
4 property taxes as provided in subdivision (2), the amount of property
5 tax credit finally allowed under IC 6-1.1-21-5 in respect to such taxes
6 is deemed to be a payment of such property taxes.

7 (d) As used in this section, "delinquent tax" means any tax owed by
8 a taxpayer in a bankruptcy proceeding initially filed in 2000 and that
9 is not paid during the calendar year for which it was first due and
10 payable.

11 SECTION 37. IC 6-1.1-21.7-6, AS AMENDED BY P.L.90-2002,
12 SECTION 205, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) A taxing unit may apply
14 for a loan under this chapter.

- 15 (b) A taxing unit qualifies for a loan under this chapter for a fund if:
 - 16 (1) the United States Congress limits or terminates its
 - 17 authorization for a taxing unit to impose a property tax on a
 - 18 taxpayer;
 - 19 (2) the lost revenue for at least one (1) fund, as determined under
 - 20 section 10, STEP THREE of this chapter, is at least five percent
 - 21 (5%) of the property tax revenues for the fund that the taxing unit
 - 22 would have received in the current year if the United States
 - 23 Congress had not limited or terminated payments from the
 - 24 taxpayer to the taxing unit, as determined under section 10, STEP
 - 25 TWO of this chapter; and
 - 26 (3) the taxing unit appeals to the department of local government
 - 27 finance for emergency financial relief under this chapter. ~~in the~~
 - 28 ~~same manner as an appeal for emergency relief under~~
 - 29 ~~IC 6-1.1-18.5-12 or IC 6-1.1-19-4.1.~~

30 The appeal required under subdivision (3) may be filed at any time.

31 (c) A taxing unit may receive a loan to replace lost revenue only for
32 the first five (5) years in which the taxing unit loses revenue as a result
33 of an act of the United States Congress described in subsection (b)(1).

34 SECTION 38. IC 6-1.1-21.8-4, AS AMENDED BY P.L.267-2003,
35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JANUARY 1, 2005]: Sec. 4. (a) The board shall determine the terms
37 of a loan made under this chapter. However, the interest charged on the
38 loan may not exceed the percent of increase in the United States
39 Department of Labor Consumer Price Index for Urban Wage Earners
40 and Clerical Workers during the most recent twelve (12) month period
41 for which data is available as of the date that the unit applies for a loan
42 under this chapter. In the case of a qualified taxing unit that is not a

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1 school corporation or a public library (as defined in IC 20-14-1-2), a
 2 loan must be repaid not later than ten (10) years after the date on which
 3 the loan was made. In the case of a qualified taxing unit that is a school
 4 corporation or a public library (as defined in IC 20-14-1-2), a loan must
 5 be repaid not later than eleven (11) years after the date on which the
 6 loan was made. A school corporation or a public library (as defined in
 7 IC 20-14-1-2) is not required to begin making payments to repay a loan
 8 until after June 30, 2004. The total amount of all the loans made under
 9 this chapter may not exceed twenty-eight million dollars (\$28,000,000).
 10 The board may disburse the proceeds of a loan in installments.
 11 However, not more than one-third (1/3) of the total amount to be
 12 loaned under this chapter may be disbursed at any particular time
 13 without the review of the budget committee and the approval of the
 14 budget agency.

15 (b) A loan made under this chapter shall be repaid only from:

16 (1) property tax revenues of the qualified taxing unit that are
 17 subject to the ~~levy rate~~ limitations imposed by IC 6-1.1-18.5 or
 18 IC 6-1.1-19; or

19 (2) any other source of revenues (other than property taxes) that
 20 is legally available to the qualified taxing unit.

21 The payment of any installment of principal constitutes a first charge
 22 against the property tax revenues described in subdivision (1) that are
 23 collected by the qualified taxing unit during the calendar year the
 24 installment is due and payable.

25 ~~(c) The obligation to repay a loan made under this chapter is not a~~
 26 ~~basis for the qualified taxing unit to obtain an excessive tax levy under~~
 27 ~~IC 6-1.1-18.5 or IC 6-1.1-19.~~

28 ~~(d)~~ (c) Whenever the board receives a payment on a loan made
 29 under this chapter, the board shall deposit the amount paid in the
 30 counter-cyclical revenue and economic stabilization fund.

31 ~~(e)~~ (d) This section does not prohibit a qualified taxing unit from
 32 repaying a loan made under this chapter before the date specified in
 33 subsection (a) if a taxpayer described in section 3 of this chapter
 34 resumes paying property taxes to the qualified taxing unit.

35 ~~(f)~~ (e) Interest accrues on a loan made under this chapter until the
 36 date the board receives notice from the county auditor that the county
 37 has adopted at least one (1) of the following:

38 (1) The county adjusted gross income tax under IC 6-3.5-1.1.

39 (2) The county option income tax under IC 6-3.5-6.

40 (3) The county economic development income tax under
 41 IC 6-3.5-7.

42 Notwithstanding subsection (a), interest may not be charged on a loan

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1 made under this chapter if a tax described in this subsection is adopted
2 before a qualified taxing unit applies for the loan.

3 SECTION 39. IC 6-1.1-21.8-6, AS ADDED BY P.L.157-2002,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2005]: Sec. 6. (a) As used in this section, "delinquent
6 tax" means any tax:

- 7 (1) owed by a taxpayer in a bankruptcy proceeding initially filed
- 8 in 2001; and
- 9 (2) not paid during the calendar year in which it was first due and
- 10 payable.

11 (b) Except as provided in subsection (d), the proceeds of a loan
12 received by the qualified taxing unit under this chapter are not
13 considered to be part of the ad valorem property tax levy actually
14 collected by the qualified taxing unit for taxes first due and payable
15 during a particular calendar year for the purpose of calculating the levy
16 excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by a
17 qualified taxing unit of any payment of delinquent tax owed by a
18 taxpayer in bankruptcy is considered to be part of the ad valorem
19 property tax levy actually collected by the qualified taxing unit for
20 taxes first due and payable during a particular calendar year for the
21 purpose of calculating the levy excess under IC 6-1.1-18.5-17 and
22 IC 6-1.1-19-1.7.

23 (c) (b) The proceeds of a loan made under this chapter must first be
24 used to retire any outstanding loans made by the department of
25 commerce to cover a qualified taxing unit's revenue shortfall resulting
26 from the taxpayer's default on property tax payments. Any remaining
27 proceeds of a loan made under this chapter and any payment of
28 delinquent taxes by the taxpayer may be expended by the qualified
29 taxing unit only to pay obligations of the qualified taxing unit that have
30 been incurred under appropriations for operating expenses made by the
31 qualified taxing unit and approved by the department of local
32 government finance.

33 (d) If the sum of the receipts of a qualified taxing unit that are
34 attributable to:

- 35 (1) the loan proceeds; and
- 36 (2) the payment of property taxes owed by a taxpayer in a
37 bankruptcy proceeding and payable in November 2001, May
38 2002, or November 2002;

39 exceeds the sum of the taxpayer's property tax liability attributable to
40 the qualified taxing unit for property taxes payable in November 2001,
41 May 2002, and November 2002, the excess as received during any
42 calendar year or years shall be set aside and treated for the calendar

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1 year when received as a levy excess subject to IC 6-1.1-18.5-17 or
 2 IC 6-1.1-19-1.7. In calculating the payment of property taxes as
 3 referred to in subdivision (2), the amount of property tax credit finally
 4 allowed under IC 6-1.1-21-5 in respect to those taxes is considered to
 5 be a payment of those property taxes:

6 SECTION 40. IC 6-1.1-22-9.5, AS ADDED BY P.L.1-2004,
 7 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2005]: Sec. 9.5. (a) This section applies only to property
 9 taxes first due and payable in a year that begins after December 31,
 10 2003:

11 (1) with respect to a homestead (as defined in IC 6-1.1-20.9-1);
 12 and

13 (2) that are not payable in one (1) installment under section 9(b)
 14 of this chapter.

15 (b) At any time before the mailing or transmission of tax statements
 16 for a year under section 8 of this chapter, a county may petition the
 17 department of local government finance to establish a schedule of
 18 installments for the payment of property taxes with respect to:

19 (1) real property that are based on the assessment of the property
 20 in the immediately preceding year; or

21 (2) a mobile home or manufactured home that is not assessed as
 22 real property that are based on the assessment of the property in
 23 the current year.

24 The county fiscal body (as defined in IC 36-1-2-6), the county auditor,
 25 and the county treasurer must approve a petition under this subsection.

26 (c) The department of local government finance:

27 (1) may not establish a date for:

28 (A) an installment payment that is earlier than May 10 of the
 29 year in which the tax statement is mailed or transmitted;

30 (B) the first installment payment that is later than November
 31 10 of the year in which the tax statement is mailed or
 32 transmitted; or

33 (C) the last installment payment that is later than May 10 of
 34 the year immediately following the year in which the tax
 35 statement is mailed or transmitted; and

36 (2) shall:

37 (A) prescribe the form of the petition under subsection (b);

38 (B) determine the information required on the form; and

39 (C) notify the county fiscal body, the county auditor, and the
 40 county treasurer of the department's determination on the
 41 petition not later than twenty (20) days after receiving the
 42 petition.

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1 (d) Revenue from property taxes paid under this section in the year
2 immediately following the year in which the tax statement is mailed or
3 transmitted under section 8 of this chapter ~~(1)~~ is not considered in the
4 determination of a levy excess under ~~IC 6-1.1-18.5-17~~ or
5 ~~IC 6-1.1-19-1.7~~ for the year in which the property taxes are paid; and
6 ~~(2)~~ may be:

- 7 ~~(A)~~ (1) used to repay temporary loans entered into by a political
8 subdivision for; and
- 9 ~~(B)~~ (2) expended for any other reason by a political subdivision
10 in the year the revenue is received under an appropriation from;
11 the year in which the tax statement is mailed or transmitted under
12 section 8 of this chapter.

13 SECTION 41. IC 6-1.1-37-1, AS AMENDED BY P.L.198-2001,
14 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2005]: Sec. 1. An officer of state or local government
16 who recklessly violates or fails to perform a duty imposed on ~~him~~ **the**
17 **officer** under:

- 18 (1) IC 6-1.1-10-1(b);
- 19 (2) IC 6-1.1-12-6;
- 20 (3) IC 6-1.1-12-7;
- 21 ~~(4)~~ ~~IC 6-1.1-12-8;~~
- 22 ~~(5)~~ (4) IC 6-1.1-17-1;
- 23 ~~(6)~~ (5) IC 6-1.1-17-3(a);
- 24 ~~(7)~~ (6) IC 6-1.1-17-5(d)(1);
- 25 ~~(8)~~ ~~IC 6-1.1-18-1;~~
- 26 ~~(9)~~ (7) IC 6-1.1-18-5;
- 27 ~~(10)~~ (8) IC 6-1.1-18-6;
- 28 ~~(11)~~ ~~IC 6-1.1-20-5;~~
- 29 ~~(12)~~ ~~IC 6-1.1-20-6;~~
- 30 ~~(13)~~ ~~IC 6-1.1-20-7;~~
- 31 ~~(14)~~ (9) IC 6-1.1-30-14; or
- 32 ~~(15)~~ (10) IC 6-1.1-36-13;

33 commits a Class A misdemeanor. In addition, the officer is liable for
34 the damages sustained by a person as a result of the officer's violation
35 of the provision or the officer's failure to perform the duty.

36 SECTION 42. IC 6-1.1-39-9 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 9. (a) The fiscal
38 body of a unit may by ordinance authorize the issuance of obligations
39 to the department of commerce under IC 4-4-8 payable solely from
40 taxes allocated under section 5 of this chapter. Any obligations issued
41 and payable from taxes allocated under section 5 of this chapter are not
42 general obligations of the unit that established the economic

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1 development district under this chapter.

2 (b) The economic development district created by a unit under this
3 chapter is a special taxing district authorized by the general assembly
4 to enable the unit to provide special benefits to taxpayers in the
5 economic development district by providing local public improvements
6 that are of public use and benefit.

7 (c) The ordinance of a unit authorizing the issuance of obligations
8 must contain a finding of the fiscal body that the proposed industrial
9 development program:

- 10 (1) constitutes a local public improvement;
- 11 (2) provides special benefits to property owners in the district;
- 12 and
- 13 (3) will be of public use and benefit.

14 (d) Proceeds of obligations issued under this section and IC 4-4-8
15 may be used to pay for the following:

- 16 (1) The cost of local public improvements.
- 17 (2) Interest on the obligations for the period of construction of the
18 local public improvements plus one (1) year after completion of
19 construction.
- 20 (3) Reasonable debt service reserves.
- 21 (4) Costs of issuance of the obligations.
- 22 (5) Any other reasonable and necessary expenses related to
23 issuance of the obligations.

24 ~~(e) Notwithstanding any other law, IC 6-1.1-20 does not apply to~~
25 ~~obligations payable solely from tax proceeds allocated under section 5~~
26 ~~of this chapter.~~

27 SECTION 43. IC 6-3.5-1.1-2.5, AS AMENDED BY P.L.90-2002,
28 SECTION 289, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JANUARY 1, 2005]: Sec. 2.5. (a) This section applies
30 only to a county having a population of more than forty-one thousand
31 (41,000) but less than forty-three thousand (43,000).

32 (b) The county council of a county described in subsection (a) may,
33 by ordinance, determine that additional county adjusted gross income
34 tax revenue is needed in the county to fund the operation and
35 maintenance of a jail and juvenile detention center opened after July 1,
36 1998.

37 (c) Notwithstanding section 2 of this chapter, if the county council
38 adopts an ordinance under subsection (b), the county council may
39 impose the county adjusted gross income tax at a rate of one and
40 one-tenth percent (1.1%) on adjusted gross income. However, a county
41 may impose the county adjusted gross income tax at a rate of one and
42 one-tenth percent (1.1%) for only eight (8) years. After the county has

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1 imposed the county adjusted gross income tax at a rate of one and
 2 one-tenth percent (1.1%) for eight (8) years, the rate is reduced to one
 3 percent (1%). If the county council imposes the county adjusted gross
 4 income tax at a rate of one and one-tenth percent (1.1%), the county
 5 council may decrease the rate or rescind the tax in the manner provided
 6 under this chapter.

7 (d) If a county imposes the county adjusted gross income tax at a
 8 rate of one and one-tenth percent (1.1%) under this section, the revenue
 9 derived from a tax rate of one-tenth percent (0.1%) on adjusted gross
 10 income:

11 (1) shall be paid to the county treasurer; **and**

12 (2) may be used only to pay the costs of operating a jail and
 13 juvenile detention center opened after July 1, 1998. ~~and~~

14 ~~(3) may not be considered by the department of local government~~
 15 ~~finance in determining the county's maximum permissible~~
 16 ~~property tax levy limit under IC 6-1.1-18.5.~~

17 SECTION 44. IC 6-3.5-1.1-2.7, AS AMENDED BY P.L.90-2002,
 18 SECTION 290, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JANUARY 1, 2005]: Sec. 2.7. (a) This section applies
 20 to a county having a population of more than seventy-one thousand
 21 (71,000) but less than seventy-one thousand four hundred (71,400).

22 (b) The county council may, by ordinance, determine that additional
 23 county adjusted gross income tax revenue is needed in the county to:

24 (1) finance, construct, acquire, improve, renovate, or equip the
 25 county jail and related buildings and parking facilities, including
 26 costs related to the demolition of existing buildings and the
 27 acquisition of land; and

28 (2) repay bonds issued, or leases entered into, for constructing,
 29 acquiring, improving, renovating, and equipping the county jail
 30 and related buildings and parking facilities, including costs
 31 related to the demolition of existing buildings and the acquisition
 32 of land.

33 (c) In addition to the rates permitted by section 2 of this chapter, the
 34 county council may impose the county adjusted gross income tax at a
 35 rate of:

36 (1) fifteen-hundredths percent (0.15%);

37 (2) two-tenths percent (0.2%); or

38 (3) twenty-five hundredths percent (0.25%);

39 on the adjusted gross income of county taxpayers if the county council
 40 makes the finding and determination set forth in subsection (b). The tax
 41 imposed under this section may be imposed only until the later of the
 42 date on which the financing on, acquisition, improvement, renovation,

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1 and equipping described in subsection (b) is completed or the date on
2 which the last of any bonds issued or leases entered into to finance the
3 construction, acquisition, improvement, renovation, and equipping
4 described in subsection (b) are fully paid. The term of the bonds issued
5 (including any refunding bonds) or a lease entered into under
6 subsection (b)(2) may not exceed twenty (20) years.

7 (d) If the county council makes a determination under subsection
8 (b), the county council may adopt a tax rate under subsection (c). The
9 tax rate may not be imposed at a rate greater than is necessary to pay
10 the costs of financing, acquiring, improving, renovating, and equipping
11 the county jail and related buildings and parking facilities, including
12 costs related to the demolition of existing buildings and the acquisition
13 of land.

14 (e) The county treasurer shall establish a county jail revenue fund
15 to be used only for purposes described in this section. County adjusted
16 gross income tax revenues derived from the tax rate imposed under this
17 section shall be deposited in the county jail revenue fund before
18 making a certified distribution under section 11 of this chapter.

19 (f) County adjusted gross income tax revenues derived from the tax
20 rate imposed under this section:

- 21 (1) may only be used for the purposes described in this section;
- 22 **and**
- 23 ~~(2) may not be considered by the department of local government~~
- 24 ~~finance in determining the county's maximum permissible~~
- 25 ~~property tax levy limit under IC 6-1.1-18.5; and~~
- 26 ~~(3) (2) may be pledged to the repayment of bonds issued, or leases~~
- 27 ~~entered into, for purposes described in subsection (b).~~

28 (g) A county described in subsection (a) possesses unique economic
29 development challenges due to underemployment in relation to
30 similarly situated counties. Maintaining low property tax rates is
31 essential to economic development and the use of county adjusted
32 gross income tax revenues as provided in this chapter to pay any bonds
33 issued or leases entered into to finance the construction, acquisition,
34 improvement, renovation, and equipping described under subsection
35 (b), rather than use of property taxes, promotes that purpose.

36 (h) Notwithstanding any other law, funds accumulated from the
37 county adjusted gross income tax imposed under this section after:

- 38 (1) the redemption of bonds issued; or
- 39 (2) the final payment of lease rentals due under a lease entered
40 into under this section;

41 shall be transferred to the county highway fund to be used for
42 construction, resurfacing, restoration, and rehabilitation of county

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- 1 highways, roads, and bridges.
- 2 SECTION 45. IC 6-3.5-1.1-2.8, AS ADDED BY P.L.178-2002,
3 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2005]: Sec. 2.8. (a) This section applies to:
- 5 (1) a county having a population of more than one hundred
6 eighty-two thousand seven hundred ninety (182,790) but less than
7 two hundred thousand (200,000); and
- 8 (2) a county having a population of more than forty-five thousand
9 (45,000) but less than forty-five thousand nine hundred (45,900).
- 10 (b) The county council may, by ordinance, determine that additional
11 county adjusted gross income tax revenue is needed in the county to:
- 12 (1) finance, construct, acquire, improve, renovate, or equip:
- 13 (A) jail facilities;
- 14 (B) juvenile court, detention, and probation facilities;
- 15 (C) other criminal justice facilities; and
- 16 (D) related buildings and parking facilities;
- 17 located in the county, including costs related to the demolition of
18 existing buildings and the acquisition of land; and
- 19 (2) repay bonds issued or leases entered into for the purposes
20 described in subdivision (1).
- 21 (c) In addition to the rates permitted by section 2 of this chapter, the
22 county council may impose the county adjusted gross income tax at a
23 rate of:
- 24 (1) fifteen-hundredths percent (0.15%);
- 25 (2) two-tenths percent (0.2%); or
- 26 (3) twenty-five hundredths percent (0.25%);
- 27 on the adjusted gross income of county taxpayers if the county council
28 makes the finding and determination set forth in subsection (b). The tax
29 imposed under this section may be imposed only until the later of the
30 date on which the financing, construction, acquisition, improvement,
31 renovation, and equipping described in subsection (b) are completed
32 or the date on which the last of any bonds issued or leases entered into
33 to finance the construction, acquisition, improvement, renovation, and
34 equipping described in subsection (b) are fully paid. The term of the
35 bonds issued (including any refunding bonds) or a lease entered into
36 under subsection (b)(2) may not exceed twenty (20) years.
- 37 (d) If the county council makes a determination under subsection
38 (b), the county council may adopt a tax rate under subsection (c). The
39 tax rate may not be imposed at a rate greater than is necessary to pay
40 the costs of carrying out the purposes described in subsection (b)(1).
- 41 (e) The county treasurer shall establish a criminal justice facilities
42 revenue fund to be used only for purposes described in this section.

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1 County adjusted gross income tax revenues derived from the tax rate
 2 imposed under this section shall be deposited in the criminal justice
 3 facilities revenue fund before making a certified distribution under
 4 section 11 of this chapter.

5 (f) County adjusted gross income tax revenues derived from the tax
 6 rate imposed under this section:

7 (1) may be used only for the purposes described in this section;

8 **and**

9 ~~(2) may not be considered by the department of local government~~
 10 ~~finance in determining the county's maximum permissible~~
 11 ~~property tax levy limit under IC 6-1.1-18.5; and~~

12 ~~(3) (2) may be pledged to the repayment of bonds issued or leases~~
 13 ~~entered into for any or all the purposes described in subsection~~
 14 ~~(b).~~

15 (g) Notwithstanding any other law, funds accumulated from the
 16 county adjusted gross income tax imposed under this section after:

17 (1) the completion of the financing, construction, acquisition,
 18 improvement, renovation, and equipping described in subsection
 19 (b);

20 (2) the payment or provision for payment of all the costs for
 21 activities described in subdivision (1);

22 (3) the redemption of bonds issued; and

23 (4) the final payment of lease rentals due under a lease entered
 24 into under this section;

25 shall be transferred to the county highway fund to be used for
 26 construction, resurfacing, restoration, and rehabilitation of county
 27 highways, roads, and bridges.

28 SECTION 46. IC 6-3.5-1.1-2.9, AS AMENDED BY P.L.1-2003,
 29 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2005]: Sec. 2.9. (a) This section applies to a county
 31 having a population of more than twenty-nine thousand (29,000) but
 32 less than thirty thousand (30,000).

33 (b) The county council may, by ordinance, determine that additional
 34 county adjusted gross income tax revenue is needed in the county to:

35 (1) finance, construct, acquire, improve, renovate, remodel, or
 36 equip the county jail and related buildings and parking facilities,
 37 including costs related to the demolition of existing buildings, the
 38 acquisition of land, and any other reasonably related costs; and

39 (2) repay bonds issued or leases entered into for constructing,
 40 acquiring, improving, renovating, remodeling, and equipping the
 41 county jail and related buildings and parking facilities, including
 42 costs related to the demolition of existing buildings, the

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1 acquisition of land, and any other reasonably related costs.

2 (c) In addition to the rates permitted by section 2 of this chapter, the

3 county council may impose the county adjusted gross income tax at a

4 rate of:

5 (1) fifteen-hundredths percent (0.15%);

6 (2) two-tenths percent (0.2%); or

7 (3) twenty-five hundredths percent (0.25%);

8 on the adjusted gross income of county taxpayers if the county council

9 makes the finding and determination set forth in subsection (b). The tax

10 imposed under this section may be imposed only until the later of the

11 date on which the financing on, acquisition, improvement, renovation,

12 remodeling, and equipping described in subsection (b) are completed

13 or the date on which the last of any bonds issued or leases entered into

14 to finance the construction, acquisition, improvement, renovation,

15 remodeling, and equipping described in subsection (b) are fully paid.

16 The term of the bonds issued (including any refunding bonds) or a

17 lease entered into under subsection (b)(2) may not exceed twenty-five

18 (25) years.

19 (d) If the county council makes a determination under subsection

20 (b), the county council may adopt a tax rate under subsection (c). The

21 tax rate may not be imposed at a rate greater than is necessary to pay

22 the costs of financing, acquiring, improving, renovating, remodeling,

23 and equipping the county jail and related buildings and parking

24 facilities, including costs related to the demolition of existing

25 buildings, the acquisition of land, and any other reasonably related

26 costs.

27 (e) The county treasurer shall establish a county jail revenue fund

28 to be used only for purposes described in this section. County adjusted

29 gross income tax revenues derived from the tax rate imposed under this

30 section shall be deposited in the county jail revenue fund before

31 making a certified distribution under section 11 of this chapter.

32 (f) County adjusted gross income tax revenues derived from the tax

33 rate imposed under this section:

34 (1) may be used only for the purposes described in this section;

35 **and**

36 ~~(2) may not be considered by the department of local government~~

37 ~~finance in determining the county's maximum permissible~~

38 ~~property tax levy limit under IC 6-1.1-18.5; and~~

39 ~~(3) (2) may be pledged to the repayment of bonds issued or leases~~

40 ~~entered into for purposes described in subsection (b).~~

41 (g) A county described in subsection (a) possesses unique

42 governmental and economic development challenges due to:

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- 1 (1) underemployment in relation to similarly situated counties and
 2 the loss of a major manufacturing business;
 3 (2) an increase in property taxes for taxable years after December
 4 31, 2000, for the construction of a new elementary school; and
 5 (3) overcrowding of the county jail, the costs associated with
 6 housing the county's inmates outside the county, and the potential
 7 unavailability of additional housing for inmates outside the
 8 county.

9 The use of county adjusted gross income tax revenues as provided in
 10 this chapter is necessary for the county to provide adequate jail
 11 capacity in the county and to maintain low property tax rates essential
 12 to economic development. The use of county adjusted gross income tax
 13 revenues as provided in this chapter to pay any bonds issued or leases
 14 entered into to finance the construction, acquisition, improvement,
 15 renovation, remodeling, and equipping described in subsection (b),
 16 rather than the use of property taxes, promotes those purposes.

17 (h) Notwithstanding any other law, funds accumulated from the
 18 county adjusted gross income tax imposed under this section after:

- 19 (1) the redemption of bonds issued; or
 20 (2) the final payment of lease rentals due under a lease entered
 21 into under this section;

22 shall be transferred to the county highway fund to be used for
 23 construction, resurfacing, restoration, and rehabilitation of county
 24 highways, roads, and bridges.

25 SECTION 47. IC 6-3.5-1.1-3.3, AS ADDED BY P.L.42-2003,
 26 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2005]: Sec. 3.3. (a) This section applies only to a county
 28 that:

- 29 (1) operates a county jail that is subject to an order that:
 30 (A) was issued by a federal district court before January 1,
 31 2003; and
 32 (B) has not been terminated;
 33 (2) operates a county jail that fails to meet:
 34 (A) American Correctional Association Jail Construction
 35 Standards; and
 36 (B) Indiana jail operation standards adopted by the department
 37 of correction; and
 38 (3) has insufficient revenue to finance the construction,
 39 acquisition, improvement, renovation, and equipping of a county
 40 jail and related buildings and parking facilities.

41 (b) For purposes of this section, "county jail" includes any other
 42 penal facility that is:

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1 (1) located in; and
2 (2) operated by;
3 the county.

4 (c) The county council may, by ordinance, determine that additional
5 county adjusted gross income tax revenue is needed in the county to:

6 (1) finance, construct, acquire, improve, renovate, or equip a
7 county jail and related buildings and parking facilities, including
8 costs related to the demolition of existing buildings and the
9 acquisition of land; and

10 (2) repay bonds issued or leases entered into for constructing,
11 acquiring, improving, renovating, and equipping the county jail
12 and related buildings and parking facilities, including costs
13 related to the demolition of existing buildings and the acquisition
14 of land.

15 (d) In addition to the rates permitted by section 2 of this chapter, the
16 county council may impose the county adjusted gross income tax at a
17 rate of twenty-five hundredths percent (0.25%) on the adjusted gross
18 income of county taxpayers if the county council makes the finding and
19 determination set forth in subsection (c). The tax imposed under this
20 section may be imposed only until the later of the date on which the
21 financing on acquisition, improvement, renovation, and equipping
22 described in subsection (c) is completed or the date on which the last
23 of any bonds issued or leases entered into to finance the construction,
24 acquisition, improvement, renovation, and equipping described in
25 subsection (c) are fully paid. The term of the bonds issued (including
26 any refunding bonds) or a lease entered into under subsection (c)(2)
27 may not exceed thirty (30) years.

28 (e) If the county council makes a determination under subsection
29 (c), the county council may adopt a tax rate under subsection (d). The
30 tax rate may not be imposed at a rate greater than is necessary to pay
31 the costs of financing, acquiring, improving, renovating, and equipping
32 the county jail and related buildings and parking facilities, including
33 costs related to the demolition of existing buildings and the acquisition
34 of land.

35 (f) The county treasurer shall establish a county jail revenue fund to
36 be used only for purposes described in this section. County adjusted
37 gross income tax revenues derived from the tax rate imposed under this
38 section shall be deposited in the county jail revenue fund before
39 making a certified distribution under section 11 of this chapter.

40 (g) County adjusted gross income tax revenues derived from the tax
41 rate imposed under this section:

42 (1) may only be used for purposes described in this section; **and**

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1 (2) may not be considered by the department of local government
2 finance in determining the county's maximum permissible
3 property tax levy limit under IC 6-1.1-18.5; and

4 (3) (2) may be pledged to the repayment of bonds issued or leases
5 entered into for purposes described in subsection (c).

6 (h) A county described in subsection (a) possesses unique economic
7 development challenges due to underemployment in relation to
8 similarly situated counties. Maintaining low property tax rates is
9 essential to economic development. The use of county adjusted gross
10 income tax revenues as provided in this chapter, rather than use of
11 property taxes, to pay any bonds issued or leases entered into to finance
12 the construction, acquisition, improvement, renovation, and equipping
13 described in subsection (c) promotes that purpose.

14 (i) Notwithstanding any other law, funds accumulated from the
15 county adjusted gross income tax imposed under this section after:

16 (1) the redemption of bonds issued; or

17 (2) the final payment of lease rentals due under a lease entered
18 into under this section;

19 shall be transferred to the county general fund.

20 SECTION 48. IC 6-3.5-1.1-3.5, AS AMENDED BY P.L.90-2002,
21 SECTION 291, IS AMENDED TO READ AS FOLLOWS
22 [EFFECTIVE JANUARY 1, 2005]: Sec. 3.5. (a) This section applies
23 only to a county having a population of more than thirteen thousand
24 five hundred (13,500) but less than fourteen thousand (14,000).

25 (b) The county council of a county described in subsection (a) may,
26 by ordinance, determine that additional county adjusted gross income
27 tax revenue is needed in the county to fund the operation and
28 maintenance of a jail and justice center.

29 (c) Notwithstanding section 2 of this chapter, if the county council
30 adopts an ordinance under subsection (b), the county council may
31 impose the county adjusted gross income tax at a rate of one and
32 three-tenths percent (1.3%) on adjusted gross income. However, a
33 county may impose the county adjusted gross income tax at a rate of
34 one and three-tenths percent (1.3%) for only eight (8) years. After the
35 county has imposed the county adjusted gross income tax at a rate of
36 one and three-tenths percent (1.3%) for eight (8) years, the rate is
37 reduced to one percent (1%). If the county council imposes the county
38 adjusted gross income tax at a rate of one and three-tenths percent
39 (1.3%), the county council may decrease the rate or rescind the tax in
40 the manner provided under this chapter.

41 (d) If a county imposes the county adjusted gross income tax at a
42 rate of one and three-tenths percent (1.3%) under this section, the

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1 revenue derived from a tax rate of three-tenths percent (0.3%) on
2 adjusted gross income:

3 (1) shall be paid to the county treasurer; **and**

4 (2) may be used only to pay the costs of operating and
5 maintaining a jail and justice center. ~~and~~

6 ~~(3) may not be considered by the department of local government~~
7 ~~finance under any provision of IC 6-1.1-18.5; including the~~
8 ~~determination of the county's maximum permissible property tax~~
9 ~~levy.~~

10 (e) Notwithstanding section 3 of this chapter, the county fiscal body
11 may adopt an ordinance under this section before June 1.

12 SECTION 49. IC 6-3.5-1.1-3.6, AS AMENDED BY P.L.1-2003,
13 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JANUARY 1, 2005]: Sec. 3.6. (a) This section applies only to a county
15 having a population of more than six thousand (6,000) but less than
16 eight thousand (8,000).

17 (b) The county council may, by ordinance, determine that additional
18 county adjusted gross income tax revenue is needed in the county to:

19 (1) finance, construct, acquire, improve, renovate, or equip the
20 county courthouse; and

21 (2) repay bonds issued, or leases entered into, for constructing,
22 acquiring, improving, renovating, and equipping the county
23 courthouse.

24 (c) In addition to the rates permitted under section 2 of this chapter,
25 the county council may impose the county adjusted gross income tax
26 at a rate of twenty-five hundredths percent (0.25%) on the adjusted
27 gross income of county taxpayers if the county council makes the
28 finding and determination set forth in subsection (b). The tax imposed
29 under this section may be imposed only until the later of the date on
30 which the financing on, acquisition, improvement, renovation, and
31 equipping described in subsection (b) is completed or the date on
32 which the last of any bonds issued or leases entered into to finance the
33 construction, acquisition, improvement, renovation, and equipping
34 described in subsection (b) are fully paid. The term of the bonds issued
35 (including any refunding bonds) or a lease entered into under
36 subsection (b)(2) may not exceed twenty-two (22) years.

37 (d) If the county council makes a determination under subsection
38 (b), the county council may adopt a tax rate under subsection (c). The
39 tax rate may not be imposed for a time greater than is necessary to pay
40 the costs of financing, constructing, acquiring, renovating, and
41 equipping the county courthouse.

42 (e) The county treasurer shall establish a county jail revenue fund

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1 to be used only for purposes described in this section. County adjusted
 2 gross income tax revenues derived from the tax rate imposed under this
 3 section shall be deposited in the county jail revenue fund before a
 4 certified distribution is made under section 11 of this chapter.

5 (f) County adjusted gross income tax revenues derived from the tax
 6 rate imposed under this section:

7 (1) may only be used for the purposes described in this section;

8 **and**

9 ~~(2) may not be considered by the department of local government~~
 10 ~~finance in determining the county's maximum permissible~~
 11 ~~property tax levy under IC 6-1.1-18.5; and~~

12 ~~(3) (2)~~ may be pledged to the repayment of bonds issued or leases
 13 entered into for purposes described in subsection (b).

14 (g) A county described in subsection (a) possesses unique economic
 15 development challenges due to:

16 (1) the county's heavy agricultural base;

17 (2) the presence of a large amount of state owned property in the
 18 county that is exempt from property taxation; and

19 (3) recent obligations of the school corporation in the county that
 20 have already increased property taxes in the county and imposed
 21 additional property tax burdens on the county's agricultural base.

22 Maintaining low property tax rates is essential to economic
 23 development. The use of county adjusted gross income tax revenues as
 24 provided in this chapter to pay any bonds issued or leases entered into
 25 to finance the construction, acquisition, improvement, renovation, and
 26 equipping described in subsection (b), rather than the use of property
 27 taxes, promotes that purpose.

28 (h) Notwithstanding any other law, funds accumulated from the
 29 county adjusted gross income tax imposed under this section after:

30 (1) the redemption of the bonds issued; or

31 (2) the final payment of lease rentals due under a lease entered
 32 into under this section;

33 shall be transferred to the county highway fund to be used for
 34 construction, resurfacing, restoration, and rehabilitation of county
 35 highways, roads, and bridges.

36 SECTION 50. IC 6-3.5-1.1-10, AS AMENDED BY P.L.42-2003,
 37 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2005]: Sec. 10. (a) Except as provided in subsection (b),
 39 one-half (1/2) of each adopting county's certified distribution for a
 40 calendar year shall be distributed from its account established under
 41 section 8 of this chapter to the appropriate county treasurer on May 1
 42 and the other one-half (1/2) on November 1 of that calendar year.

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1 (b) This subsection applies to a county having a population of more
 2 than one hundred forty-five thousand (145,000) but less than one
 3 hundred forty-eight thousand (148,000). Notwithstanding section 9 of
 4 this chapter, the initial certified distribution certified for a county under
 5 section 9 of this chapter shall be distributed to the county treasurer
 6 from the account established for the county under section 8 of this
 7 chapter according to the following schedule during the eighteen (18)
 8 month period beginning on July 1 of the year in which the county
 9 initially adopts an ordinance under section 2 of this chapter:

10 (1) One-fourth (1/4) on October 1 of the year in which the
 11 ordinance was adopted.

12 (2) One-fourth (1/4) on January 1 of the calendar year following
 13 the year in which the ordinance was adopted.

14 (3) One-fourth (1/4) on May 1 of the calendar year following the
 15 year in which the ordinance was adopted.

16 (4) One-fourth (1/4) on November 1 of the calendar year
 17 following the year in which the ordinance was adopted.

18 ~~Notwithstanding section 11 of this chapter, the part of the certified~~
 19 ~~distribution received under subdivision (1) that would otherwise be~~
 20 ~~allocated to a civil taxing unit or school corporation as property tax~~
 21 ~~replacement credits under section 11 of this chapter shall be set aside~~
 22 ~~and treated for the calendar year when received by the civil taxing unit~~
 23 ~~or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or~~
 24 ~~IC 6-1.1-19-1.7. Certified distributions made to the county treasurer for~~
 25 ~~calendar years following the eighteen (18) month period described in~~
 26 ~~this subsection shall be made as provided in subsection (a).~~

27 (c) Except for:

28 (1) revenue that must be used to pay the costs of operating a jail
 29 and juvenile detention center under section 2.5(d) of this chapter;

30 (2) revenue that must be used to pay the costs of:

31 (A) financing, constructing, acquiring, improving, renovating,
 32 or equipping facilities and buildings;

33 (B) debt service on bonds; or

34 (C) lease rentals;

35 under section 2.8 of this chapter;

36 (3) revenue that must be used to pay the costs of construction,
 37 improvement, renovation, or remodeling of a jail and related
 38 buildings and parking structures under section 2.7, 2.9, or 3.3 of
 39 this chapter;

40 (4) revenue that must be used to pay the costs of operating and
 41 maintaining a jail and justice center under section 3.5(d) of this
 42 chapter; or

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1 (5) revenue that must be used to pay the costs of constructing,
 2 acquiring, improving, renovating, or equipping a county
 3 courthouse under section 3.6 of this chapter;
 4 distributions made to a county treasurer under subsections (a) and (b)
 5 shall be treated as though they were property taxes that were due and
 6 payable during that same calendar year. Except as provided by
 7 subsection (b), the certified distribution shall be distributed and used
 8 by the taxing units and school corporations as provided in sections 11
 9 through 15 of this chapter.

10 (d) All distributions from an account established under section 8 of
 11 this chapter shall be made by warrants issued by the auditor of the state
 12 to the treasurer of the state ordering the appropriate payments.

13 SECTION 51. IC 6-3.5-1.1-12, AS AMENDED BY P.L.90-2002,
 14 SECTION 293, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JANUARY 1, 2005]: Sec. 12. (a) The part of a county's
 16 certified distribution for a calendar year that is to be used as property
 17 tax replacement credits shall be allocated by the county auditor among
 18 the civil taxing units and school corporations of the county.

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

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

26 (2) a fraction:
 27 (A) The numerator of the fraction equals the sum of the total
 28 property taxes being collected by the civil taxing unit or school
 29 corporation during that calendar year, plus with respect to a
 30 civil taxing unit, the amount of federal revenue sharing funds
 31 and certified shares received by it during that calendar year to
 32 the extent that they are used to reduce its property tax levy
 33 ~~below the limit imposed by IC 6-1.1-18.5~~ for that same
 34 calendar year.

35 (B) The denominator of the fraction equals the sum of the total
 36 property taxes being collected by all civil taxing units and
 37 school corporations, plus the amount of federal revenue
 38 sharing funds and certified shares received by all civil taxing
 39 units in the county to the extent that they are used to reduce
 40 the civil taxing units' property tax levies ~~below the limits~~
 41 ~~imposed by IC 6-1.1-18.5~~ for that same calendar year.

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

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1 county auditor with the amount of property tax replacement credits that
 2 each civil taxing unit and school corporation in the auditor's county is
 3 entitled to receive. The county auditor shall then certify to each civil
 4 taxing unit and school corporation the amount of property tax
 5 replacement credits it is entitled to receive (after adjustment made
 6 under section 13 of this chapter) during that calendar year. The county
 7 auditor shall also certify these distributions to the county treasurer.

8 SECTION 52. IC 6-3.5-1.1-14, AS AMENDED BY P.L.90-2002,
 9 SECTION 295, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JANUARY 1, 2005]: Sec. 14. (a) In determining the
 11 amount of property tax replacement credits civil taxing units and
 12 school corporations of a county are entitled to receive during a calendar
 13 year, the department of local government finance shall consider only
 14 property taxes imposed on tangible property that was assessed in that
 15 county.

16 (b) If a civil taxing unit or a school corporation is located in more
 17 than one (1) county and receives property tax replacement credits from
 18 one (1) or more of the counties, then the property tax replacement
 19 credits received from each county shall be used only to reduce the
 20 property tax rates that are imposed within the county that distributed
 21 the property tax replacement credits.

22 (c) A civil taxing unit shall treat any property tax replacement
 23 credits that it receives or is to receive during a particular calendar year
 24 as a part of its property tax levy for that same calendar year for
 25 purposes of fixing its budget. ~~and for purposes of the property tax levy~~
 26 ~~limits imposed by IC 6-1.1-18.5.~~

27 (d) A school corporation shall treat any property tax replacement
 28 credits that the school corporation receives or is to receive during a
 29 particular calendar year as a part of its property tax levy for its general
 30 fund, debt service fund, capital projects fund, ~~transportation fund~~; and
 31 special education preschool fund in proportion to the levy for each of
 32 these funds for that same calendar year for purposes of fixing its
 33 budget. ~~and for purposes of the property tax levy limits imposed by~~
 34 ~~IC 6-1.1-19.~~ A school corporation shall allocate the property tax
 35 replacement credits described in this subsection to all ~~five (5)~~ **four (4)**
 36 funds in proportion to the levy for each fund.

37 SECTION 53. IC 6-3.5-1.1-15, AS AMENDED BY P.L.255-2003,
 38 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2005]: Sec. 15. (a) As used in this section, "attributed
 40 levy" of a civil taxing unit means the sum of:

- 41 (1) the ad valorem property tax levy of the civil taxing unit that is
 42 currently being collected at the time the allocation is made; plus

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- 1 (2) the current ad valorem property tax levy of any special taxing
- 2 district, authority, board, or other entity formed to discharge
- 3 governmental services or functions on behalf of or ordinarily
- 4 attributable to the civil taxing unit; plus
- 5 (3) the amount of federal revenue sharing funds and certified
- 6 shares that were used by the civil taxing unit (or any special
- 7 taxing district, authority, board, or other entity formed to
- 8 discharge governmental services or functions on behalf of or
- 9 ordinarily attributable to the civil taxing unit) to reduce its ad
- 10 valorem property tax ~~levies rate~~ below the limits imposed by
- 11 IC 6-1.1-18.5; plus
- 12 (4) in the case of a county, an amount equal to the property taxes
- 13 imposed by the county in 1999 for the county's welfare fund and
- 14 welfare administration fund.

15 (b) The part of a county's certified distribution that is to be used as
 16 certified shares shall be allocated only among the county's civil taxing
 17 units. Each civil taxing unit of a county is entitled to receive a
 18 percentage of the certified shares to be distributed in the county equal
 19 to the ratio of its attributed levy to the total attributed levies of all civil
 20 taxing units of the county.

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

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

40 SECTION 54. IC 6-3.5-6-18, AS AMENDED BY P.L.255-2003,
 41 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2005]: Sec. 18. (a) The revenue a county auditor

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1 receives under this chapter shall be used to:

2 (1) replace the amount, if any, of property tax revenue lost due to

3 the allowance of an increased homestead credit within the county;

4 (2) fund the operation of a public communications system and

5 computer facilities district as provided in an election, if any, made

6 by the county fiscal body under IC 36-8-15-19(b);

7 (3) fund the operation of a public transportation corporation as

8 provided in an election, if any, made by the county fiscal body

9 under IC 36-9-4-42;

10 (4) make payments permitted under IC 36-7-15.1-17.5;

11 (5) make payments permitted under subsection (i); and

12 (6) make distributions of distributive shares to the civil taxing

13 units of a county.

14 (b) The county auditor shall retain from the payments of the county's

15 certified distribution, an amount equal to the revenue lost, if any, due

16 to the increase of the homestead credit within the county. This money

17 shall be distributed to the civil taxing units and school corporations of

18 the county as though they were property tax collections and in such a

19 manner that no civil taxing unit or school corporation shall suffer a net

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

21 (c) The county auditor shall retain the amount, if any, specified by

22 the county fiscal body for a particular calendar year under subsection

23 (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the

24 county's certified distribution for that same calendar year. The county

25 auditor shall distribute amounts retained under this subsection to the

26 county.

27 (d) All certified distribution revenues that are not retained and

28 distributed under subsections (b) and (c) shall be distributed to the civil

29 taxing units of the county as distributive shares.

30 (e) The amount of distributive shares that each civil taxing unit in

31 a county is entitled to receive during a month equals the product of the

32 following:

33 (1) The amount of revenue that is to be distributed as distributive

34 shares during that month; multiplied by

35 (2) A fraction. The numerator of the fraction equals ~~the total~~

36 ~~property taxes that are first due and payable to the civil taxing~~

37 ~~unit during the calendar year in which the month falls; unit's levy~~

38 **that would result from using the maximum permissible ad**

39 **valorem property tax rate for the year specified in this**

40 **subsection**, plus, for a county, an amount equal to the property

41 taxes imposed by the county in 1999 for the county's welfare fund

42 and welfare administration fund. The denominator of the fraction

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1 equals the sum of the total property taxes that are first due and
2 payable to numerators for all civil taxing units of the county.
3 during the calendar year in which the month falls, plus an amount
4 equal to the property taxes imposed by the county in 1999 for the
5 county's welfare fund and welfare administration fund.

6 **The year to be used in subdivision (2) is 2005 for all civil taxing**
7 **units that were permitted to levy ad valorem property taxes during**
8 **2005. For a new civil taxing unit in the county that is permitted to**
9 **levy ad valorem property taxes for the first time after 2005, the**
10 **year to be used for the new civil taxing unit is the first year the unit**
11 **is permitted to levy an ad valorem property tax.**

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

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

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

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

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

39 (i) Notwithstanding any other law, a county fiscal body may pledge
40 revenues received under this chapter to the payment of bonds or lease
41 rentals to finance a qualified economic development tax project under
42 IC 36-7-27 in that county or in any other county if the county fiscal

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1 body determines that the project will promote significant opportunities
 2 for the gainful employment or retention of employment of the county's
 3 residents.

4 SECTION 55. IC 6-3.5-6-18.5, AS AMENDED BY P.L.255-2003,
 5 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2005]: Sec. 18.5. (a) This section applies to a county
 7 containing a consolidated city.

8 (b) Notwithstanding section 18(e) of this chapter, the distributive
 9 shares that each civil taxing unit in a county containing a consolidated
 10 city is entitled to receive during a month equals the following:

11 (1) For the calendar year beginning January 1, 1995, calculate the
 12 total amount of revenues that are to be distributed as distributive
 13 shares during that month multiplied by the following factor:

14	Center Township	.0251
15	Decatur Township	.00217
16	Franklin Township	.0023
17	Lawrence Township	.01177
18	Perry Township	.01130
19	Pike Township	.01865
20	Warren Township	.01359
21	Washington Township	.01346
22	Wayne Township	.01307
23	Lawrence-City	.00858
24	Beech Grove	.00845
25	Southport	.00025
26	Speedway	.00722
27	Indianapolis/Marion County	.86409

28 (2) Notwithstanding subdivision (1), for the calendar year
 29 beginning January 1, 1995, the distributive shares for each civil
 30 taxing unit in a county containing a consolidated city shall be not
 31 less than the following:

32	Center Township	\$1,898,145
33	Decatur Township	\$164,103
34	Franklin Township	\$173,934
35	Lawrence Township	\$890,086
36	Perry Township	\$854,544
37	Pike Township	\$1,410,375
38	Warren Township	\$1,027,721
39	Washington Township	\$1,017,890
40	Wayne Township	\$988,397
41	Lawrence-City	\$648,848
42	Beech Grove	\$639,017

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1 Southport \$18,906
 2 Speedway \$546,000
 3 (3) For each year after 1995, calculate the total amount of
 4 revenues that are to be distributed as distributive shares during
 5 that month as follows:
 6 STEP ONE: Determine the total amount of revenues that were
 7 distributed as distributive shares during that month in calendar
 8 year 1995.
 9 STEP TWO: Determine the total amount of revenue that the
 10 department has certified as distributive shares for that month
 11 under section 17 of this chapter for the calendar year.
 12 STEP THREE: Subtract the STEP ONE result from the STEP
 13 TWO result.
 14 STEP FOUR: If the STEP THREE result is less than or equal
 15 to zero (0), multiply the STEP TWO result by the ratio
 16 established under subdivision (1).
 17 STEP FIVE: Determine the ratio of:
 18 (A) the **maximum permissible total** property tax levy under
 19 ~~IC 6-1.1-18.5 and IC 6-1.1-18.6~~ for each civil taxing unit for
 20 the calendar year in which the month falls, plus, for a
 21 county, an amount equal to the property taxes imposed by
 22 the county in 1999 for the county's welfare fund and welfare
 23 administration fund; divided by
 24 (B) the sum of the **maximum permissible total** property tax
 25 levies under ~~IC 6-1.1-18.5 and IC 6-1.1-18.6~~ for all civil
 26 taxing units of the county during the calendar year in which
 27 the month falls, and an amount equal to the property taxes
 28 imposed by the county in 1999 for the county's welfare fund
 29 and welfare administration fund.
 30 STEP SIX: If the STEP THREE result is greater than zero (0),
 31 the STEP ONE amount shall be distributed by multiplying the
 32 STEP ONE amount by the ratio established under subdivision
 33 (1).
 34 STEP SEVEN: For each taxing unit determine the STEP FIVE
 35 ratio multiplied by the STEP TWO amount.
 36 STEP EIGHT: For each civil taxing unit determine the
 37 difference between the STEP SEVEN amount minus the
 38 product of the STEP ONE amount multiplied by the ratio
 39 established under subdivision (1). The STEP THREE excess
 40 shall be distributed as provided in STEP NINE only to the civil
 41 taxing units that have a STEP EIGHT difference greater than
 42 or equal to zero (0).

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1 STEP NINE: For the civil taxing units qualifying for a
2 distribution under STEP EIGHT, each civil taxing unit's share
3 equals the STEP THREE excess multiplied by the ratio of:

4 (A) the ~~maximum permissible total~~ property tax levy under
5 ~~IC 6-1.1-18.5 and IC 6-1.1-18.6~~ for the qualifying civil
6 taxing unit during the calendar year in which the month
7 falls, plus, for a county, an amount equal to the property
8 taxes imposed by the county in 1999 for the county's welfare
9 fund and welfare administration fund; divided by

10 (B) the sum of the ~~maximum permissible total~~ property tax
11 levies under ~~IC 6-1.1-18.5 and IC 6-1.1-18.6~~ for all
12 qualifying civil taxing units of the county during the
13 calendar year in which the month falls, and an amount equal
14 to the property taxes imposed by the county in 1999 for the
15 county's welfare fund and welfare administration fund.

16 SECTION 56. IC 6-3.5-7-14 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 14. (a) The fiscal
18 body of a county, city, or town may issue bonds payable from the
19 county economic development income tax. The bonds must be for
20 economic development projects (as defined in section 13.1 of this
21 chapter).

22 (b) The fiscal body of a county, city, or town may issue bonds
23 payable from the county economic development income tax for any
24 capital project for which the fiscal body is authorized to issue general
25 obligation bonds. The bonds issued under this section may be payable
26 from the county economic development income tax if the county option
27 income tax or the county adjusted gross income tax is also in effect in
28 the county at the time the bonds are issued.

29 (c) If there are bonds outstanding that have been issued under this
30 section, or leases in effect under section 21 of this chapter, the body
31 that imposed the county economic development income tax may not
32 reduce the county economic development income tax rate below a rate
33 that would produce one and twenty-five hundredths (1.25) times the
34 total of the highest annual debt service on the bonds to their final
35 maturity, plus the highest annual lease payments, unless:

36 (1) the body that imposed the economic development income tax;
37 or

38 (2) any city, town, or county;
39 pledges all or a portion of its distributive share for the life of the bonds
40 or the term of the lease, in an amount that is sufficient, when combined
41 with the amount pledged by the city, town, or county that issued the
42 bonds, to produce one and twenty-five hundredths (1.25) times the total

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1 of the highest annual debt service plus the highest annual lease
2 payments.

3 (d) For purposes of subsection (c), the determination of a tax rate
4 sufficient to produce one and twenty-five hundredths (1.25) times the
5 total of the highest annual debt service plus the highest annual lease
6 payments shall be based on an average of the immediately preceding
7 three (3) years tax collections, if the tax has been imposed for the last
8 preceding three (3) years. If the tax has not been imposed for the last
9 preceding three (3) years, the body that imposed the tax may not reduce
10 the rate below a rate that would produce one and twenty-five
11 hundredths (1.25) times the total of the highest annual debt service,
12 plus the highest annual lease payments, based upon a study by a
13 qualified public accountant or financial advisor.

14 ~~(e) IC 6-1-1-20 does not apply to the issuance of bonds under this~~
15 ~~section.~~

16 ~~(f) (e)~~ Bonds issued under this section may be sold at a public sale
17 in accordance with IC 5-1-11 or may be sold at a negotiated sale.

18 ~~(g) (f)~~ After a sale of bonds under this section, the county auditor
19 shall prepare a debt service schedule for the bonds.

20 ~~(h) (g)~~ The general assembly covenants that it will not repeal or
21 amend this chapter in a manner that would adversely affect owners of
22 outstanding bonds issued, or payment of any lease rentals due, under
23 this section.

24 SECTION 57. IC 6-3.5-7-22.5, AS AMENDED BY P.L.224-2003,
25 SECTION 258, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JANUARY 1, 2005]: Sec. 22.5. (a) This section applies
27 to a county having a population of more than twenty-seven thousand
28 four hundred (27,400) but less than twenty-seven thousand five
29 hundred (27,500).

30 (b) In addition to the rates permitted by section 5 of this chapter, the
31 county council may impose the county economic development income
32 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
33 gross income of county taxpayers if the county council makes the
34 finding and determination set forth in subsection (c).

35 (c) In order to impose the county economic development income tax
36 as provided in this section, the county council must adopt an ordinance
37 finding and determining that revenues from the county economic
38 development income tax are needed to pay the costs of:

- 39 (1) financing and renovating the former county hospital for
40 additional office space, educational facilities, nonsecure juvenile
41 facilities, and other county functions, including the repayment of
42 bonds issued, or leases entered into for renovating the former

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1 county hospital for additional office space, educational facilities,
 2 nonsecure juvenile facilities, and other county functions;
 3 (2) financing constructing, acquiring, renovating, and equipping
 4 buildings for a volunteer fire department (as defined in
 5 IC 36-8-12-2) that provides services in any part of the county; and
 6 (3) financing constructing, acquiring, and renovating firefighting
 7 apparatus or other related equipment for a volunteer fire
 8 department (as defined in IC 36-8-12-2) that provides services in
 9 any part of the county.

10 The revenues from the county economic development income tax
 11 imposed under this section may not be used to pay the costs of
 12 financing constructing, acquiring, renovating, and equipping the county
 13 courthouse.

14 (d) If the county council makes a determination under subsection
 15 (c), the county council may adopt a tax rate under subsection (b). The
 16 tax rate may not be imposed at a rate or for a time greater than is
 17 necessary to pay for the purposes described in this section.

18 (e) The county treasurer shall establish a county option tax revenue
 19 fund to be used only for the purposes described in this section. County
 20 economic development income tax revenues derived from the tax rate
 21 imposed under this section shall be deposited in the county option tax
 22 revenue fund before making a certified distribution under section 11 of
 23 this chapter.

24 (f) County economic development income tax revenues derived
 25 from the tax rate imposed under this section:

- 26 (1) may only be used for the purposes described in this section;
- 27 **and**
- 28 ~~(2) may not be considered by the department of local government~~
- 29 ~~finance in determining the county's maximum permissible~~
- 30 ~~property tax levy limit under IC 6-1.1-18.5; and~~
- 31 ~~(3) (2) may be pledged to the repayment of bonds issued, or leases~~
- 32 ~~entered into, for the purposes described in subsection (c).~~

33 (g) A county described in subsection (a) possesses:
 34 (1) unique fiscal challenges to finance the operations of county
 35 government due to the county's ongoing obligation to repay
 36 amounts received by the county due to an overpayment of the
 37 county's certified distribution under IC 6-3.5-1.1-9 for a prior
 38 year; and
 39 (2) unique capital financing needs related to the purposes
 40 described in subsection (c).

41 SECTION 58. IC 6-3.5-7-23, AS AMENDED BY P.L.192-2002(ss),
 42 SECTION 126, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JANUARY 1, 2005]: Sec. 23. (a) This section applies
2 only to a county having a population of more than fifty-five thousand
3 (55,000) but less than sixty-five thousand (65,000).

4 (b) The county council may by ordinance determine that, in order to
5 promote the development of libraries in the county and thereby
6 encourage economic development, it is necessary to use economic
7 development income tax revenue to replace library property taxes in
8 the county. However, a county council may adopt an ordinance under
9 this subsection only if all territory in the county is included in a library
10 district.

11 (c) If the county council makes a determination under subsection
12 (b), the county council may designate the county economic
13 development income tax revenue generated by the tax rate adopted
14 under section 5 of this chapter, or revenue generated by a portion of the
15 tax rate, as revenue that will be used to replace public library property
16 taxes imposed by public libraries in the county. The county council
17 may not designate for library property tax replacement purposes any
18 county economic development income tax revenue that is generated by
19 a tax rate of more than fifteen-hundredths percent (0.15%).

20 (d) The county treasurer shall establish a library property tax
21 replacement fund to be used only for the purposes described in this
22 section. County economic development income tax revenues derived
23 from the portion of the tax rate designated for property tax replacement
24 credits under subsection (c) shall be deposited in the library property
25 tax replacement fund before certified distributions are made under
26 section 12 of this chapter. Any interest earned on money in the library
27 property tax replacement fund shall be credited to the library property
28 tax replacement fund.

29 (e) The amount of county economic development income tax
30 revenue dedicated to providing library property tax replacement credits
31 shall, in the manner prescribed in this section, be allocated to public
32 libraries operating in the county and shall be used by those public
33 libraries as property tax replacement credits. The amount of property
34 tax replacement credits that each public library in the county is entitled
35 to receive during a calendar year under this section equals the lesser of:

- 36 (1) the product of:
 - 37 (A) the amount of revenue deposited by the county auditor in
 - 38 the library property tax replacement fund; multiplied by
 - 39 (B) a fraction described as follows:
 - 40 (i) The numerator of the fraction equals the sum of the total
 - 41 property taxes that would have been collected by the public
 - 42 library during the previous calendar year from taxpayers

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- 1 located within the library district if the property tax
- 2 replacement under this section had not been in effect.
- 3 (ii) The denominator of the fraction equals the sum of the
- 4 total property taxes that would have been collected during
- 5 the previous year from taxpayers located within the county
- 6 by all public libraries that are eligible to receive property tax
- 7 replacement credits under this section if the property tax
- 8 replacement under this section had not been in effect; or
- 9 (2) the total property taxes that would otherwise be collected by
- 10 the public library for the calendar year if the property tax
- 11 replacement credit under this section were not in effect.

12 The department of local government finance shall make any
 13 adjustments necessary to account for the expansion of a library district.
 14 However, a public library is eligible to receive property tax
 15 replacement credits under this section only if it has entered into
 16 reciprocal borrowing agreements with all other public libraries in the
 17 county. If the total amount of county economic development income
 18 tax revenue deposited by the county auditor in the library property tax
 19 replacement fund for a calendar year exceeds the total property tax
 20 liability that would otherwise be imposed for public libraries in the
 21 county for the year, the excess shall remain in the library property tax
 22 replacement fund and shall be used for library property tax replacement
 23 purposes in the following calendar year.

24 (f) Notwithstanding subsection (e), if a public library did not impose
 25 a property tax levy during the previous calendar year, that public
 26 library is entitled to receive a part of the property tax replacement
 27 credits to be distributed for the calendar year. The amount of property
 28 tax replacement credits the public library is entitled to receive during
 29 the calendar year equals the product of:

- 30 (1) the amount of revenue deposited in the library property tax
- 31 replacement fund; multiplied by
- 32 (2) a fraction. The numerator of the fraction equals the budget of
- 33 the public library for that calendar year. The denominator of the
- 34 fraction equals the aggregate budgets of public libraries in the
- 35 county for that calendar year.

36 If for a calendar year a public library is allocated a part of the property
 37 tax replacement credits under this subsection, then the amount of
 38 property tax credits distributed to other public libraries in the county
 39 for the calendar year shall be reduced by the amount to be distributed
 40 as property tax replacement credits under this subsection. The
 41 department of local government finance shall make any adjustments
 42 required by this subsection and provide the adjustments to the county

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1 auditor.

2 (g) The department of local government finance shall inform the
3 county auditor of the amount of property tax replacement credits that
4 each public library in the county is entitled to receive under this
5 section. The county auditor shall certify to each public library the
6 amount of property tax replacement credits that the public library is
7 entitled to receive during that calendar year. The county auditor shall
8 also certify these amounts to the county treasurer.

9 (h) A public library receiving property tax replacement credits under
10 this section shall allocate the credits among each fund for which a
11 distinct property tax levy is imposed. The amount that must be
12 allocated to each fund equals:

13 (1) the amount of property tax replacement credits provided to the
14 public library under this section; multiplied by

15 (2) the amount determined in STEP THREE of the following
16 formula:

17 STEP ONE: Determine the property taxes that would have
18 been collected for each fund by the public library during the
19 previous calendar year if the property tax replacement under
20 this section had not been in effect.

21 STEP TWO: Determine the sum of the total property taxes that
22 would have been collected for all funds by the public library
23 during the previous calendar year if the property tax
24 replacement under this section had not been in effect.

25 STEP THREE: Divide the STEP ONE amount by the STEP
26 TWO amount.

27 However, if a public library did not impose a property tax levy during
28 the previous calendar year or did not impose a property tax levy for a
29 particular fund during the previous calendar year, but the public library
30 is imposing a property tax levy in the current calendar year or is
31 imposing a property tax levy for the particular fund in the current
32 calendar year, the department of local government finance shall adjust
33 the amount of property tax replacement credits allocated among the
34 various funds of the public library and shall provide the adjustment to
35 the county auditor. If a public library receiving property tax
36 replacement credits under this section does not impose a property tax
37 levy for a particular fund that is first due and payable in a calendar year
38 in which the property tax replacement credits are being distributed, the
39 public library is not required to allocate to that fund a part of the
40 property tax replacement credits to be distributed to the public library.
41 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives
42 property tax replacement credits under this section is subject to the

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1 ~~procedures for the issuance of bonds set forth in IC 6-1.1-20.~~
2 (i) For each public library that receives property tax credits under
3 this section, the department of local government finance shall certify
4 to the county auditor the property tax rate applicable to each fund after
5 the property tax replacement credits are allocated.
6 (j) A public library shall treat property tax replacement credits
7 received during a particular calendar year under this section as a part
8 of the public library's property tax levy for each fund for that same
9 calendar year for purposes of fixing the public library's budget. ~~and for~~
10 ~~purposes of the property tax levy limits imposed by IC 6-1.1-18.5.~~
11 (k) The property tax replacement credits that are received under this
12 section do not reduce the total county tax levy that is used to compute
13 the state property tax replacement credit under IC 6-1.1-21. For the
14 purpose of computing and distributing certified distributions under
15 IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the property
16 tax replacement credits that are received under this section shall be
17 treated as though they were property taxes that were due and payable
18 during that same calendar year.
19 SECTION 59. IC 6-3.5-7-24, AS ADDED BY P.L.178-2002,
20 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JANUARY 1, 2005]: Sec. 24. (a) This section applies to a county
22 having a population of more than thirty-nine thousand (39,000) but less
23 than thirty-nine thousand six hundred (39,600).
24 (b) In addition to the rates permitted by section 5 of this chapter, the
25 county council may impose the county economic development income
26 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
27 gross income of county taxpayers if the county council makes the
28 finding and determination set forth in subsection (c).
29 (c) In order to impose the county economic development income tax
30 as provided in this section, the county council must adopt an ordinance
31 finding and determining that revenues from the county economic
32 development income tax are needed to pay the costs of financing,
33 constructing, acquiring, renovating, and equipping a county jail
34 including the repayment of bonds issued, or leases entered into, for
35 constructing, acquiring, renovating, and equipping a county jail.
36 (d) If the county council makes a determination under subsection
37 (c), the county council may adopt a tax rate under subsection (b). The
38 tax rate may not be imposed at a rate or for a time greater than is
39 necessary to pay the costs of financing, constructing, acquiring,
40 renovating, and equipping a county jail.
41 (e) The county treasurer shall establish a county jail revenue fund
42 to be used only for the purposes described in this section. County

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1 economic development income tax revenues derived from the tax rate
 2 imposed under this section shall be deposited in the county jail revenue
 3 fund before making a certified distribution under section 11 of this
 4 chapter.

5 (f) County economic development income tax revenues derived
 6 from the tax rate imposed under this section:

7 (1) may only be used for the purposes described in this section;

8 **and**

9 ~~(2) may not be considered by the department of local government~~
 10 ~~finance in determining the county's maximum permissible~~
 11 ~~property tax levy limit under IC 6-1.1-18.5; and~~

12 ~~(3) (2) may be pledged to the repayment of bonds issued, or leases~~
 13 ~~entered into, for the purposes described in subsection (c).~~

14 SECTION 60. IC 6-3.5-7-27, AS ADDED BY P.L.224-2003,
 15 SECTION 257, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JANUARY 1, 2005]: Sec. 27. (a) This section applies to
 17 a county that:

18 (1) operates a courthouse that is subject to an order that:

19 (A) is issued by a federal district court;

20 (B) applies to an action commenced before January 1, 2003;

21 and

22 (C) requires the county to comply with the American with
 23 Disabilities Act; and

24 (2) has insufficient revenues to finance the construction,
 25 acquisition, improvement, renovation, equipping, and operation
 26 of the courthouse facilities and related facilities.

27 (b) A county described in this section possesses unique fiscal
 28 challenges in financing, renovating, equipping, and operating the
 29 county courthouse facilities and related facilities because the county
 30 consistently ~~has one~~ has one (1) of the highest unemployment rates in
 31 Indiana. Maintaining low property tax rates is essential to economic
 32 development in the county. The use of economic development income
 33 tax revenues under this section for the purposes described in subsection
 34 (c) promotes that purpose.

35 (c) In addition to actions authorized by section 5 of this chapter, a
 36 county council may, using the procedures set forth in this chapter,
 37 adopt an ordinance to impose an additional county economic
 38 development income tax on the adjusted gross income of county
 39 taxpayers. The ordinance imposing the additional tax must include a
 40 finding that revenues from additional tax are needed to pay the costs of:

41 (1) constructing, acquiring, improving, renovating, equipping, or
 42 operating the county courthouse or related facilities;

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1 (2) repaying any bonds issued, or leases entered into, for
 2 constructing, acquiring, improving, renovating, equipping, or
 3 operating the county courthouse or related facilities; and
 4 (3) economic development projects described in the county's
 5 capital improvement plan.
 6 (d) The tax rate imposed under this section may not exceed
 7 twenty-five hundredths percent (0.25%).
 8 (e) If the county council adopts an ordinance to impose an
 9 additional tax under this section, the county auditor shall immediately
 10 send a certified copy of the ordinance to the department by certified
 11 mail. The county treasurer shall establish a county facilities revenue
 12 fund to be used only for the purposes described in subsection (c)(1) and
 13 (c)(2). The amount of county economic development income tax
 14 revenues derived from the tax rate imposed under this section that are
 15 necessary to pay the costs described in subsection (c)(1) and (c)(2)
 16 shall be deposited into the county facilities revenue fund before a
 17 certified distribution is made under section 12 of this chapter. The
 18 remainder shall be deposited into the economic development income
 19 tax funds of the county's units.
 20 (f) County economic development income tax revenues derived
 21 from the tax rate imposed under this section may not be used for
 22 purposes other than those described in this section.
 23 ~~(g) County economic development income tax revenues derived~~
 24 ~~from the tax rate imposed under this section that are deposited into the~~
 25 ~~county facilities revenue fund may not be considered by the department~~
 26 ~~of local government finance in determining the county's ad valorem~~
 27 ~~property tax levy for an ensuing calendar year under IC 6-1.1-18.5.~~
 28 ~~(h)~~ (g) Notwithstanding section 5 of this chapter, an ordinance may
 29 be adopted under this section at any time. If the ordinance is adopted
 30 before June 1 of a year, a tax rate imposed under this section takes
 31 effect July 1 of that year. If the ordinance is adopted after May 31 of a
 32 year, a tax rate imposed under this section takes effect on the January
 33 1 immediately following adoption of the ordinance.
 34 ~~(i)~~ (h) For a county adopting an ordinance before June 1 in a year,
 35 in determining the certified distribution under section 11 of this chapter
 36 for the calendar year beginning with the immediately following January
 37 1 and each calendar year thereafter, the department shall take into
 38 account the certified ordinance mailed to the department under
 39 subsection (e). For a county adopting an ordinance after May 31, the
 40 department shall issue an initial or revised certified distribution for the
 41 calendar year beginning with the immediately following January 1.
 42 Except for a county adopting an ordinance after May 31, a county's

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1 certified distribution shall be distributed on the dates specified under
 2 section 16 of this chapter. In the case of a county adopting an ordinance
 3 after May 31, the county, beginning with the calendar year beginning
 4 on the immediately following January 1, shall receive the entire
 5 certified distribution for the calendar year on November 1 of the year.

6 (j) (i) Notwithstanding any other law, funds accumulated from the
 7 county economic development income tax imposed under this section
 8 and deposited into the ~~the~~ county facilities revenue fund or any other
 9 revenues of the county may be deposited into a nonreverting fund of
 10 the county to be used for operating costs of the courthouse facilities,
 11 juvenile detention facilities, or related facilities. ~~Amounts in the county~~
 12 ~~nonreverting fund may not be used by the department of local~~
 13 ~~government finance to reduce the county's ad valorem property tax levy~~
 14 ~~for an ensuing calendar year under IC 6-1.1-18.5.~~

15 SECTION 61. IC 6-3.5-8-12, AS AMENDED BY P.L.90-2002,
 16 SECTION 301, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JANUARY 1, 2005]: Sec. 12. (a) If the fiscal body of a
 18 municipality in a qualifying county adopts an ordinance under section
 19 11(a) of this chapter, the department of local government finance may
 20 not certify a budget for the municipality under IC 6-1.1-17-16(f) for the
 21 2002 calendar year that is greater than ninety-seven percent (97%) of
 22 the budget of the municipality certified by the department for the 2001
 23 calendar year. The department of local government finance may not
 24 certify a budget for the municipality under ~~IC 6-1.1-17-16(f)~~
 25 **IC 6-1.1-17-16(b)** for any later calendar year that is greater than
 26 ninety-seven percent (97%) of the budget of the municipality certified
 27 by the department for the calendar year that immediately precedes the
 28 later calendar year.

29 (b) If the fiscal body of a municipality in a qualifying county adopts
 30 an ordinance in a calendar year under section 11(c) of this chapter, the
 31 department of local government finance may not certify a budget for
 32 the municipality under ~~IC 6-1.1-17-16(f)~~ **IC 6-1.1-17-16(b)** for the
 33 calendar year that immediately succeeds the calendar year in which the
 34 ordinance is adopted that is greater than ninety-seven percent (97%) of
 35 the budget of the municipality certified by the department for the
 36 calendar year in which the ordinance was adopted. The department of
 37 local government finance may not certify a budget for the municipality
 38 under ~~IC 6-1.1-17-16(f)~~ **IC 6-1.1-17-16(b)** for any later calendar year
 39 that is greater than ninety-seven percent (97%) of the budget of the
 40 municipality certified by the department for the calendar year that
 41 immediately precedes the later calendar year.

42 (c) Before July 1 of 2002 and of each year thereafter, the department

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1 of local government finance shall review the budget approved for each
 2 municipality in a qualifying county in which a municipal option income
 3 tax is in effect to determine whether the restriction under subsection (a)
 4 or (b) has been applied. If the restriction has not been applied:

5 (1) the municipal option income tax is rescinded as of July 1 of
 6 the year in which the review was made;

7 (2) the municipality may not impose the municipal option income
 8 tax for any later year; and

9 (3) the municipality is:

10 (A) subject to subsection (d), if the municipality adopted the
 11 municipal option income tax in 2002; or

12 (B) subject to subsection (e), if the municipality adopted the
 13 municipal option income tax in a year that succeeds 2002.

14 (d) In May 2003, the department of state revenue shall determine for
 15 each municipality subject to this subsection the amount of tax revenue
 16 collected for the municipality after August 31, 2001, and before July 1,
 17 2002. The department of state revenue shall immediately notify the
 18 municipality of the amount determined under this subsection. Not later
 19 than thirty (30) days after receiving notification from the department
 20 of state revenue, the municipality shall transfer the amount determined
 21 by the department under this subsection from the municipality's general
 22 fund to the county family and children's fund of the qualifying county
 23 in which the municipality is located.

24 (e) In May 2004, and in May of each year thereafter, the department
 25 of state revenue shall determine for each municipality subject to this
 26 subsection the amount of tax revenue collected for the municipality
 27 after June 30 of the calendar year that precedes by two (2) years the
 28 calendar year in which the determination is made and before July 1 of
 29 the year that immediately precedes the calendar year in which the
 30 determination is made. The department of state revenue shall
 31 immediately notify the municipality of the amount determined under
 32 this subsection. Not later than thirty (30) days after receiving
 33 notification from the department of state revenue, the municipality
 34 shall transfer the amount determined by the department under this
 35 section from the municipality's general fund to the county family and
 36 children's fund of the qualifying county in which the municipality is
 37 located.

38 (f) If a municipality makes a transfer from its general fund to the
 39 county's family and children's fund as described in subsection (d) or
 40 (e), the department of local government finance shall reduce by the
 41 amount transferred the county's ~~maximum family and children's fund~~
 42 ~~levy under IC 6-1-1-18.6~~ **social service funds referred to in**

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1 **IC 6-1.1-18.5-3(a)(3)** for the calendar year that immediately succeeds
2 the year in which the transfer is made.

3 (g) This subsection applies if the fiscal body of a municipality in a
4 qualifying county adopts an ordinance under section 11 of this chapter
5 to impose a municipal option income tax. The maximum permissible
6 ad valorem property tax levy of the municipality is not subject to any
7 increase under IC 6-1.1-18.5-3(a) or IC 6-1.1-18.5-3(b) for taxes
8 payable in:

9 (1) the calendar year that immediately succeeds the calendar year
10 in which the ordinance is adopted; and

11 (2) each succeeding calendar year in which the municipal option
12 income tax remains in effect.

13 (h) This subsection applies if the fiscal body of a municipality in a
14 qualifying county adopts an ordinance under section 14 of this chapter
15 to rescind the municipal option income tax, or if the municipal option
16 income tax in a municipality is rescinded by operation of law. For
17 purposes of IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP
18 ONE, the preceding calendar year is considered to be the calendar year
19 in which an ordinance was adopted under section 11 of this chapter to
20 impose the municipal option income tax.

21 SECTION 62. IC 6-3.5-8-20, AS AMENDED BY P.L.90-2002,
22 SECTION 302, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JANUARY 1, 2005]: Sec. 20. (a) The department of
24 local government finance shall each year reduce the general fund
25 property tax levy of a municipality receiving a distribution under this
26 chapter in that year. The municipality's general fund property tax levy
27 shall be reduced by the amount of the distribution received or to be
28 received by the municipality during the year. The department of local
29 government finance shall certify to the auditor of the qualifying county
30 the property tax rate applicable to the municipality's general fund after
31 the property tax reduction under this section.

32 (b) A municipality shall treat a distribution that the municipality
33 receives or is to receive during a particular calendar year as a part of
34 the municipality's property tax levy for the general fund for that same
35 calendar year for purposes of fixing the municipality's budget. ~~and for~~
36 ~~purposes of the property tax levy limits imposed by IC 6-1.1-18.5-~~
37 However, the distributions shall not reduce the total county tax levy
38 that is used to compute the state property tax replacement credit under
39 IC 6-1.1-21. In addition, for purposes of computing and distributing
40 any excise taxes or income taxes in which the distribution is based on
41 property taxes, the distributions shall be treated as though they were
42 property taxes that were due and payable during that same calendar

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year.
(c) A municipality may use distributions received under this chapter for any purpose for which the municipality may use property tax revenues.

SECTION 63. IC 8-1.5-2-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 22. (a) If the municipal legislative body decides that it is impracticable to raise the entire amount necessary to construct or acquire the utility solely by the issuance and sale of revenue bonds, the legislative body may, by ordinance, provide that a part of the amount may be raised by the issuance and sale of bonds pledging the general credit of the municipality.

(b) ~~The bonds shall be issued in accordance with IC 6-1.1-20.~~ The bonds may not exceed one-third (1/3) of the total cost of the utility. This limitation does not apply to a utility to be owned and operated by a municipality exclusively for the purpose of furnishing utility service to the municipality for its own municipal purposes.

SECTION 64. IC 8-1.5-5-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 23. ~~(a)~~ The board may not issue any bonds authorized by this chapter until it has secured the approval for the issuance of the bonds from the legislative body of the municipality.

~~(b) IC 6-1.1-20 applies to the issuance of bonds under this chapter which are or may be payable from the special benefit property tax.~~

SECTION 65. IC 8-10-5-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 17. (a) The board of directors of any port authority may, by resolution, recommend to any municipal corporation or county that a cumulative channel maintenance fund be established ~~under IC 6-1.1-41~~ to provide funds for dredging channels, cleaning channels and shores of debris and any other pollutants, and providing or repairing of bulkheads, pilings, docks, and wharves, and the purchase and development of land adjoining channels within the jurisdiction of the port authority and which land is necessary to the fulfillment of the plan adopted by the port authority for the future development, construction, and improvement of its facilities. The purchased and developed land shall be available to the residents of the taxing district without further charge.

(b) To provide for the cumulative channel maintenance fund, a county, city, or town fiscal body may levy a tax ~~in compliance with IC 6-1.1-41~~ not to exceed three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) on all taxable property

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1 within the county, town, or city, **subject to IC 6-1.1-18.5.**

2 (c) The tax, when collected, shall be held in a special fund to be
3 known as the cumulative channel maintenance fund.

4 SECTION 66. IC 8-14-9-12, AS AMENDED BY P.L.90-2002,
5 SECTION 319, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JANUARY 1, 2005]: Sec. 12. All bonds and interest on
7 bonds issued under this chapter are exempt from taxation as provided
8 under IC 6-8-5-1. All general laws relating to:

9 ~~(1) the filing of a petition requesting the issuance of bonds;~~

10 ~~(2) (1) the right of taxpayers voters to remonstrate against the~~
11 ~~issuance of bonds; file petitions regarding a decision of a~~
12 ~~property tax control board;~~

13 ~~(3) (2) the appropriation of the proceeds of the bonds; and the~~
14 ~~approval of the appropriation by the department of local~~
15 ~~government finance; and~~

16 ~~(4) (3) the sale of bonds at public sale for not less than par value;~~
17 ~~are applicable to proceedings under this chapter.~~

18 SECTION 67. IC 8-16-3-3, AS AMENDED BY P.L.90-2002,
19 SECTION 322, IS AMENDED TO READ AS FOLLOWS
20 [EFFECTIVE JANUARY 1, 2005]: Sec. 3. (a) To provide for the
21 cumulative bridge fund, county executives and municipal legislative
22 bodies may levy a tax in compliance with ~~IC 6-1.1-41~~ not to exceed ten
23 cents (\$0.10) on each one hundred dollars (\$100) assessed valuation of
24 all taxable personal and real property within the county or municipality,
25 **subject to IC 6-1.1-18.5.**

26 (b) The tax, when collected, shall be held in a special fund to be
27 known as the bridge fund.

28 (c) ~~An appropriation from the bridge fund may be made without the~~
29 ~~approval of the department of local government finance if:~~

30 ~~(1) the county executive requests the appropriation; and~~

31 ~~(2) the appropriation is for the purpose of constructing;~~
32 ~~maintaining, or repairing bridges, approaches, or grade~~
33 ~~separations.~~

34 SECTION 68. IC 8-16-3.1-4, AS AMENDED BY P.L.178-2002,
35 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JANUARY 1, 2005]: Sec. 4. (a) The executive of any eligible county
37 may provide a major bridge fund in compliance with ~~IC 6-1.1-41~~ to
38 make available funding for the construction of major bridges.

39 (b) The executive of any eligible county may levy a tax in
40 compliance with ~~IC 6-1.1-41~~ not to exceed three and thirty-three
41 hundredths cents (\$0.0333) on each one hundred dollars (\$100)
42 assessed valuation of all taxable personal and real property within the

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1 county to provide for the major bridge fund, **subject to IC 6-1.1-18.5.**

2 SECTION 69. IC 8-18-21-13, AS AMENDED BY P.L.90-2002,
3 SECTION 326, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JANUARY 1, 2005]: Sec. 13. The annual operating
5 budget of a toll road authority is subject to **IC 6-1.1-17.5 and** review
6 by the ~~county board of tax adjustment and then by the~~ department of
7 local government finance as in the case of other political subdivisions.

8 SECTION 70. IC 8-22-3-16, AS AMENDED BY P.L.90-2002,
9 SECTION 328, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JANUARY 1, 2005]: Sec. 16. (a) The board may issue
11 general obligation bonds of the authority for the purpose of procuring
12 funds to pay the cost of acquiring real property, or constructing,
13 enlarging, improving, remodeling, repairing, or equipping buildings,
14 structures, runways, or other facilities, for use as or in connection with
15 or for administrative purposes of the airport. The issuance of the bonds
16 must be authorized by ordinance of the board providing for the amount,
17 terms, and tenor of the bonds and for the time and character of notice
18 and the mode of making sale. If one (1) airport is owned by the
19 authority, an ordinance authorizing the issuance of bonds for a separate
20 second airport is subject to approval as provided in this section. The
21 bonds bear interest and are payable at the times and places that the
22 board determines but running not more than twenty-five (25) years
23 after the date of their issuance, and they must be executed in the name
24 of the authority by the president of the board and attested by the
25 secretary who shall affix to each of the bonds the official seal of the
26 authority. The interest coupons attached to the bonds may be executed
27 by placing on them the facsimile signature of the president of the
28 board.

29 (b) The issuance of general obligation bonds must be approved by
30 resolution of the following body:

- 31 (1) When the authority is established by an eligible entity, by its
32 fiscal body.
33 (2) When the authority is established by two (2) or more eligible
34 entities acting jointly, by the fiscal body of each of those entities.
35 (3) When the authority was established under IC 19-6-2, by the
36 mayor of the consolidated city, and if a second airport is to be
37 funded, also by the city-county council.
38 (4) When the authority was established under IC 19-6-3, by the
39 county council.

40 (c) The airport director shall manage and supervise the preparation,
41 advertisement, and sale of the bonds, subject to the authorizing
42 ordinance. Before the sale of the bonds, the airport director shall cause

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1 notice of the sale to be published once each week for two (2)
 2 consecutive weeks in two (2) newspapers of general circulation
 3 published in the district, setting out the time and place where bids will
 4 be received, the amount and maturity dates of the issue, the maximum
 5 interest rate, and the terms and conditions of sale and delivery of the
 6 bonds. The bonds shall be sold to the highest bidder, in accordance
 7 with the procedures for selling public bonds. After the bonds have been
 8 properly sold and executed, the airport director shall deliver them to the
 9 treasurer of the authority and take his receipt for them, and shall certify
 10 to the treasurer the amount which the purchaser is to pay for them,
 11 together with the name and address of the purchaser. On payment of
 12 the purchase price the treasurer shall deliver the bonds to the
 13 purchaser, and the treasurer and airport director or superintendent shall
 14 report their actions to the board.

15 (d) The provisions of ~~IC 6-1.1-20~~, and IC 5-1, **IC 6-1.1-17.5, and**
 16 **IC 6-1.1-18-5** relating to ~~the filing of a petition requesting the issuance~~
 17 ~~of bonds and giving notice of them~~, the giving of notice of
 18 determination to issue bonds, the giving of notice of hearing on the
 19 appropriation of the proceeds of bonds and the right of taxpayers to
 20 appeal and be heard on the proposed appropriation, ~~the approval of the~~
 21 ~~appropriation by the department of local government finance~~, the right
 22 of ~~taxpayers to remonstrate against the issuance of bonds~~, **voters to file**
 23 **petitions regarding a property tax control board's decision**, and the
 24 sale of bonds at public sale for not less than par value are applicable to
 25 proceedings under this chapter for the issuance of general obligation
 26 bonds.

27 (e) Bonds issued under this chapter are not a corporate obligation or
 28 indebtedness of any eligible entity but are an indebtedness of the
 29 authority as a municipal corporation. An action to question the validity
 30 of the bonds issued or to prevent their issue must be instituted not later
 31 than the date set for sale of the bonds, and all of the bonds after that
 32 date are incontestable.

33 SECTION 71. IC 8-22-3-25, AS AMENDED BY P.L.224-2003,
 34 SECTION 281, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JANUARY 1, 2005]: Sec. 25. (a) Subject to subsection
 36 (c), the board may provide a cumulative building fund ~~in compliance~~
 37 ~~with IC 6-1.1-41~~ to provide for the acquisition of real property, and the
 38 construction, enlarging, improving, remodeling, repairing, or equipping
 39 of buildings, structures, runways, or other facilities for use in
 40 connection with the airport needed to carry out this chapter and to
 41 facilitate and support commercial intrastate air transportation.

42 (b) **Subject to IC 6-1.1-18.5**, the board may levy ~~in compliance~~

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1 with ~~IC 6-1.1-41~~ a tax not to exceed:
 2 (1) thirty-three hundredths of one cent (\$0.0033) on each one
 3 hundred dollars (\$100) of assessed value of taxable property
 4 within the district, if an eligible entity other than a city established
 5 the district or if the district was established jointly with an eligible
 6 entity that is not a city;
 7 (2) one and thirty-three hundredths cents (\$0.0133) on each one
 8 hundred dollars (\$100) of assessed value of taxable property
 9 within the district, if the authority was established under
 10 IC 19-6-3 (before its repeal on April 1, 1980); and
 11 (3) for any other district not described in subdivision (1) or (2),
 12 the following:

13	Total Assessed	Rate Per \$100 Of
14	Property Valuation	Assessed Valuation
15	\$300 million or less	\$0.0167
16	More than \$300 million	
17	but not more than \$450 million	\$0.0133
18	More than \$450 million	
19	but not more than \$600 million	\$0.01
20	More than \$600 million	
21	but not more than \$900 million	\$0.0067
22	More than \$900 million	\$0.0033

23 As the tax is collected it may be invested in negotiable United States
 24 bonds or other securities that the federal government has the direct
 25 obligation to pay. Any of the funds collected that are not invested in
 26 government obligations shall be deposited in accordance with
 27 IC 5-13-6 and shall be withdrawn in the same manner as money is
 28 regularly withdrawn from the general fund but without further or
 29 additional appropriation. The levy authorized by this section is in
 30 addition to the levies authorized by section 11 and section 23 of this
 31 chapter.

32 (c) Spending under subsection (a) to facilitate and support
 33 commercial intrastate air transportation is subject to a maximum of one
 34 million dollars (\$1,000,000) cumulatively for all years in which money
 35 is spent under that subsection.

36 SECTION 72. IC 8-22-3.6-3, AS AMENDED BY P.L.170-2002,
 37 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2005]: Sec. 3. (a) An authority that is located in a:

- 39 (1) city having a population of more than ninety thousand
 40 (90,000) but less than one hundred five thousand (105,000);
 41 (2) county having a population of more than one hundred five
 42 thousand (105,000) but less than one hundred ten thousand

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1 (110,000); or
2 (3) county having a population of more than three hundred
3 thousand (300,000) but less than four hundred thousand
4 (400,000);

5 may, **subject to IC 6-1.1-17.5**, enter into a lease of an airport project
6 with a lessor for a term not to exceed fifty (50) years and the lease may
7 provide for payments to be made by the airport authority from property
8 taxes levied under IC 8-22-3-17, taxes allocated under IC 8-22-3.5-9,
9 any other revenues available to the airport authority, or any
10 combination of these sources.

11 (b) A lease may provide that payments by the authority to the lessor
12 are required only to the extent and only for the period that the lessor is
13 able to provide the leased facilities in accordance with the lease. The
14 terms of each lease must be based upon the value of the facilities leased
15 and may not create a debt of the authority or the eligible entity for
16 purposes of the Constitution of the State of Indiana.

17 (c) A lease may be entered into by the authority only after a public
18 hearing by the board at which all interested parties are provided the
19 opportunity to be heard. After the public hearing, the board may adopt
20 an ordinance authorizing the execution of the lease if it finds that the
21 service to be provided throughout the term of the lease will serve the
22 public purpose of the authority and is in the best interest of the
23 residents of the authority district.

24 (d) Upon execution of a lease providing for payments by the
25 authority in whole or in part from the levy of property taxes under
26 IC 8-22-3-17, the board shall publish notice of the execution of the
27 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
28 taxpayers residing in the authority district who will be affected by the
29 lease and who may be of the opinion that no necessity exists for the
30 execution of the lease or that the payments provided for in the lease are
31 not fair and reasonable may file a petition in the office of the county
32 auditor within thirty (30) days after the publication of the notice of
33 execution and approval. The petition must set forth the petitioners'
34 names, addresses, and objections to the lease and the facts showing that
35 the execution of the lease is unnecessary or unwise or that the
36 payments provided for in the lease are not fair and reasonable, as the
37 case may be.

38 (e) Upon the filing of a petition under subsection (d), the county
39 auditor shall immediately certify a copy of the petition, together with
40 any other data necessary to present the questions involved, to the
41 department of local government finance. Upon receipt of the certified
42 petition and information, the department of local government finance

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1 shall fix a time and place for a hearing in the authority district, which
 2 must be not less than five (5) or more than thirty (30) days after the
 3 time is fixed. Notice of the hearing shall be given by the department of
 4 local government finance to the members of the board, and to the first
 5 fifty (50) petitioners on the petition, by a letter signed by one (1)
 6 member of the state board of tax commissioners and enclosed with
 7 fully prepaid postage sent to those persons at their usual place of
 8 residence, at least five (5) days before the date of the hearing. The
 9 decision of the department of local government finance on the appeal,
 10 upon the necessity for the execution of the lease, and as to whether the
 11 payments under it are fair and reasonable, is final.

12 (f) (d) An authority entering into a lease payable from any sources
 13 permitted under this chapter may:

14 (1) pledge the revenue to make payments under the lease pursuant
 15 to IC 5-1-14-4; or

16 (2) establish a special fund to make the payments.

17 (g) (e) Lease rentals may be limited to money in the special fund so
 18 that the obligations of the airport authority to make the lease rental
 19 payments are not considered debt of the unit or the district for purposes
 20 of the Constitution of the State of Indiana.

21 (h) (f) Except as provided in this section, no approvals of any
 22 governmental body or agency are required before the authority enters
 23 into a lease under this section.

24 (i) (g) An action to contest the validity of the lease or to enjoin the
 25 performance of any of its terms and conditions must be brought within
 26 thirty (30) days after the later of:

27 (1) the public hearing described in subsection (c). or

28 (2) the publication of the notice of the execution and approval of
 29 the lease described in subsection (d); if the lease is payable in
 30 whole or in part from tax levies.

31 However, if the lease is payable in whole or in part from tax levies, and
 32 an appeal has been taken to the department of local government
 33 finance, and a remonstrance is filed under IC 6-1.1-17.5-11, an
 34 action to contest the validity or enjoin the performance must be brought
 35 within thirty (30) days after the decision of the department of local
 36 government finance. **deadline for filing a counterpetition under**
 37 **IC 6-1.1-17.5-12.**

38 (j) (h) If an authority exercises an option to buy an airport project
 39 from a lessor, the authority may subsequently sell the airport project,
 40 without regard to any other statute, to the lessor at the end of the lease
 41 term at a price set forth in the lease or at fair market value established
 42 at the time of the sale by the authority through auction, appraisal, or

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1 arms length negotiation. If the airport project is sold at auction, after
 2 appraisal, or through negotiation, the board shall conduct a hearing
 3 after public notice in accordance with IC 5-3-1 before the sale. Any
 4 action to contest the sale must be brought within fifteen (15) days of
 5 the hearing.

6 SECTION 73. IC 10-14-4-10, AS ADDED BY P.L.2-2003,
 7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2005]: Sec. 10. The fiscal officer of an entity receiving
 9 a grant under this chapter shall:

- 10 (1) establish a separate account within the entity's general fund;
 11 and
 12 (2) deposit any grant proceeds received under this chapter in the
 13 account.

14 ~~The department of local government finance may not reduce an entity's~~
 15 ~~maximum or actual property tax levy under IC 6-1.1-18.5 on account~~
 16 ~~of grant money deposited in the account:~~

17 SECTION 74. IC 12-13-8-4, AS AMENDED BY P.L.1-2003,
 18 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2005]: Sec. 4. For taxes first due and payable in 1990,
 20 each county shall impose a medical assistance property tax levy equal
 21 to the amount determined using the following formula:

22 STEP ONE: Determine the sum of the amounts that were incurred
 23 by the county as determined by the state board of accounts for all
 24 medical care, including psychiatric care and institutional
 25 psychiatric care, for wards of the county office (described in
 26 IC 12-15-2-16) that was provided in 1986, 1987, and 1988.

27 STEP TWO: Subtract from the amount determined in STEP ONE
 28 the sum of:

- 29 (A) the amount of bank taxes (IC 6-5-10) (repealed);
 30 (B) the amount of savings and loan association taxes (IC
 31 6-5-11) (repealed);
 32 (C) the amount of production credit association taxes (IC
 33 6-5-12); plus
 34 (D) the amount of motor vehicle excise taxes (IC 6-6-5);

35 that were allocated to the county welfare fund and used to pay for
 36 the medical care for wards provided in 1986, 1987, and 1988.

37 STEP THREE: Divide the amount determined in STEP TWO by
 38 three (3).

39 STEP FOUR: Adjust the amount determined in STEP THREE by
 40 the amount determined by the department of local government
 41 finance under section 6 of this chapter.

42 STEP FIVE: Multiply the amount determined in STEP FOUR by

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1 the greater of:
 2 (A) the assessed value growth quotient determined under
 3 IC 6-1.1-18.5-2 (**repealed**) for the county for property taxes
 4 first due and payable in 1990; or
 5 (B) the statewide average assessed value growth quotient
 6 using the county assessed value growth quotients determined
 7 under IC 6-1.1-18.5-2 (**repealed**) for property taxes first due
 8 and payable in 1990.

9 STEP SIX: Multiply the amount determined in STEP FIVE by the
 10 statewide average assessed value growth quotient, using all the
 11 county assessed value growth quotients determined under
 12 IC 6-1.1-18.5-2 (**repealed**) for the year in which the tax levy
 13 under this section will be first due and payable.

14 SECTION 75. IC 12-13-8-5, AS AMENDED BY P.L.1-2004,
 15 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2005]: Sec. 5. For taxes first due and payable in each
 17 year after 2003, **subject to the county's maximum permissible social**
 18 **service property tax rate under IC 6-1.1-18.5**, each county shall
 19 impose a medical assistance property tax levy. ~~equal to the product of:~~

- 20 (1) ~~the medical assistance property tax levy imposed for taxes first~~
 21 ~~due and payable in the preceding year, as that levy was~~
 22 ~~determined by the department of local government finance in~~
 23 ~~fixing the civil taxing unit's budget, levy, and rate for that~~
 24 ~~preceding calendar year under IC 6-1.1-17 and after eliminating~~
 25 ~~the effects of temporary excessive levy appeals and any other~~
 26 ~~temporary adjustments made to the levy for the calendar year;~~
 27 ~~multiplied by~~
 28 (2) ~~the statewide average assessed value growth quotient, using~~
 29 ~~all the county assessed value growth quotients determined under~~
 30 ~~IC 6-1.1-18.5-2 for the year in which the tax levy under this~~
 31 ~~section will be first due and payable:~~

32 If the amount levied in a particular year exceeds the amount necessary
 33 to cover the costs payable from the fund; the levy in the following year
 34 shall be reduced by the amount of surplus money:

35 SECTION 76. IC 12-16-14-3, AS AMENDED BY P.L.255-2003,
 36 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2005]: Sec. 3. (a) For purposes of this section, "payable
 38 claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).

39 (b) For taxes first due and payable in 2003, each county shall
 40 impose a hospital care for the indigent property tax levy equal to the
 41 product of:

- 42 (1) the county's hospital care for the indigent property tax levy for

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1 taxes first due and payable in 2002; multiplied by
2 (2) the county's assessed value growth quotient determined under
3 IC 6-1.1-18.5-2 (**repealed**) for taxes first due and payable in
4 2003.

5 (c) For taxes first due and payable in 2004, 2005, and 2006, **subject**
6 **to the county's maximum permissible social service property tax**
7 **rate under IC 6-1.1-18.5**, each county shall impose a hospital care for
8 the indigent property tax levy equal to the product of:

9 (1) the county's hospital care for the indigent property tax levy for
10 taxes first due and payable in the preceding year; multiplied by

11 (2) the assessed value growth quotient determined in the last
12 STEP of the following STEPS:

13 STEP ONE: Determine the three (3) calendar years that most
14 immediately precede the ensuing calendar year and in which a
15 statewide general reassessment of real property does not first
16 become effective.

17 STEP TWO: Compute separately, for each of the calendar years
18 determined in STEP ONE, the quotient (rounded to the nearest
19 ten-thousandth) of the county's total assessed value of all taxable
20 property in the particular calendar year, divided by the county's
21 total assessed value of all taxable property in the calendar year
22 immediately preceding the particular calendar year.

23 STEP THREE: Divide the sum of the three (3) quotients
24 computed in STEP TWO by three (3).

25 (d) Except as provided in subsection (e) **and subject to the**
26 **county's maximum permissible social service property tax rate**
27 **under IC 6-1.1-18.5:**

28 (1) for taxes first due and payable in 2007, each county shall
29 impose a hospital care for the indigent property tax levy equal to
30 the average annual amount of payable claims attributed to the
31 county under IC 12-16-7.5-4.5 during the state fiscal years
32 beginning:

- 33 (A) July 1, 2003;
- 34 (B) July 1, 2004; and
- 35 (C) July 1, 2005; and

36 (2) for all subsequent annual levies under this section, the average
37 annual amount of payable claims attributed to the county under
38 IC 12-16-7.5-4.5 during the three (3) most recently completed
39 state fiscal years.

40 (e) A county may not impose an annual levy under subsection (d) in
41 an amount greater than the product of:

42 (1) The greater of:

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1 (A) the county's hospital care for the indigent property tax levy
 2 for taxes first due and payable in 2006; or
 3 (B) the amount of the county's maximum hospital care for the
 4 indigent property tax levy determined under this subsection for
 5 taxes first due and payable in the immediately preceding year;
 6 multiplied by
 7 (2) the assessed value growth quotient determined in the last
 8 STEP of the following STEPS:
 9 STEP ONE: Determine the three (3) calendar years that most
 10 immediately precede the ensuing calendar year and in which a
 11 statewide general reassessment of real property does not first
 12 become effective.
 13 STEP TWO: Compute separately, for each of the calendar years
 14 determined in STEP ONE, the quotient (rounded to the nearest
 15 ten-thousandth) of the county's total assessed value of all taxable
 16 property in the particular calendar year, divided by the county's
 17 total assessed value of all taxable property in the calendar year
 18 immediately preceding the particular calendar year.
 19 STEP THREE: Divide the sum of the three (3) quotients
 20 computed in STEP TWO by three (3).
 21 SECTION 77. IC 12-19-7-4, AS AMENDED BY P.L.1-2004,
 22 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2005]: Sec. 4. (a) **As used in this section, "Indiana
 24 nonfarm personal income" means the estimate of total nonfarm
 25 personal income for Indiana in a calendar year as computed by the
 26 federal Bureau of Economic Analysis using any actual data for the
 27 calendar year and any estimated data determined appropriate by
 28 the federal Bureau of Economic Analysis.**
 29 (b) For taxes first due and payable in each year after 2003, **subject
 30 to IC 6-1.1-18.5-3**, each county shall impose a county family and
 31 children property tax levy equal to the product of:
 32 (1) the county family and children property tax levy imposed for
 33 taxes first due and payable in the preceding year; ~~as that levy was~~
 34 ~~determined by the department of local government finance in~~
 35 ~~fixing the civil taxing unit's budget, levy, and rate for that~~
 36 ~~preceding calendar year under IC 6-1.1-17 and after eliminating~~
 37 ~~the effects of temporary excessive levy appeals and any other~~
 38 ~~temporary adjustments made to the levy for the calendar year;~~
 39 multiplied by
 40 (2) the greater of:
 41 (A) the county's ~~assessed value~~ growth quotient for the ensuing
 42 calendar year, as determined ~~under IC 6-1.1-18.5-2~~; **in the last**

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1 **STEP of the following STEPS:**

2 **STEP ONE: For each of the six (6) calendar years**
 3 **immediately preceding the year in which a budget is**
 4 **adopted under IC 6-1.1-17-5 for the ensuing calendar**
 5 **year, divide the Indiana nonfarm personal income for**
 6 **the calendar year by the Indiana nonfarm personal**
 7 **income for the calendar year immediately preceding that**
 8 **calendar year, rounding to the nearest one-thousandth**
 9 **(0.001).**

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

12 **STEP THREE: Divide the STEP TWO result by six (6),**
 13 **rounding to the nearest one-thousandth (0.001).**

14 **STEP FOUR: Determine the lesser of the STEP THREE**
 15 **quotient or one and six-hundredths (1.06); or**

16 **(B) one (1).**

17 When a year in which a statewide general reassessment of real property
 18 first becomes effective is the year preceding the year that the property
 19 tax levy under this subsection will be first due and payable; the amount
 20 to be used in subdivision (2) equals the average of the amounts used in
 21 determining the two (2) most recent adjustments in the county's levy
 22 under this section. If the amount levied in a particular year exceeds the
 23 amount necessary to cover the costs payable from the fund; the levy in
 24 the following year shall be reduced by the amount of surplus money.

25 (b) The department of local government finance shall review each
 26 county's property tax levy under this section and shall enforce the
 27 requirements of this section with respect to that levy.

28 SECTION 78. IC 12-19-7-6 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) The county
 30 director, upon the advice of the judges of the courts with juvenile
 31 jurisdiction in the county, shall annually compile and adopt a child
 32 services budget, which must be in a form prescribed by the state board
 33 of accounts. ~~The budget may not exceed the levy limitation set forth in~~
 34 ~~IC 6-1.1-18-6.~~

35 (b) The budget must contain an estimate of the amount of money
 36 that will be needed by the county office during the fiscal year to defray
 37 the expenses and obligations incurred by the county office in the
 38 payment of services for children adjudicated to be children in need of
 39 services or delinquent children and other related services, but not
 40 including the payment of AFDC.

41 SECTION 79. IC 12-19-7-7 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) The county

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1 director shall, with the assistance of the judges of courts with juvenile
 2 jurisdiction in the county and at the same time the budget is compiled
 3 and adopted, recommend to the division the tax levy that the director
 4 and judges determine will be required to raise the amount of revenue
 5 necessary to pay the expenses and obligations of the county office set
 6 forth in the budget under section 6 of this chapter. ~~However, the tax~~
 7 ~~levy may not exceed the maximum permissible levy set forth in~~
 8 ~~IC 6-1.1-18.6 and the budget may not exceed the levy limitation set~~
 9 ~~forth in IC 6-1.1-18.~~

10 (b) After the county budget has been compiled, the county director
 11 shall submit a copy of the budget and the tax levy recommended by the
 12 county director and the judges of courts with juvenile jurisdiction in the
 13 county to the division. The division shall examine the budget and the
 14 tax levy for the purpose of determining whether, in the judgment of the
 15 division:

- 16 (1) the appropriations requested in the budget will be adequate to
 17 defray the expenses and obligations incurred by the county office
 18 in the payment of child services for the next fiscal year; and
 19 (2) the tax levy recommended will yield the amount of the
 20 appropriation set forth in the budget.

21 SECTION 80. IC 12-19-7-8 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. The division
 23 may do the following after examining a budget submitted by the county
 24 office:

- 25 (1) Increase or decrease the amount of the budget or an item of
 26 the budget. ~~subject to the maximum levy set forth in~~
 27 ~~IC 6-1.1-18.6.~~
 28 (2) Approve the budget as compiled by the county director and
 29 judges of courts with juvenile jurisdiction in the county.
 30 (3) Recommend the increase or decrease of the tax levy. ~~subject~~
 31 ~~to the maximum levy set forth in IC 6-1.1-18.6.~~
 32 (4) Approve the tax levy as recommended by the county director
 33 and judges of courts with juvenile jurisdiction in the county.

34 SECTION 81. IC 12-19-7-11 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 11. In September
 36 of each year, at the time provided by law, the county fiscal body shall
 37 do the following:

- 38 (1) Make the appropriations out of the family and children's fund
 39 that are:
 40 (A) based on the budget as submitted; and
 41 (B) necessary to maintain the child services of the county for
 42 the next fiscal year. ~~subject to the maximum levy set forth in~~

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~~IC 6-1.1-18.6.~~

(2) **Subject to IC 6-1.1-18.5-3**, levy a tax in an amount necessary to produce the appropriated money.

SECTION 82. IC 12-19-7-24, AS AMENDED BY P.L.90-2002, SECTION 346, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 24. ~~The provisions of laws concerning the right of a taxpayer to file a remonstrance and to appeal to the department of local government finance apply to this chapter. However, the notice of the determination shall be given in one (1) publication. A taxpayer has ten (10) days after the date of publication to file a remonstrance.~~ **IC 6-1.1-17.5 applies to bonds issued under this chapter.**

SECTION 83. IC 12-19-7.5-5, AS ADDED BY P.L.224-2003, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 5. (a) A children's psychiatric residential treatment services fund is established in each county. The fund shall be raised by a separate tax levy (the county children's psychiatric residential treatment services property tax levy) that:

- (1) is in addition to all other tax levies authorized; and
- (2) **subject to IC 6-1.1-18.5-3**, shall be levied annually by the county fiscal body on all taxable property in the county in the amount necessary to raise the part of the fund that the county must raise to pay the items, awards, claims, allowances, assistance, and other expenses set forth in the annual budget under section 8 of this chapter.

(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.

(c) The following shall be paid into the county treasury and constitute the children's psychiatric residential treatment services fund:

- (1) All receipts from the tax imposed under this section.
- (2) All grants-in-aid, whether received from the federal government or state government.
- (3) Any other money required by law to be placed in the fund.

(d) The fund is available for the purpose of paying expenses and obligations set forth in the annual budget that is submitted and approved.

SECTION 84. IC 12-19-7.5-6, AS AMENDED BY P.L.1-2004, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) ~~For taxes first due and payable in 2004,~~ **Subject to IC 6-1.1-18.5-3**, each county must impose a county children's psychiatric residential services property tax levy ~~equal to the amount determined using the following formula:~~

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1 STEP ONE: Determine the sum of the amounts that were paid by
 2 the county minus the amounts reimbursed by the state (including
 3 reimbursements made with federal money); as determined by the
 4 state board of accounts in 2000, 2001, and 2002 for payments to
 5 facilities licensed under 470 IAC 3-13 for services that were made
 6 on behalf of the children and for which payment was made from
 7 the county family and children fund; or five percent (5%) of the
 8 average family and children budget, as determined by the
 9 department of local government finance in 2000, 2001, and 2002,
 10 whichever is greater.

11 STEP TWO: Subtract from the amount determined in STEP ONE
 12 the sum of the miscellaneous taxes that were allocated to the
 13 county family and children fund and used to pay the costs for
 14 providing services in facilities licensed under 470 IAC 3-13 in
 15 2000, 2001, and 2002.

16 STEP THREE: Divide the amount determined in STEP TWO by
 17 three (3):

18 STEP FOUR: Calculate the STEP ONE amount and the STEP
 19 TWO amount for 2002 expenses only.

20 STEP FIVE: Adjust the amounts determined in STEP THREE and
 21 STEP FOUR by the amount determined by the department of
 22 local government finance under subsection (c):

23 STEP SIX: Determine whether the amount calculated in STEP
 24 THREE, as adjusted in STEP FIVE, or the amount calculated in
 25 STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the
 26 greater amount by the assessed value growth quotient determined
 27 under IC 6-1.1-18.5-2 for the county for property taxes first due
 28 and payable in 2003.

29 STEP SEVEN: Multiply the amount determined in STEP SIX by
 30 the county's assessed value growth quotient for property taxes first
 31 due and payable in 2004, as determined under IC 6-1.1-18.5-2:

32 (b) For taxes first due and payable in each year after 2004, each
 33 county shall impose a county children's psychiatric residential
 34 treatment services property tax levy equal to the product of:

35 (1) the county children's psychiatric residential treatment services
 36 property tax levy imposed for taxes first due and payable in the
 37 preceding year; as that levy was determined by the department of
 38 local government finance in fixing the civil taxing unit's budget;
 39 levy; and rate for that preceding calendar year under IC 6-1.1-17
 40 and after eliminating the effects of temporary excessive levy
 41 appeals and any other temporary adjustments made to the levy for
 42 the calendar year; multiplied by

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- 1 (2) the greater of:
- 2 (A) the county's ~~assessed value~~ growth quotient for the ensuing
- 3 calendar year, as determined under ~~IC 6-1.1-18.5-2;~~
- 4 **IC 12-19-7-4(b)(2)(A)**; or
- 5 (B) one (1).

6 When a year in which a statewide general reassessment of real property
 7 first becomes effective is the year preceding the year that the property
 8 tax levy under this subsection will be first due and payable, the amount
 9 to be used in subdivision (2) equals the average of the amounts used in
 10 determining the two (2) most recent adjustments in the county's levy
 11 under this section. If the amount levied in a particular year exceeds the
 12 amount necessary to cover the costs payable from the fund, the levy in
 13 the following year shall be reduced by the amount of surplus money.

14 (c) For taxes first due and payable in 2004, the department of local
 15 government finance shall adjust the levy for each county to reflect the
 16 county's actual expenses incurred in providing services to children in
 17 facilities licensed under 470 IAC 3-13 in 2000, 2001, and 2002. In
 18 making this adjustment, the department of local government finance
 19 may consider all relevant information, including the county's use of
 20 bond and loan proceeds to pay these expenses.

21 (d) The department of local government finance shall review each
 22 county's property tax levy under this section and shall enforce the
 23 requirements of this section with respect to that levy.

24 SECTION 85. IC 12-19-7.5-8, AS ADDED BY P.L.224-2003,
 25 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2005]: Sec. 8. (a) For purposes of this section, "expenses
 27 and obligations incurred by the county office" include all anticipated
 28 costs of children's residential psychiatric services that are equal to the
 29 state share of the cost of those services that are reimbursable under the
 30 state Medicaid plan.

31 (b) The county director, upon the advice of the judges of the courts
 32 with juvenile jurisdiction in the county, shall annually compile and
 33 adopt a children's psychiatric residential treatment services budget,
 34 which must be in a form prescribed by the state board of accounts. ~~The~~
 35 ~~budget may not exceed the levy limitation set forth in IC 6-1.1-18.6.~~

36 (c) The budget must contain an estimate of the amount of money
 37 that will be needed by the county office during the fiscal year to defray
 38 the expenses and obligations incurred by the county office in the
 39 payment of children's psychiatric residential treatment services for
 40 children who are residents of the county.

41 SECTION 86. IC 12-19-7.5-9, AS ADDED BY P.L.224-2003,
 42 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2005]: Sec. 9. (a) The county director shall, with the
2 assistance of the judges of courts with juvenile jurisdiction in the
3 county and at the same time the budget is compiled and adopted,
4 recommend to the division the tax levy that the director and judges
5 determine will be required to raise the amount of revenue necessary to
6 pay the expenses and obligations of the county office set forth in the
7 budget under section 8 of this chapter. ~~However, the tax levy may not~~
8 ~~exceed the maximum permissible levy set forth in IC 6-1.1-18.6, and~~
9 ~~the budget may not exceed the levy limitation set forth in IC 6-1.1-18.~~

10 (b) After the county budget has been compiled, the county director
11 shall submit a copy of the budget and the tax levy recommended by the
12 county director and the judges of courts with juvenile jurisdiction in the
13 county to the division. The division shall examine the budget and the
14 tax levy for the purpose of determining whether, in the judgment of the
15 division:

16 (1) the appropriations requested in the budget will be adequate to
17 defray the expenses and obligations incurred by the county office
18 in the payment of children's psychiatric residential treatment
19 services for the next fiscal year; and

20 (2) the tax levy recommended will yield the amount of the
21 appropriation set forth in the budget.

22 SECTION 87. IC 12-19-7.5-10, AS ADDED BY P.L.224-2003,
23 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JANUARY 1, 2005]: Sec. 10. The division may do the following after
25 examining a budget submitted by the county office:

26 (1) Increase or decrease the amount of the budget or an item of
27 the budget. ~~subject to the maximum levy set forth in~~
28 ~~IC 6-1.1-18.6.~~

29 (2) Approve the budget as compiled by the county director and
30 judges of courts with juvenile jurisdiction in the county.

31 (3) Recommend the increase or decrease of the tax levy. ~~subject~~
32 ~~to the maximum levy set forth in IC 6-1.1-18.6.~~

33 (4) Approve the tax levy as recommended by the county director
34 and judges of courts with juvenile jurisdiction in the county.

35 SECTION 88. IC 12-19-7.5-13, AS ADDED BY P.L.224-2003,
36 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JANUARY 1, 2005]: Sec. 13. In September of each year, at the time
38 provided by law, the county fiscal body shall do the following:

39 (1) Make the appropriations out of the children's psychiatric
40 residential treatment services fund that are:

- 41 (A) based on the budget as submitted; and
42 (B) necessary to maintain the children's psychiatric residential

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1 treatment services of the county for the next fiscal year.
2 ~~subject to the maximum levy set forth in IC 6-1.1-18.6.~~

3 (2) **Subject to IC 6-1.1-18.5-3**, levy a tax in an amount necessary
4 to produce the appropriated money.

5 SECTION 89. IC 12-20-25-4 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. As used in this
7 chapter, "distressed township" means:

8 (1) a township that:

9 (A) has a valid poor relief claim that the county auditor cannot
10 pay within thirty (30) days after the claim is approved for
11 payment under IC 12-2-1-31 (before its repeal) or
12 IC 12-20-20;

13 (B) has poor relief expenditures during a year that exceed the
14 year's poor relief revenues, excluding any advances from the
15 state and revenues from short term loans from the county or a
16 financial institution or advances from the county from the
17 proceeds of bonds, made or issued under:

- 18 (i) this article; or
- 19 (ii) IC 12-2-1, IC 12-2-4.5, or IC 12-2-5 (before the repeal
20 of those statutes);

21 (C) has imposed and dedicated to poor relief at least ninety
22 percent (90%) of ~~the maximum permissible~~ its ad valorem
23 property tax levy; ~~permitted for all of the township's money~~
24 ~~under IC 6-1.1-18.5~~; and

25 (D) has outstanding indebtedness that exceeds one and
26 eight-tenths percent (1.8%) of the township's adjusted value of
27 taxable property in the district as determined under
28 IC 36-1-15; or

29 (2) a township that:

30 (A) has been a controlled township during any part of the
31 preceding five (5) years;

32 (B) has a valid poor relief claim that the county auditor cannot
33 pay within thirty (30) days after the claim is approved for
34 payment under IC 12-2-1-31 (before its repeal) or
35 IC 12-20-20; and

36 (C) uses advances from the county from proceeds of bonds
37 issued under IC 12-2-1 (before its repeal) or this article.

38 SECTION 90. IC 12-20-25-32 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 32. (a) As soon
40 as the management committee has completed the financial,
41 compliance, economy, and efficiency audits required by section 15 of
42 this chapter, the management committee shall make a report to the

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- 1 control board. The report must include the following:
- 2 (1) The findings of the financial, compliance, economy, and
- 3 efficiency audits.
- 4 (2) An itemization of each creditor's claims against the distressed
- 5 township that were found to be valid and reasonable.
- 6 (3) An itemization of each claim that was found to be invalid.
- 7 (4) An itemization of each claim that was found to be
- 8 unreasonable and on which no settlement was negotiated.
- 9 (5) A proposed operating budget for the township trustee's office.
- 10 (6) An estimate of future operating and debt service costs for poor
- 11 relief.
- 12 (7) The amount of outstanding poor relief bonds issued and loans
- 13 incurred by the county and advancements made by the county.
- 14 (8) The ~~maximum permissible~~ poor relief levy of the township.
- 15 ~~under IC 6-1.1-18.5.~~

16 (b) The county fiscal body may recommend a financial plan to the

17 management committee that ensures that future revenue increases, if

18 necessary, come from sources other than ad valorem property taxes

19 imposed on property within the distressed township and will

20 accomplish the purposes set forth in section 33(a)(2) of this chapter.

21 The financial plan may include any of the options set forth in section

22 34 of this chapter. The management committee shall include any

23 submitted plan in the committee's report to the control board.

24 SECTION 91. IC 12-20-25-36, AS AMENDED BY P.L.90-2002,

25 SECTION 359, IS AMENDED TO READ AS FOLLOWS

26 [EFFECTIVE JANUARY 1, 2005]: Sec. 36. ~~(a)~~ Notwithstanding

27 IC 6-1.1-17, if the county fiscal body:

- 28 (1) adopts an ordinance under section 35(b)(2) of this chapter; or
- 29 (2) fails to adopt an ordinance under section 35(b) of this chapter;
- 30 the department shall reduce the county's general fund budget and
- 31 increase the distressed township's poor relief account budget in an
- 32 amount sufficient to satisfy the requirements of section 33(a)(2) of this
- 33 chapter. The department shall notify the county auditor and county
- 34 treasurer of the county general fund reduction and the county treasurer
- 35 shall transfer from the county general fund to the distressed township's
- 36 poor relief account the amount specified by the department.

37 ~~(b) Notwithstanding IC 6-1.1-18.5, if a county is required to transfer~~

38 ~~money to a distressed township's poor relief account under subsection~~

39 ~~(a); the county may not appeal for an excessive levy under~~

40 ~~IC 6-1.1-18.5 to replace money that is transferred from the county~~

41 ~~general fund.~~

42 SECTION 92. IC 12-20-25-40 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 40. The county
 2 treasurer shall deposit the disbursements from the treasurer of state in
 3 a county fund to be known as the county income tax poor relief control
 4 fund. Notwithstanding IC 6-3.5-1.1 **and** IC 6-3.5-6, ~~and IC 6-1.1-18.5~~,
 5 the county treasurer shall disburse the money in the fund in the
 6 following priority:

7 (1) To ensure the payment within thirty (30) days of all valid poor
 8 relief claims in the distressed township that are not covered by
 9 subdivision (3).

10 (2) At the end of each calendar year, to redeem any outstanding
 11 bonds issued or repay loans incurred by the county for poor relief
 12 purposes under IC 12-2-4.5 (before its repeal), IC 12-2-5 (before
 13 its repeal), IC 12-20-23, or IC 12-20-24 to the extent the proceeds
 14 of the bonds or loans were advanced to the distressed township.

15 (3) To pay claims approved under section 27 or 28 of this chapter
 16 (or IC 12-2-14-22 or IC 12-2-14-23 before their repeal).

17 (4) As provided in IC 6-3.5-6 if the county option income tax is
 18 imposed under this chapter. If the county adjusted gross income
 19 tax is imposed under this chapter, to provide property tax
 20 replacement credits for each civil taxing unit and school
 21 corporation in the county as provided in IC 6-3.5-1.1. No part of
 22 the county adjusted gross income tax revenue is considered a
 23 certified share of a governmental unit as provided in
 24 IC 6-3.5-1.1-15. In addition, the county adjusted gross income tax
 25 revenue (except for the county adjusted gross income tax
 26 revenues that are to be treated as property tax replacements under
 27 this subdivision) is in addition to and not a part of the revenue of
 28 the township for purposes of determining the township's
 29 maximum permissible property tax levy. ~~under IC 6-1.1-18.5.~~

30 SECTION 93. IC 12-29-1-5, AS AMENDED BY P.L.90-2002,
 31 SECTION 365, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JANUARY 1, 2005]: Sec. 5. All general Indiana statutes
 33 relating to the following apply to the issuance of county bonds under
 34 this chapter:

- 35 ~~(1) The filing of a petition requesting the issuance of bonds.~~
 36 ~~(2) (1) The giving of notice of the following:~~
 37 ~~(A) The filing of the petition requesting the issuance of the~~
 38 ~~bonds.~~
 39 ~~(B) (A) The determination to issue bonds.~~
 40 ~~(C) (B) A hearing on the appropriation of the proceeds of the~~
 41 ~~bonds.~~
 42 ~~(3) (2) The right of taxpayers to appear and be heard on the~~

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1 proposed appropriation.
 2 ~~(4) The approval of the appropriation by the department of local~~
 3 ~~government finance.~~
 4 ~~(5) (3) The right of taxpayers voters to remonstrate against the~~
 5 ~~issuance of bonds. file petitions regarding a decision of a~~
 6 ~~property tax control board.~~
 7 SECTION 94. IC 12-29-2-13, AS AMENDED BY P.L.215-2001,
 8 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2005]: Sec. 13. (a) This section applies to a county
 10 having a population of ~~not less than~~ **at least** four hundred thousand
 11 (400,000) but not more than seven hundred thousand (700,000).
 12 (b) In addition to any other appropriation under this article, a county
 13 annually may fund each center serving the county from the county's
 14 general fund in an amount not exceeding the amount that would be
 15 raised by a tax rate of one cent (\$.01) on each one hundred dollars
 16 (\$100) of taxable property within the county.
 17 (c) The receipts from the tax levied under this section shall be used
 18 for the leasing, purchasing, constructing, or operating of community
 19 residential facilities for the chronically mentally ill (as defined in
 20 IC 12-7-2-167).
 21 (d) Money appropriated under this section must be:
 22 (1) budgeted under IC 6-1.1-17; and
 23 (2) included in the center's budget submitted to the division of
 24 mental health and addiction.
 25 ~~(e) Permission for a levy increase in excess of the levy limitations~~
 26 ~~may be ordered under IC 6-1.1-18.5-15 only if the levy increase is~~
 27 ~~approved by the division of mental health and addiction for a~~
 28 ~~community mental health center.~~
 29 SECTION 95. IC 13-21-3-15.5, AS ADDED BY P.L.178-2002,
 30 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2005]: Sec. 15.5. (a) A district may appeal ~~to the~~
 32 ~~department of local government finance under IC 6-1.1-17.5~~ to have
 33 a property tax rate in excess of the rate permitted by section 12 of this
 34 chapter. The appeal may be granted if the district with respect to 2001
 35 property taxes payable in 2002:
 36 (1) imposed the maximum property tax rate established under
 37 section 12 of this chapter; and
 38 (2) collected property tax revenue in an amount less than the
 39 maximum permissible ad valorem property tax levy determined
 40 for the district under IC 6-1.1-18.5.
 41 ~~(b) The procedure applicable to maximum levy appeals under~~
 42 ~~IC 6-1.1-18.5 applies to an appeal under this section.~~

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1 (c) (b) An additional levy granted under this section

2 (1) is not part of the total county tax levy (as defined in
3 IC 6-1.1-21-2). and

4 (2) may not exceed the rate calculated to result in a property tax
5 levy equal to the maximum permissible ad valorem property tax
6 levy determined for the district under IC 6-1.1-18.5.

7 (d) The department of local government finance shall establish the
8 tax rate if a higher tax rate is permitted:

9 SECTION 96. IC 13-21-3-16 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 16. (a) The
11 requirements of this section are in addition to the requirements set forth
12 in IC 6-1.1-18.5-7(b).

13 (b) To be eligible to include within the district's budget for the
14 following year tax revenue derived from the imposition of a property
15 tax, the first year that a property tax will be imposed and any
16 subsequent year in which the proposed tax levy will increase by five
17 percent (5%) or more, a board must present identical resolutions to
18 each of the county fiscal bodies within the district seeking approval for
19 the use of property tax revenue within the district. The resolution must
20 state the proposed property tax levy and the proposed use of the
21 revenue. The resolution must be stated so that:

22 (1) a "yes" vote indicates approval of the levy and the proposed
23 use of property tax revenue within the district; and

24 (2) a "no" vote indicates disapproval of the levy and the proposed
25 use of property tax revenue within the district.

26 (c) For a resolution described in subsection (b) to be approved by
27 the county fiscal body:

28 (1) the county fiscal body must record the vote taken on the
29 resolution under subsection (b) before May 1 of the year in which
30 the vote was taken; and

31 (2) the recorded vote must indicate approval of the use of property
32 tax revenue within the district.

33 (d) If all of the county fiscal bodies within a district do not record
34 the approval described in subsection (c) before May 1 of the year in
35 which the vote under subsection (b) was taken, the board may not:

36 (1) impose; or

37 (2) include within the budget of the board;

38 a property tax for the year following the year in which the vote was
39 taken.

40 (e) Notwithstanding subsection (d), after the first year a tax is
41 imposed under this section, the resolution required by subsection (b)
42 for a district that is located in more than two (2) counties need only be

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1 approved by a majority of the county fiscal bodies for the counties in
2 which the district is located.

3 (f) A district may not issue bonds to be repaid, directly or indirectly,
4 with money or property tax revenue of the district until:

- 5 (1) a majority of the members of each of the county fiscal bodies
6 within a district passes a resolution approving the bond issue; **and**
7 **(2) the district complies with IC 6-1.1-17.5.**

8 SECTION 97. IC 13-21-7-7 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) The waste
10 management district bonds:

- 11 (1) are special obligations of the district; **and**
12 (2) are not, in any respect, a corporate obligation or indebtedness
13 of the units that comprise the district; **and**
14 **(3) are subject to IC 6-1.1-17.5.**

15 (b) The waste management district bonds issued under this chapter
16 or IC 13-9.5-9-3 (before its repeal) and the interest on the bonds are
17 payable out of a special tax levied upon all of the property of the
18 district and any other revenues made available for that purpose under
19 this article. The waste management district bonds must recite these
20 terms on the face of the bonds together with the purpose for which the
21 bonds are issued.

22 SECTION 98. IC 14-27-6-40, AS AMENDED BY P.L.90-2002,
23 SECTION 371, IS AMENDED TO READ AS FOLLOWS
24 [EFFECTIVE JANUARY 1, 2005]: Sec. 40. The provisions of IC 5-1,
25 ~~and IC 6-1.1-20~~ **IC 6-1.1-17.5, and IC 6-1.1-18-5** relating to the
26 following apply to proceedings under this chapter:

- 27 ~~(1) The filing of a petition requesting the issuance of bonds and~~
28 ~~giving notice of the petition.~~
29 ~~(2)~~ **(1)** The giving of notice of determination to issue bonds.
30 ~~(3)~~ **(2)** The giving of notice of hearing on the appropriation of the
31 proceeds of bonds and the right of taxpayers to appeal and be
32 heard on the proposed appropriation.
33 ~~(4) The approval of the appropriation by the department of local~~
34 ~~government finance.~~
35 ~~(5)~~ **(3)** The right of ~~taxpayers voters~~ **to remonstrate against the**
36 ~~issuance of bonds: file petitions regarding a property tax~~
37 ~~control board's decision.~~
38 ~~(6)~~ **(4)** The sale of bonds at public sale for not less than the par
39 value.

40 SECTION 99. IC 14-27-6-48 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 48. (a) The board
42 may provide a cumulative building fund ~~in compliance with~~

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1 ~~IC 6-1.1-41~~ to provide for the erection of:

2 (1) levees, gates, and pumping stations; or

3 (2) other facilities or the addition to or improvement of the
4 facilities on the levees;

5 needed to carry out this chapter.

6 (b) ~~In compliance with IC 6-1.1-41~~ **Subject to IC 6-1.1-18.5**, the
7 board may levy a property tax not to exceed sixty-seven hundredths of
8 one cent (\$0.0067) on each one hundred dollars (\$100) of taxable
9 property within the district. As the tax is collected, the tax may be
10 invested in negotiable United States bonds or other securities that the
11 federal government has the direct obligation to pay.

12 (c) Any money of the cumulative building fund not invested in
13 government obligations shall be withdrawn from the cumulative
14 building fund in the same manner as money is regularly withdrawn
15 from a general fund but without further or additional appropriation.

16 SECTION 100. IC 14-33-21-2 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. A district may
18 establish a cumulative improvement fund ~~under IC 6-1.1-41~~ to provide
19 money for the construction, additional construction, or repair of the
20 works of improvement the district:

21 (1) is authorized to construct; and

22 (2) states in the district plan, or part of or amendment to the plan,
23 is a purpose of the fund.

24 SECTION 101. IC 14-33-21-5, AS AMENDED BY P.L.90-2002,
25 SECTION 377, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JANUARY 1, 2005]: Sec. 5. The board may levy a
27 special benefits tax ~~in compliance with IC 6-1.1-41~~ in an amount not
28 to exceed three and thirty-three hundredths cents (\$0.0333) on each
29 one hundred dollars (\$100) of real property in the district, except the
30 property that is exempt under IC 14-33-7-4. ~~The board shall file with
31 the district plan or part of or amendment to the plan:~~

32 ~~(1) the approval of the department of local government finance;~~
33 ~~and~~

34 ~~(2) any action taken to reduce or rescind the tax levy.~~

35 SECTION 102. IC 16-22-4-1 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. The county
37 officers may establish a cumulative building fund ~~under IC 6-1.1-41~~ or
38 a sinking fund ~~in compliance with the procedures for establishing a
39 cumulative fund under IC 6-1.1-41~~ for the erection of new hospital
40 buildings, the repairing, remodeling, and enlarging of old hospital
41 buildings, and the equipment of new, enlarged, and old hospitals
42 owned and operated by the county, a voluntary nonprofit association,

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or a nonprofit corporation.

SECTION 103. IC 16-22-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. The county officers may ~~in compliance with IC 6-1.1-41~~, levy a tax on all taxable property within the county to provide money for a fund established under this chapter.

SECTION 104. IC 16-22-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. To provide for the cumulative building fund **and subject to IC 6-1.1-18.5**, a tax on all taxable property within the county may be levied annually for not more than twelve (12) years and may not exceed eleven and sixty-seven hundredths cents (\$0.1167) on each one hundred dollars (\$100) of assessed valuation of property in the county.

SECTION 105. IC 16-22-5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 16. After a hospital is established and the governing board appointed, the county executive may issue and sell general obligation bonds of the county to finance the costs of or the enlargement or remodeling of hospital buildings in an amount certified by the board to the county executive to be necessary for that purpose. The bonds shall be authorized, issued, and sold in accordance with laws governing the authorization, issuance, and sale of general obligation bonds by counties, **including IC 6-1.1-17.5**. The county fiscal body shall appropriate the proceeds of sale of the bonds to the board for the purposes for which the bonds have been sold. The county budget shall provide for payment of the bonds and the council shall annually levy a tax sufficient to produce each year the necessary funds for payment of the principal and interest on the bonds according to the terms of the bonds.

SECTION 106. IC 16-22-6-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 24. (a) A lease:

- (1) may provide that the lessee has an option to renew the lease for a like or lesser term; and
- (2) must contain an option to purchase at any time after ten (10) years from the execution of the lease and before the expiration of the term of the lease on a date fixed in the lease at a price equal to the amount required to enable the authority to do the following:
 - (A) Redeem all outstanding securities payable out of the rentals provided for in the lease and all premiums and accrued and unpaid interest payable on that redemption.
 - (B) Pay all other indebtedness and obligations of the authority attributable to the acquisition, construction, renovation, and leasing of the buildings, including any cost of liquidation of

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the authority.

(b) The lease does not create an obligation for the county to purchase a leased building or an obligation to a creditor or bondholder of the authority.

(c) A county exercising an option to purchase may issue general obligation bonds to procure funds to purchase the building. The bonds shall be authorized, issued, and sold in accordance with the laws authorizing the issuance and sale of bonds for other county purposes, **including IC 6-1.1-17.5.**

SECTION 107. IC 16-22-6-27, AS AMENDED BY P.L.90-2002, SECTION 391, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 27. (a) As used in this section, "contributing county" means a county without a county hospital that is contiguous to a county with a county hospital.

(b) As used in this section, "lessee county" means a county with a county hospital.

(c) A contributing county may enter into an agreement with a lessee county to reimburse the lessee county for a part of the lease rental each year that is payable by the lessee county upon compliance with this section. **The agreement is considered a lease for purposes of IC 6-1.1-17.5.**

(d) If the county executive of the contributing county finds that the hospital of the lessee county serves the residents of the contributing county and provides needed hospital services to such residents, the county executive may prepare a contribution agreement. Before final execution of the agreement, the auditor of the contributing county shall publish notice of a public hearing to be held in the contributing county by the county executive not less than ten (10) days after publication of the notice. The notice shall be published one (1) time in a newspaper of general circulation and published in the contributing county. The notice must name the day, place, and hour of the hearing and must set forth a summary of the provisions of agreement as to the amount to be paid each year during the term of the lease by the contributing county and where a copy of the proposed agreement may be examined. All persons interested are entitled to be heard at the time fixed on the necessity for the execution of the agreement. The hearing may be adjourned to a later date at a place fixed before adjournment.

(e) Following the hearing, if a majority of the county fiscal body of the contributing county approve the execution of the agreement, the county executive may authorize the execution of the original agreement or may make the modifications agreed upon with the county fiscal body. The authorization shall be by an order entered in the official

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1 records of the county executive. The agreement shall be executed:

2 (1) on behalf of the contributing county by at least a majority of
3 the members of the county executive; and

4 (2) on behalf of the lessee county by at least a majority of the
5 members of the county executive.

6 (f) If the execution of the original or modified contribution
7 agreement is authorized; notice of the signing shall be published on
8 behalf of the contributing county by publication one (1) time in a
9 newspaper of general circulation and published in the contributing
10 county. At least ten (10) taxpayers in the contributing county whose tax
11 rate will be affected by the proposed agreement may file a petition with
12 the county auditor of the contributing county not more than thirty (30)
13 days after publication of notice of the execution of the agreement. The
14 petition must set forth the objections to the contribution agreement and
15 facts showing that the execution of the contribution agreement is
16 unnecessary and unwise or that the amount of contribution is excessive.
17 On the filing of the petition; the county auditor shall immediately
18 certify a copy together with other data necessary to present the
19 questions involved to the department of local government finance. The
20 department of local government finance shall fix a time and place in
21 the county for the hearing not less than five (5) or not more than fifteen
22 (15) days after receipt of the certified petition and information. Notice
23 of the hearing shall be given by the department of local government
24 finance to the county executive and to the first ten (10) taxpayer
25 petitioners by certified mail sent to the addresses listed on the petition;
26 at least five (5) days before the date of the hearing.

27 (g) (f) An action to contest the validity of the contribution
28 agreement or to enjoin the performance of the agreement may not be
29 instituted later than thirty (30) days after publication of notice of the
30 execution of the agreement or, if an appeal has been taken to the
31 department of local government finance; **a remonstrance petition is**
32 **filed under IC 6-1.1-17.5-11**, not more than thirty (30) days after the
33 decision of the board: **deadline for filing a counterpetition under**
34 **IC 6-1.1-17.5-12.**

35 (h) (g) A contribution agreement may extend for the full term of the
36 lease or for any part and may provide for reimbursement by the
37 contributing county to the lessee county of a part of the lease rental
38 each year in an amount and upon terms and conditions agreed on
39 between the contributing county and the lessee county. The
40 contributing county shall annually levy a tax sufficient to produce each
41 year the necessary funds sufficient to reimburse the lessee county as
42 provided in the contribution agreement. The tax levies provided for in

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1 this section shall be reviewable by other bodies vested by law with the
 2 authority to ascertain that the levies are sufficient to raise the required
 3 payments under the contribution agreement. The annual contribution
 4 shall be paid semiannually to the lessee county before the date lease
 5 rental payments are due from the lessee county.

6 SECTION 108. IC 16-22-7-27 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 27. The county
 8 fiscal body may issue general obligation bonds to procure funds to
 9 purchase the building. The bonds shall be authorized, issued, and sold
 10 in accordance with the laws authorizing the issuance and sale of bonds
 11 for other county purposes, **including IC 6-1.1-17.5.**

12 SECTION 109. IC 16-22-8-41 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 41. (a) The board
 14 may provide a cumulative building fund ~~under IC 6-1.1-41~~ to erect
 15 hospital buildings, additions, or other buildings, remodel buildings, or
 16 acquire equipment needed to carry out this chapter. The cumulative
 17 building fund may be funded by a property tax levy under subsection
 18 (b), a transfer into the fund of other revenues of the hospital, or a
 19 combination of these two (2) methods.

20 (b) The board may levy a tax ~~in compliance with IC 6-1.1-41~~ on all
 21 taxable property within the county where the corporation is established,
 22 **subject to IC 6-1.1-18.5.** However, the levy may not exceed six and
 23 sixty-seven hundredths cents (\$0.0667) on each one hundred dollars
 24 (\$100) of taxable property.

25 (c) All money in the cumulative building fund may be invested or
 26 reinvested in the following:

27 (1) Securities backed by the full faith and credit of the United
 28 States Treasury, including direct obligations of the United States
 29 government and obligations of a federal agency or a federal
 30 instrumentality that are fully guaranteed by the United States
 31 government.

32 (2) Participation in loans under the conditions and in the manner
 33 set forth in IC 5-13-10.5-12.

34 (d) The treasurer of the corporation may lend any securities in the
 35 cumulative building fund under the conditions and in the manner set
 36 forth in IC 5-13-10.5-12. Money collected and not invested in
 37 government obligations shall be deposited and withdrawn in the
 38 manner authorized by law for the deposit, withdrawal, and safekeeping
 39 of the general funds of municipalities.

40 SECTION 110. IC 16-22-8-43, AS AMENDED BY P.L.1-2003,
 41 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2005]: Sec. 43. (a) The board may issue general

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1 obligation bonds of the corporation to procure funds to pay the cost of
 2 acquiring real property or constructing, enlarging, improving,
 3 remodeling, repairing, or equipping buildings and other structures for
 4 use as or in connection with hospitals, clinics, health centers,
 5 dispensaries, or for administrative purposes. The issuance of the bonds
 6 shall be authorized by ordinance of the board providing for the amount,
 7 terms, and tenor of the bonds, for the time and character of notice, and
 8 the mode of making the sale. The bonds shall be payable not more than
 9 forty (40) years after the date of issuance and shall be executed in the
 10 name of the corporation by the chairman of the board and attested by
 11 the executive director, who shall affix to each of the bonds the official
 12 seal of the corporation. The interest coupons attached to the bonds may
 13 be executed by facsimile signature of the chairman of the board.

14 (b) The executive director shall manage and supervise the
 15 preparation, advertisement, and sale of bonds, subject to the provisions
 16 of the authorizing ordinance. Before the sale of the bonds, the
 17 executive director shall publish notice of the sale in accordance with
 18 IC 5-3-1, setting out the time and place where bids will be received, the
 19 amount and maturity dates of the issue, the maximum interest rate, and
 20 the terms and conditions of sale and delivery of the bonds. The bonds
 21 shall be sold to the highest and best bidder. After the bonds have been
 22 sold and executed, the executive director shall deliver the bonds to the
 23 treasurer of the corporation and take the treasurer's receipt, and shall
 24 certify to the treasurer the amount that the purchaser is to pay, together
 25 with the name and address of the purchaser. On payment of the
 26 purchase price, the treasurer shall deliver the bonds to the purchaser,
 27 and the treasurer and executive director shall report the actions to the
 28 board.

29 (c) IC 5-1, **IC 6-1.1-17.5**, and ~~IC 6-1.1-20~~ **IC 6-1.1-18-5** apply to
 30 the following proceedings:

31 ~~(1) Notice and filing of the petition requesting the issuance of the~~
 32 ~~bonds.~~

33 ~~(2)~~ **(1)** Notice of determination to issue bonds.

34 ~~(3)~~ **(2)** Notice of hearing on the appropriation of the proceeds of
 35 the bonds and the right of taxpayers to ~~appeal and~~ be heard.

36 ~~(4) Approval by the department of local government finance.~~

37 ~~(5) The right to remonstrate.~~

38 ~~(6)~~ **(3)** Sale of bonds at public sale for not less than the par value.

39 **(4) The right of voters to file petitions regarding a decision of**
 40 **a property tax control board.**

41 (d) The bonds are the direct general obligations of the corporation
 42 and are payable out of unlimited ad valorem taxes levied and collected

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1 on all the taxable property within the county of the corporation. All
 2 officials and bodies having to do with the levying of taxes for the
 3 corporation shall see that sufficient levies are made to meet the
 4 principal and interest on the bonds at the time fixed for payment.

5 (e) The bonds are exempt from taxation for all purposes but the
 6 interest is subject to the adjusted gross income tax.

7 SECTION 111. IC 16-22-8-55, AS AMENDED BY P.L.90-2002,
 8 SECTION 397, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JANUARY 1, 2005]: Sec. 55. (a) The corporation may
 10 borrow money on promissory notes issued in the corporation's name,
 11 as a municipal corporation, from recognized lending institutions, and
 12 pledge as security unlimited ad valorem taxes levied by the corporation
 13 and collected on all taxable property within the jurisdiction of the
 14 corporation. It is the duty of all officials and bodies with control or
 15 discretion over the levying of taxes for the corporation to see that
 16 sufficient levies are made to meet the principal and interest on
 17 promissory notes. The promissory notes issued under this section shall
 18 be treated for taxation purposes the same as bonds issued by a
 19 municipal corporation in accordance with IC 6-8-5-1.

20 (b) Funds obtained by the method provided in this section shall be
 21 limited in use to the payment of lease rental for medical, surgical, and
 22 related equipment used by the corporation when the board determines
 23 that leasing the equipment is more practical and economical than
 24 purchasing. The decision to lease rather than purchase is within the
 25 sole discretion of the board.

26 (c) The length, terms, and conditions of promissory notes issued
 27 under this section are subject to negotiation between the board or the
 28 board's representative and the lending institutions bidding. Before
 29 entering into negotiations for the loan, the board of trustees shall
 30 publish a notice one (1) time in a newspaper of general circulation in
 31 the health and hospital corporation naming a date not less than seven
 32 (7) days after the publication of notice on which the board will receive
 33 and consider proposals from lending institutions for the making of the
 34 loan.

35 (d) After determination of the board to borrow and to issue
 36 promissory notes; and after a determination of the best proposal
 37 submitted by lending institutions; the board shall give notice of the
 38 board's determination to borrow and to issue promissory notes in the
 39 manner provided by IC 6-1.1-20. The taxpayers have the right to appeal
 40 the determination to the department of local government finance in the
 41 manner and within the time provided in IC 6-1.1-20.

42 SECTION 112. IC 16-23-1-39, AS AMENDED BY P.L.90-2002,

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1 SECTION 399, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2005]: Sec. 39. (a) This section applies to
3 the county fiscal body of a county in which a city hospital is located
4 and maintained.

5 (b) The county fiscal body may issue and sell bonds and appropriate
6 money, if the fiscal body finds the following:

- 7 (1) An emergency exists.
- 8 (2) To meet the medical needs of the county residents living
9 inside and outside the corporate limits of the city it is necessary
10 to aid in the following:

11 (A) The construction, improvement, repair, or remodeling of
12 hospital buildings and grounds.

13 (B) The construction of an extension or addition to the
14 hospital.

15 (C) The acquisition of real property for the hospital.

16 (3) An appropriation of county funds, borrowing of money, and
17 issuance and sale of bonds by the county are in the best interests
18 of all the citizens of the county.

19 (c) The county fiscal body may issue and sell bonds and appropriate
20 the proceeds to meet the emergency:

21 (1) without regard to whether the city in which the hospital is
22 located has issued and sold bonds for these purposes or
23 contemplates the issuance and sale of bonds; **and**

24 (2) as other county bonds are issued and sold under statute. ~~and~~
25 ~~(3) subject to approval of the department of local government~~
26 ~~finance.~~

27 (d) The principal derived from the sale of the bonds, upon due
28 appropriation by the county according to statute, shall be paid to the
29 clerk-treasurer of the city to assist in paying the cost of the
30 improvement, repair, remodeling, or construction project of the hospital
31 or for the acquisition of real property, without reappropriation by the
32 fiscal body of the city.

33 SECTION 113. IC 16-23-1-40, AS AMENDED BY P.L.90-2002,
34 SECTION 400, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE JANUARY 1, 2005]: Sec. 40. (a) The governing board
36 may request a cumulative hospital building fund and a tax rate upon all
37 taxable property in the county in which the hospital is located to
38 finance the fund. If a resolution is approved by majority vote of all
39 members at a regular or special board meeting, the resolution shall be
40 certified to the county auditor, who shall submit the resolution to the
41 county executive for preliminary approval and recommendation. Upon
42 the approval of the county executive, the county auditor shall publish

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1 notice of a public hearing before the county council on the
 2 establishment of a cumulative hospital building fund and tax rate in
 3 each year.

4 (b) The cumulative building tax rate begins in any calendar year
 5 when all proceedings to establish the tax rate have been completed
 6 before August 2 in that year. **Subject to IC 6-1.1-18.5**, the rate is
 7 levied on each one hundred dollars (\$100) of taxable property for that
 8 year, payable in the next year, and continues each year for a term not
 9 exceeding twelve (12) years. The resolution of the board must specify
 10 the following:

11 (1) The number of years.

12 (2) The effective date when the tax levy begins.

13 (3) The amount of rate on each one hundred dollars (\$100) of
 14 taxable property.

15 (4) Any other pertinent facts considered advisable by the board.

16 (c) Except as provided in subsections (f) through (h), the rate on
 17 each one hundred dollars (\$100) may be reduced but not increased by
 18 the department of local government finance in approving a cumulative
 19 building tax rate. The rate as finally fixed by the department of local
 20 government finance is final. However, the county fiscal body, by
 21 three-fourths (3/4) affirmative vote of the county fiscal body's
 22 members, may reduce the rate in any given year or years to meet an
 23 emergency existing in the county, but the temporary reduction affects
 24 the rate only in the year when the action is taken. The rate is
 25 automatically restored to the rate's original amount in each succeeding
 26 year of the established period except in any other year when another
 27 emergency reduction is made. The rate is subject to review each year
 28 by the county fiscal body, but the county tax adjustment board and
 29 department of local government finance may not reduce the rate below
 30 the original rate established and approved by vote of the county fiscal
 31 body unless the county fiscal body reduces the rate.

32 (d) The county fiscal body, city fiscal body, county tax adjustment
 33 board, or department of local government finance does not have power
 34 or jurisdiction over the annual budget and appropriations, additional
 35 appropriations, or transfer of money unless the action involves the
 36 expenditure or raising of money derived from property taxes. If the
 37 cumulative building fund is the only hospital fund raised by taxation,
 38 section 31 of this chapter controls.

39 (e) The cumulative building fund raised may be properly and safely
 40 invested or reinvested by the board to produce an income until there is
 41 an immediate need for the fund's use. The fund and any income derived
 42 from investment or reinvestment of the fund may be used as follows:

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- 1 (1) To purchase real property and grounds for hospital purposes.
- 2 (2) To remodel or make major repairs on any hospital building.
- 3 (3) To erect and construct hospital buildings or additions or
- 4 extensions to the buildings.
- 5 (4) For any other major capital improvements, but not for current
- 6 operating expenses or to meet a deficiency in operating funds.

7 (f) Not later than August 1 of any year, ten (10) or more taxpayers
 8 in the county may file with the county auditor of the county in which
 9 the hospital is located a petition for reduction or rescission of the
 10 cumulative building tax rate. The petition must set forth the taxpayers'
 11 objections to the tax rate. The petition shall be certified to the
 12 department of local government finance.

13 (g) Upon receipt of a petition under subsection (f), the department
 14 of local government finance shall, within a reasonable time, fix a date
 15 for a hearing on the petition. The hearing must be held in the county in
 16 which the hospital is located. Notice of the hearing shall be given to the
 17 county fiscal body and to the first ten (10) taxpayers whose names
 18 appear on the petition. The notice must be in the form of a letter signed
 19 by the secretary or any member of the department of local government
 20 finance, sent by mail with full prepaid postage to the county fiscal body
 21 and to the taxpayers at their usual places of residence at least five (5)
 22 days before the date fixed for the hearing.

23 (h) After the hearing under subsection (g), the department of local
 24 government finance shall approve, disapprove, or modify the request
 25 for reduction or rescission of the tax rate and shall certify that decision
 26 to the county auditor of the county in which the hospital is located.

27 SECTION 114. IC 16-23-9-4 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) This section
 29 applies if the township trustee and the township board of the township
 30 determine the following:

- 31 (1) That the hospital is indebted in an amount not exceeding five
- 32 thousand dollars (\$5,000), the payment of which is secured by a
- 33 mortgage encumbering the buildings and grounds of the hospital.
- 34 (2) That an addition to the hospital structure or additional
- 35 building or buildings, or equipment is required to enable the
- 36 hospital to efficiently carry on the hospital's activities under the
- 37 hospital's articles of incorporation.

38 (b) The township board may authorize the trustee, by special order
 39 entered and signed upon the township board's records, to borrow an
 40 amount on behalf of the township sufficient to pay the mortgage
 41 indebtedness, or to construct and equip an addition to a building or for
 42 an additional building. **Subject to IC 6-1.1-17.5**, the township board

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1 may authorize the trustee of the township to issue bonds of the
 2 township to pay the debt created. The bonds:

- 3 (1) may run for a period not exceeding ten (10) years;
- 4 (2) may bear interest at any rate; and
- 5 (3) shall be sold by one (1) of the trustees, with the consent of the
 6 township board, for not less than par value.

7 (c) The township board shall annually levy sufficient taxes to pay at
 8 least one-tenth (1/10) of the township bonds, including interest, and the
 9 township trustee shall apply the tax levy collected each year to the
 10 retirement of the bonds and the payment of the interest on the bonds.
 11 The bonds issued under this section may not exceed an amount equal
 12 to one percent (1%) of the adjusted value of all the taxable property in
 13 the township, including that in a town, as determined under IC 36-1-15.

14 (d) This debt may not be created except by the township board in the
 15 manner specified in this section. A payment of an unauthorized debt by
 16 a trustee from public funds is recoverable upon the bond of the trustee.

17 (e) The township trustee shall pay the proceeds from the borrowing
 18 and the sale of bonds into the treasury of the hospital. The hospital may
 19 use the money only to pay the mortgage indebtedness for which bonds
 20 had been sold or for construction and equipment of buildings or
 21 additions to buildings.

22 SECTION 115. IC 16-35-3-3, AS AMENDED BY P.L.1-2004,
 23 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2005]: Sec. 3. ~~(a)~~ For taxes first due and payable in each
 25 year after 2003, **subject to IC 6-1.1-18.5**, each county shall impose a
 26 children with special health care needs property tax levy. ~~equal to the~~
 27 ~~product of:~~

28 ~~(1) the children with special health care needs property tax levy~~
 29 ~~imposed for taxes first due and payable in the preceding year; as~~
 30 ~~that levy was determined by the department of local government~~
 31 ~~finance in fixing the civil taxing unit's budget, levy, and rate for~~
 32 ~~that preceding calendar year under IC 6-1.1-17 and after~~
 33 ~~eliminating the effects of temporary excessive levy appeals and~~
 34 ~~any other temporary adjustments made to the levy for the calendar~~
 35 ~~year; multiplied by~~

36 ~~(2) the greater of:~~

37 ~~(A) the county's assessed value growth quotient for the ensuing~~
 38 ~~calendar year; as determined under IC 6-1.1-18.5-2; or~~

39 ~~(B) one (1).~~

40 ~~When a year in which a statewide general reassessment of real property~~
 41 ~~first becomes effective is the year preceding the year that the property~~
 42 ~~tax levy under this subsection will be first due and payable, the amount~~

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1 to be used in subdivision (2) equals the average of the amounts used in
2 determining the two (2) most recent adjustments in the county's levy
3 under this section. If the amount levied in a particular year exceeds the
4 amount necessary to cover the costs payable from the fund, the levy in
5 the following year shall be reduced by the amount of surplus money.

6 (b) The department of local government finance shall review each
7 county's property tax levy under this section and shall enforce the
8 requirements of this section with respect to that levy.

9 SECTION 116. IC 20-3-11-19 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 19. (a) **Subject**
11 **to IC 6-1.1-17.5**, the board of school commissioners of each such city
12 shall have power from time to time, as the need may arise, to borrow
13 money and issue the bonds of said school city, to be known as "school
14 building bonds," to supply said school city with funds to buy real estate
15 and to erect buildings for school or administrative purposes and to
16 enlarge, remodel and repair such buildings, or for any one or more of
17 said purposes, but the proceeds of the sale of such bonds shall be used
18 for no purpose other than one or more of the said above mentioned
19 purposes.

20 (b) It shall also have power from time to time, as the occasion may
21 arise, to issue the bonds of said school city, to be known as "school
22 funding bonds," to take up and retire the principal and accrued interest
23 of any bonds of said school city then outstanding which, in the opinion
24 of the board of school commissioners thereof, can to the advantage of
25 said school city be refunded, and no "school funding bond" shall be
26 issued or the proceeds thereof used for any purpose other than to refund
27 or take up and discharge bonds of said school city then outstanding,
28 and any pre-existing bonds for which said school city is by this chapter
29 made liable shall be bonds of said school city within the meaning of
30 this provision.

31 (c) Preparatory to the issuance of any bond under the authority
32 hereby given, the board of school commissioners of said school city
33 shall, by resolution made matter of record in its corporate minutes,
34 show, in the case of "school building bonds," the particular need for the
35 money and the inability of the school city to supply the money
36 proposed to be raised by the bonds so to be issued from any other fund
37 in its hands applicable to such purpose, and, in the case of "school
38 funding bonds," a description of the bonds to be taken up, their kind,
39 date, date of maturity, and amount. Any bonds issued under the
40 authority of this section, whether "school building bonds" or "school
41 funding bonds," shall be serial bonds and shall bear interest at any rate
42 payable semiannually, and shall mature at such time or times as shall

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1 be fixed in said resolution. No bond so to be issued shall be delivered
 2 until the price therefor shall be paid to the treasurer of said school city,
 3 in money in case of "school building bonds," or in money or bonds to
 4 be refunded in case of "school funding bonds," and no interest shall
 5 accrue on any such bond before its delivery. Such bonds shall be
 6 payable to bearer and shall be of the general form usual in municipal
 7 bonds. Preparatory to the offering of any bonds authorized by this
 8 section for sale, the board of school commissioners shall give three (3)
 9 weeks notice of the date fixed for the sale of such bonds, with a
 10 description thereof and inviting bids therefor; such notice shall be
 11 given by advertising by three (3) insertions, one (1) time each week for
 12 three (3) consecutive weeks next before the day of sale, in one (1)
 13 newspaper of general circulation, published in and circulating in the
 14 city of Indianapolis, Indiana, and by such other advertisements as the
 15 board may order made. The board shall sell the bonds to the highest
 16 and best bidder and shall reserve the right to reject any or all bids. The
 17 proceeds arising from such sale shall be used for no purpose other than
 18 the purpose declared in the resolution of the board, nor for a purpose
 19 not mentioned in this section.

20 SECTION 117. IC 20-3.1-15-1, AS AMENDED BY P.L.1-2002,
 21 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2005]: Sec. 1. To provide the board with the necessary
 23 flexibility and resources to carry out this article, the following apply:

24 (1) The board may eliminate or modify existing policies, create
 25 new policies, and alter policies from time to time, subject to this
 26 article and the plan developed under IC 20-3.1-7.

27 (2) ~~Beginning on July 1, 2001,~~ IC 20-7.5 applies to the school
 28 city. However, the provision of IC 20-7.5-1-5(a) that requires any
 29 items included in the 1972-1973 agreements between an employer
 30 school corporation and an employee organization to continue to
 31 be bargainable does not apply to the school city.

32 (3) The board of school commissioners may waive the following
 33 statutes and rules for any school in the school city without the
 34 need for administrative, regulatory, or legislative approval:

35 (A) The following rules concerning curriculum and
 36 instructional time:

37 511 IAC 6.1-3-4

38 511 IAC 6.1-5-0.5

39 511 IAC 6.1-5-1

40 511 IAC 6.1-5-2.5

41 511 IAC 6.1-5-3.5

42 511 IAC 6.1-5-4

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- 1 (B) The following rules concerning pupil/teacher ratios:
- 2 511 IAC 6-2-1(b)(2)
- 3 511 IAC 6.1-4-1
- 4 (C) The following statutes and rules concerning textbooks, and
- 5 rules adopted under the statutes:
- 6 IC 20-10.1-9-1
- 7 IC 20-10.1-9-18
- 8 IC 20-10.1-9-21
- 9 IC 20-10.1-9-23
- 10 IC 20-10.1-9-27
- 11 IC 20-10.1-10-1
- 12 IC 20-10.1-10-2
- 13 511 IAC 6.1-5-5
- 14 (D) The following rules concerning school principals:
- 15 511 IAC 6-2-1(c)(4)
- 16 511 IAC 6.1-4-2
- 17 (E) 511 IAC 2-2, concerning school construction and
- 18 remodeling.
- 19 (4) Notwithstanding any other law, a school city may do the
- 20 following:
- 21 (A) Lease school transportation equipment to others for
- 22 nonschool use when the equipment is not in use for a school
- 23 city purpose.
- 24 (B) Establish a professional development and technology fund
- 25 to be used for:
- 26 (i) professional development; or
- 27 (ii) technology, including video distance learning.
- 28 (C) Transfer funds obtained from sources other than state or
- 29 local government taxation among any account of the school
- 30 corporation, including a professional development and
- 31 technology fund established under clause (B).
- 32 (5) Transfer funds obtained from property taxation among the
- 33 general fund (established under IC 21-2-11) and the school
- 34 transportation fund (established under IC 21-2-11.5); subject to
- 35 the following:
- 36 (A) The sum of the property tax rates for the general fund and
- 37 the school transportation fund after a transfer occurs under this
- 38 subdivision may not exceed the sum of the property tax rates
- 39 for the general fund and the school transportation fund before
- 40 a transfer occurs under this clause.
- 41 (B) This clause does not allow a school corporation to transfer
- 42 to any other fund money from the debt service fund

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1 ~~(established under IC 21-2-4).~~

2 SECTION 118. IC 20-4-5-10 IS AMENDED TO READ AS

3 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 10. (a) **Subject**

4 **to IC 6-1.1-17.5**, whenever it shall become necessary to build a new

5 building or buildings, or to make repairs or alterations on old ones, said

6 school board shall have the power to build such new building or

7 buildings, or to repair or alter such old ones as they may deem

8 necessary and to purchase the necessary site therefor. ~~and~~ The cost

9 thereof shall be taxed against all taxable property lying within the

10 corporate limits of such newly consolidated school corporation. Said

11 school board shall have the power to issue bonds of such new school

12 corporation against the taxable property lying within the corporate

13 limits of the newly consolidated school corporation to meet the cost of

14 any new building or buildings, or the repair or alteration of old ones.

15 (b) Such bonds authorized by this chapter shall be payable in such

16 amounts and at such times as the school board may determine, and

17 shall bear such rate of interest as may be determined.

18 (c) Said board shall have the power to levy and collect taxes to meet

19 the payment of any bonds issued pursuant to this chapter. Said school

20 board shall have all of the powers given and granted to school

21 corporations for the appropriation of the real estate for school purposes,

22 by IC 20-5-23.

23 SECTION 119. IC 20-4-57-5, AS ADDED BY P.L.178-2002,

24 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

25 JANUARY 1, 2005]: Sec. 5. (a) An annexing corporation may file a

26 petition of appeal **for emergency financial relief** with the ~~department~~

27 ~~of local government finance~~ **for emergency financial relief: county**

28 **property tax control board of the county in which the annexed area**

29 **is located.**

30 (b) The annexing corporation shall serve the petition on the

31 following:

32 (1) The department.

33 (2) The township.

34 (3) The township school.

35 (4) Any other annexing corporation that annexed the township

36 school on the same date.

37 (c) All annexing corporations are parties to the petition.

38 SECTION 120. IC 20-4-57-7, AS ADDED BY P.L.178-2002,

39 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

40 JANUARY 1, 2005]: Sec. 7. (a) ~~if~~ ~~The department of local government~~

41 ~~finance submits~~ **county property tax control board shall hold a**

42 **factfinding hearing on** a petition ~~to the school property tax control~~

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1 ~~board submitted~~ under section 5 of this chapter. ~~the school property~~
 2 ~~tax control board shall hold a fact finding hearing.~~

3 (b) At a hearing described in subsection (a), the ~~school county~~
 4 property tax control board shall determine the following:

5 (1) Whether the township school has made all payments required
 6 by any statute, including the following:

7 (A) P.L.32-1999.

8 (B) IC 20-4-4-7 and IC 20-4-16-3.

9 (C) The resolution or plan of annexation of the township
 10 school, including:

11 (i) any amendment to the resolution or plan;

12 (ii) any supporting or related documents; and

13 (iii) any agreement between the township school and an
 14 annexing corporation relating to the winding up of affairs of
 15 the township school.

16 (2) The amount, if any, by which the township school is in arrears
 17 on any payment described in subdivision (1).

18 (3) Whether the township school has filed with the department all
 19 reports concerning the affairs of the township school, including
 20 all transfer tuition reports required for the two (2) school years
 21 immediately preceding the date on which the township school was
 22 annexed.

23 (c) In determining the amount of arrears under subsection (b)(2), the
 24 ~~school county~~ property tax control board shall consider all amounts
 25 due to an annexing corporation, including the following:

26 (1) Any transfer tuition payments due to the annexing corporation.

27 (2) All levies, excise tax distributions, and state distributions
 28 received by the township school and due to the annexing
 29 corporation, including levies and distributions received by the
 30 township school after the date on which the township school was
 31 annexed.

32 (3) All excessive levies that the township school agreed to impose
 33 and pay to an annexing corporation but failed to impose.

34 (d) If, in a hearing under this section, a ~~school county~~ property tax
 35 control board determines that a township school has:

36 (1) under subsection (b)(1), failed to make a required payment; or

37 (2) under subsection (b)(3), failed to file a required report;

38 the department may act under section 8 of this chapter.

39 SECTION 121. IC 20-4-57-8, AS ADDED BY P.L.178-2002,
 40 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2005]: Sec. 8. (a) If a ~~school county~~ property tax control
 42 board makes a determination under section 7(d) of this chapter, the

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1 department:

2 (1) may prohibit a township from:

3 (A) acquiring real estate;

4 (B) making a lease or incurring any other contractual

5 obligation calling for an annual outlay by the township

6 exceeding ten thousand dollars (\$10,000);

7 (C) purchasing personal property for a consideration greater

8 than ten thousand dollars (\$10,000); and

9 (D) adopting or advertising a budget, tax levy, or tax rate for

10 any calendar year;

11 until the township school has made all required payments under

12 section 7(b)(1) of this chapter and filed all required reports under

13 section 7(b)(3) of this chapter; and

14 (2) shall certify to the treasurer of state the amount of arrears

15 determined under section 7(b)(3) of this chapter.

16 (b) Upon being notified of the amount of arrears certified under

17 subsection (a)(2), the treasurer of state shall make payments from the

18 funds of state to the extent, but not in excess, of any amounts

19 appropriated by the general assembly for distribution to the township

20 school, deducting the payments from any amount distributed to the

21 township school.

22 SECTION 122. IC 20-5-4-1 IS AMENDED TO READ AS

23 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. **Subject to**

24 **IC 6-1.1-17.5**, school corporations are authorized to issue bonds for the

25 purpose of paying the cost of acquisition, improvement of real estate

26 for school purposes, the funding of judgments, and/or purchase of

27 school buses, and all incidental expenses incurred in connection

28 therewith and on account of the issuance of such bonds. Improvement

29 of real estate shall include, but not be limited to, construction,

30 reconstruction, remodeling, alteration, or repair of buildings, parts of

31 buildings or additions to buildings, equipment thereof, auxiliary

32 facilities therefor, including but not limited to facilities for furnishing

33 water, gas and electricity, carrying and disposing of sewage and storm

34 and surface water drainage, housing of school owned buses,

35 landscaping of grounds, construction of walks, drives, parking areas,

36 playgrounds, or facilities for physical training.

37 SECTION 123. IC 20-5-4-7, AS AMENDED BY P.L.90-2002,

38 SECTION 406, IS AMENDED TO READ AS FOLLOWS

39 [EFFECTIVE JANUARY 1, 2005]: Sec. 7. The provisions of all

40 general statutes and rules relating to ~~filing of petitions requesting the~~

41 ~~issuance of bonds and giving notice thereof~~, giving notice of

42 determination to issue bonds, giving notice of a hearing on the

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1 appropriation of the proceeds of the bonds and the right of taxpayers to
 2 appear and be heard on the proposed appropriation, ~~the approval of the~~
 3 ~~appropriation by the department of local government finance~~, and the
 4 right of taxpayers voters to remonstrate against the issuance of bonds,
 5 **file petitions regarding a property tax control board's decision,**
 6 ~~shall be applicable~~ **apply** to proceedings for the issuance of bonds and
 7 the making of an emergency loan under ~~IC 20-5-1 through IC 20-5-6.~~
 8 **IC 20-5-4-6.** No action to contest the validity of such bonds or
 9 emergency loans ~~shall~~ **may** be brought later than five (5) days after the
 10 acceptance of a bid for the sale ~~thereof: of the bonds or loans.~~

11 SECTION 124. IC 20-5-28-1, AS AMENDED BY P.L.90-2002,
 12 SECTION 408, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JANUARY 1, 2005]: Sec. 1. (a) A school corporation in
 14 Indiana may purchase buildings, lands, or lands and buildings for
 15 school purposes, and for that purpose improve the buildings or land.

16 (b) An existing building, other than a building obtained under
 17 IC 5-17-2 (before its repeal) or IC 4-13-1.7, permitting the purchase of
 18 suitable surplus government buildings, may not be purchased for use
 19 as a school building unless the building was originally constructed for
 20 use by the school corporation and used for that purpose for a period of
 21 five (5) years or more next preceding the acquisition as provided in this
 22 chapter.

23 (c) Notwithstanding any provisions in this chapter limiting the
 24 purchase of school buildings, a school corporation may purchase
 25 suitable buildings, lands, or lands and suitable buildings adjacent to
 26 school property for school purposes, and for that purpose improve the
 27 buildings or land after giving notice to the taxpayers of the intention of
 28 the school corporation to purchase. ~~The taxpayers of the school~~
 29 ~~corporation have the same right of appeal to the department of local~~
 30 ~~government finance under the same procedure as provided for in~~
 31 ~~IC 6-1.1-20-5 through IC 6-1.1-20-6.~~

32 SECTION 125. IC 20-5-32-4 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. **Subject to**
 34 **IC 6-1.1-17.5**, for the purpose of procuring funds to pay the cost of
 35 such building or buildings, and costs incidental thereto, such school
 36 corporation shall have the powers to issue and sell bonds under the
 37 provisions of the general statutes governing the issuance and sale of
 38 bonds of such school corporations, insofar as they are not in conflict
 39 with the provisions of this chapter.

40 SECTION 126. IC 20-5-62-6, AS AMENDED BY P.L.77-1999,
 41 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2005]: Sec. 6. Except as provided in this chapter and

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1 notwithstanding any other law, a freeway school corporation or a
2 freeway school may do the following during the contract period:

3 (1) Disregard the observance of any statute or rule that is listed in
4 the contract.

5 (2) Lease school transportation equipment to others for nonschool
6 use when the equipment is not in use for a school corporation
7 purpose, if the lessee has not received a bid from a private entity
8 to provide transportation equipment or services for the same
9 purpose.

10 (3) Replace the budget and accounting system that is required by
11 law with a budget or accounting system that is frequently used in
12 the private business community. The state board of accounts may
13 not go beyond the requirements imposed upon the state board of
14 accounts by statute in reviewing the budget and accounting
15 system used by a freeway school corporation or a freeway school.

16 (4) Establish a professional development and technology fund to
17 be used for:

18 (A) professional development; or

19 (B) technology, including video distance learning.

20 However, any money deposited in the professional development
21 and technology fund for technology purposes must be transferred
22 to the school technology fund established under IC 21-2-18.

23 (5) Subject to subdivision (4), transfer funds obtained from
24 sources other than state or local government taxation among any
25 accounts of the school corporation, including a professional
26 development and technology fund established under subdivision
27 (4).

28 ~~(6) Transfer funds obtained from property taxation and from state~~
29 ~~distributions among the general fund (established under~~
30 ~~IC 21-2-11) and the school transportation fund (established under~~
31 ~~IC 21-2-11.5); subject to the following:~~

32 ~~(A) The sum of the property tax rates for the general fund and~~
33 ~~the school transportation fund after a transfer occurs under this~~
34 ~~subdivision may not exceed the sum of the property tax rates~~
35 ~~for the general fund and the school transportation fund before~~
36 ~~a transfer occurs under this subdivision.~~

37 ~~(B) This subdivision does not allow a school corporation to~~
38 ~~transfer to any other fund money from the:~~

39 ~~(i) capital projects fund (established under IC 21-2-15); or~~

40 ~~(ii) debt service fund (established under IC 21-2-4).~~

41 ~~(7) (6) Establish a locally adopted assessment program to replace~~
42 ~~the assessment of students under the ISTEP program established~~

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- 1 under IC 20-10.1-16-8, subject to the following:
- 2 (A) A locally adopted assessment program must be established
- 3 by the governing body and approved by the department.
- 4 (B) A locally adopted assessment program may use a locally
- 5 developed test or a nationally developed test.
- 6 (C) Results of assessments under a locally adopted assessment
- 7 program are subject to the same reporting requirements as
- 8 results under the ISTEP program.
- 9 (D) Each student who completes a locally adopted assessment
- 10 program and the student's parent or guardian has the same
- 11 rights to inspection and rescoring as are set forth in
- 12 IC 20-10.1-16-7(d).

13 SECTION 127. IC 20-6.1-5-12 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 12. (a) If a
 15 governing body of a school corporation agrees to a retirement, savings,
 16 or severance pay plan with a teacher or with an exclusive
 17 representative pursuant to IC 20-7.5-1, the benefits may be paid to the
 18 teacher who is eligible under a negotiated retirement, savings, or
 19 severance pay plan, or, in the case of the teacher's death, to the
 20 teacher's designated beneficiary or the teacher's estate if there is no
 21 designated beneficiary. Payments may be made in a lump sum or in
 22 installments as agreed upon by the parties or to a savings plan
 23 established under IC 5-10-1.1-1(2).

24 (b) ~~Notwithstanding IC 6-1-1-20,~~ The payments under this section
 25 shall be made from the general fund of the school corporation and may
 26 be made for a period exceeding one (1) year.

27 SECTION 128. IC 20-8.1-6.5-4, AS AMENDED BY P.L.90-2002,
 28 SECTION 409, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) Where a transfer is
 30 ordered to commence in a school year, where the transferor corporation
 31 has net additional costs over savings (on account of any transfer
 32 ordered) allocable to the calendar year in which the school year begins,
 33 and where the transferee corporation has no budgeted funds for such
 34 net additional costs, they may be recovered by one (1) or more of the
 35 following methods in addition to any other methods provided by
 36 applicable law:

- 37 (1) An emergency loan made pursuant to IC 20-5-4-6 to be paid,
- 38 however, out of the debt service levy and fund, or a loan from any
- 39 state fund made available therefor.
- 40 (2) An advance in such calendar year of state funds, which would
- 41 otherwise become payable to the transferee corporation after such
- 42 calendar year pursuant to applicable law.

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1 (3) A grant or grants in such calendar year from any funds of the
2 state made available therefor.

3 (b) The net additional costs shall be certified by the department of
4 local government finance. ~~and any grant shall be made solely after~~
5 ~~affirmative recommendation of the tax control board created by~~
6 ~~IC 6-1.1-19-4.1.~~ Repayment of any advance or loan from the state shall
7 be made in accordance with ~~IC 6-1.1-19-4.5(d).~~ ~~The use of any of the~~
8 ~~methods enumerated above shall not subject the transferor corporation~~
9 ~~to the provisions of IC 6-1.1-19-4.7.~~ **the terms and conditions**
10 **established by the department of local government finance.**

11 SECTION 129. IC 20-9.1-6-4 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. ~~General~~
13 ~~Obligation Bonds.~~ **Subject to IC 6-1.1-17.5**, when a school corporation
14 requires funds to purchase a school bus for cash, it may borrow the
15 necessary funds by issuing general obligation bonds. The bonds shall
16 be issued in the same manner as other general obligation bonds;
17 however, they may not extend for more than six (6) years.

18 SECTION 130. IC 20-14-3-7 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) **Subject to**
20 **IC 6-1.1-17.5**, a library board may, by resolution, issue bonds for one
21 (1) or more of the following purposes:

- 22 (1) The acquisition or improvement of library sites.
- 23 (2) The acquisition, construction, extension, alteration, or
- 24 improvement of structures and equipment necessary for the
- 25 proper operation of a library.
- 26 (3) To refund outstanding bonds and matured interest coupons
- 27 and to issue and sell refunding bonds for that purpose.

28 (b) The library board shall advertise and sell bonds in compliance
29 with IC 5-1-11 at any interest rate. The bonds are payable at the time
30 the board fixes in the authorizing resolution, but all bonds must be
31 payable within a period not to exceed twenty (20) years from the date
32 of issue.

33 (c) Bonds issued under this section do not constitute a corporate
34 obligation or indebtedness of any other political subdivision, but
35 constitute an indebtedness of the library district only. Bonds issued
36 under this chapter, together with the interest, are tax exempt. The board
37 shall apply the proceeds from the sale of bonds only for the purpose for
38 which the bonds were issued and only to the extent necessary. Any
39 remaining balance shall be placed in a sinking fund for the payment of
40 the bonds and the interest on the bonds.

41 SECTION 131. IC 20-14-10-9, AS AMENDED BY P.L.90-2002,
42 SECTION 411, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JANUARY 1, 2005]: Sec. 9. (a) In the event the
 2 execution of the lease as originally agreed upon, or as modified by
 3 agreement, is authorized by the library board, the library board shall
 4 give notice of the signing of the lease by publication one (1) time in a
 5 newspaper of general circulation printed in the English language in the
 6 district of the public corporation or in each public corporation district
 7 if the proposed lease is a joint lease. If no newspaper is published in the
 8 district, then the notice shall be published in any newspaper of general
 9 circulation published in the county.

10 (b) ~~Fifty (50) or more taxpayers in the public corporation or~~
 11 ~~corporations who will be affected by the proposed lease and who are of~~
 12 ~~the opinion that no necessity exists for the execution of the lease; or~~
 13 ~~that the proposed rental provided for is not a fair and reasonable rental;~~
 14 ~~may file a petition in the office of the county auditor of the county in~~
 15 ~~which the public corporation or corporations are located. The petition~~
 16 ~~must be filed within thirty (30) days after the publication of notice of~~
 17 ~~the execution of the lease and must set forth objections and facts~~
 18 ~~showing that the execution of the lease is unnecessary or unwise; or~~
 19 ~~that the lease rental is not fair and reasonable; as the case may be.~~

20 (c) ~~Upon the filing of a petition, the county auditor shall~~
 21 ~~immediately certify to the department of local government finance a~~
 22 ~~copy of the petition, together with such other data that may be~~
 23 ~~necessary in order to present the questions involved. Upon the receipt~~
 24 ~~of the certified petition and information, the department of local~~
 25 ~~government finance shall fix a time and place for a hearing of the~~
 26 ~~matter not less than five (5) nor more than thirty (30) days after its~~
 27 ~~receipt of the petition and information. The hearing shall be held in the~~
 28 ~~public corporation or corporations, or in the county where the public~~
 29 ~~corporations are located.~~

30 (d) ~~Notice of the hearing shall be given by the department of local~~
 31 ~~government finance to the members of the library board and to the first~~
 32 ~~ten (10) taxpayer-petitioners on the petition by a letter signed by the~~
 33 ~~department of local government finance. The postage of the notice shall~~
 34 ~~be prepaid; and the notice shall be addressed to the persons at their~~
 35 ~~usual place of residence, and mailed at least five (5) days before the~~
 36 ~~date of the hearing. The decision of the department of local government~~
 37 ~~finance on the appeal, regarding the necessity for the execution of the~~
 38 ~~lease and whether the rental is fair and reasonable, is final. Any lease~~
 39 ~~may be amended by the parties by following the procedure provided~~
 40 ~~under this chapter.~~

41 (e) ~~(b)~~ Any action to contest the validity of the lease or any
 42 amendment to the lease or to enjoin the performance of any of the

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1 terms and conditions of the lease must be brought within thirty (30)
 2 days after publication of notice of the execution of the lease or any
 3 amendment to the lease by the library board of the public corporation
 4 or corporations. If ~~an appeal has been taken to the department of local~~
 5 ~~government finance, a remonstrance petition is filed under~~
 6 **IC 6-1.1-17.5-11**, then action must be brought ~~within not later than~~
 7 thirty (30) days after the ~~decision of that board: deadline for filing a~~
 8 **counterpetition under IC 6-1.1-17.5-12.**

9 SECTION 132. IC 20-14-10-12 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 12. **Subject to**
 11 **IC 6-1.1-17.5**, any public corporation may issue its general obligation
 12 bonds for the purpose of procuring funds to pay the cost of acquisition
 13 of real property. ~~Those bonds must be authorized, issued, and sold in~~
 14 ~~accordance with IC 6-1.1-20.~~

15 SECTION 133. IC 20-14-10-13 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 13. Any public
 17 corporation that executes a lease under this chapter shall annually levy
 18 a special tax, in addition to other taxes authorized by law, sufficient to
 19 produce each year the necessary funds with which to pay the lease
 20 rental stipulated to be paid by the public corporation under the lease.
 21 ~~This levy shall be reviewed in accordance with IC 6-1.1-17.~~ The first
 22 tax levy shall be made at the first annual tax levy period following the
 23 date of the execution of the lease. The first annual levy must be
 24 sufficient to pay the estimated amount of the first annual lease rental
 25 payment to be made under the lease.

26 SECTION 134. IC 21-1-7-4 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. Whenever any
 28 county council shall determine to borrow and use any such funds under
 29 the provisions of this chapter, such council shall cause to be entered of
 30 record an ordinance specifying the amount of such funds to be
 31 borrowed and used and shall specify the time for which such loan shall
 32 be made, and the board of county commissioners shall execute to the
 33 state ~~of Indiana~~ for the use of the said funds a written obligation,
 34 executed by said board and attested by the auditor, specifying the facts
 35 under which the same is executed, the sum of money borrowed, and the
 36 time when such money shall be repaid to such fund by the county. Said
 37 obligation shall be deposited with the auditor of the county and shall be
 38 preserved by ~~him; the auditor of the county~~, and such auditor shall
 39 make entries of record in ~~his the auditor's~~ office respecting such loans.
 40 ~~It shall be necessary to comply with the provisions of IC 6-1.1-20 in~~
 41 ~~making any such loan to the county from the school funds.~~

42 SECTION 135. IC 21-1-11-2 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) The
 2 **Indiana** state board of education is authorized, subject to the
 3 provisions of this chapter, to order and direct the auditor of state to
 4 divert and make an advancement periodically from the state school
 5 tuition fund for the construction, remodeling, or repair of school
 6 buildings to any school corporation or school organized and existing
 7 under and pursuant to any law ~~of the state~~ of Indiana for the operation
 8 of a public school which is a part of the common school system of the
 9 state. An advancement to any school or school corporation under
 10 section 3 of this chapter shall not be in excess of two hundred fifty
 11 thousand dollars (\$250,000). However, this dollar limitation is waived
 12 if:

- 13 (1) the school corporation has an adjusted assessed valuation per
 14 pupil ADA of less than eight thousand four hundred dollars
 15 (\$8,400);
- 16 (2) the school corporation's debt service tax rate would exceed
 17 one dollar (\$1) for each one hundred dollars (\$100) of assessed
 18 valuation without a waiver of the dollar limitation; and
- 19 (3) the ~~school property tax control board~~ **department of local**
 20 **government finance** recommends a waiver of the limitation.

21 (b) All advancements shall be made by the **Indiana** state board of
 22 education only as set forth in this chapter. In no instance shall an
 23 advancement be made for any purpose other than the construction,
 24 remodeling, or repairing of school buildings and classrooms and shall
 25 not be made for gymnasiums, auditoriums, or any athletic facilities.

26 SECTION 136. IC 21-2-3.1-2 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) **Subject to**
 28 **IC 6-1.1-17.5**, the board may authorize the trustee to issue township
 29 warrants or bonds to pay for the building or the proportional cost of it.
 30 The warrants or bonds:

- 31 (1) may run for a period not exceeding fifteen (15) years;
- 32 (2) may bear interest at any rate; and
- 33 (3) shall be sold for not less than par.

34 The township trustee, before issuing the warrants or bonds, shall
 35 advertise in newspapers that bonds are to be sold in at least one (1)
 36 issue a week for three (3) weeks, in accordance with IC 5-3-1. The
 37 notice must set forth the amount of bonds offered, the denomination,
 38 the period to run, the rate of interest, and the date, place, and hour of
 39 selling. The township board shall attend the sale of bonds and must
 40 concur in the sale before the bonds are sold. The board shall annually
 41 levy sufficient taxes each year to pay at least one-fifteenth (1/15) of the
 42 warrants or bonds, including interest, and the trustee shall apply the

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1 annual tax to the payment of the warrants or bonds each year.

2 (b) A debt of the township may not be created except by the
3 township board in the manner specified in this section. Payment of a
4 debt from the public funds of the township not so authorized is
5 recoverable upon the bond of the trustee in a suit that the board shall
6 institute and prosecute, in the name of the state, for the use of the
7 township. The board may appropriate and the township trustee shall
8 pay, out of the township funds, a reasonable sum for attorney's fees for
9 this purpose. If the board, on the written demand of any taxpayer, fails
10 for thirty (30) days to bring suit, then that or any other taxpayer may
11 bring the suit, in the name of the state, for the use of the township.

12 SECTION 137. IC 21-2-3.2-4, AS AMENDED BY P.L.90-2002,
13 SECTION 420, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JANUARY 1, 2005]: Sec. 4. **Subject to IC 6-1.1-17.5,**
15 upon approval by the department of local government finance, the
16 township trustee may, with the consent of the township board, issue
17 and sell the bonds of the civil township in an amount sufficient to pay
18 for the alteration, construction, or addition described in section 2 of this
19 chapter. The trustee may levy a tax on the taxable property of the
20 township in an amount sufficient to discharge the bonds issued and
21 sold. The bonds may not bear a maturity date more than twenty (20)
22 years from the date of issue.

23 SECTION 138. IC 21-2-11-2 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) The
25 governing body of each school corporation in ~~the state of~~ Indiana shall
26 establish a general fund for the operation and maintenance of local
27 schools **and for the transportation of students** and levy a tax
28 therefor. ~~All receipts and disbursements heretofore authorized by law~~
29 ~~for school funds and tax levies for the tuition fund; special school fund;~~
30 ~~special fund; vocational fund; recreation fund; compulsory education~~
31 ~~fund; school library fund; high school library fund; public employee's~~
32 ~~retirement fund; operating fund; transportation tax and county wide~~
33 ~~school tax shall, on and after January 1, 1968, be received in and~~
34 ~~disbursed from the general fund. The tax levy and rate for the general~~
35 ~~fund shall be established by the governing body of each school~~
36 ~~corporation, for the 1968 calendar year and all succeeding calendar~~
37 ~~years. Any balances of all the aforesaid funds on January 1, 1968 shall~~
38 ~~be transferred to the general fund: subject to the limitations set forth~~
39 ~~in IC 6-1.1-17.5 and IC 6-1.1-19.~~

40 (b) **Beginning in 2006, each school corporation shall establish a**
41 **separate account in its general fund for transportation**
42 **expenditures. The balances remaining in each school corporation's:**

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1 **(1) transportation fund; and**
 2 **(2) school bus replacement fund;**
 3 **as of January 1, 2006, shall be transferred to the transportation**
 4 **account of the school corporation's general fund.**

5 SECTION 139. IC 21-2-11-4, AS AMENDED BY P.L.224-2003,
 6 SECTION 145, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) Any lawful school
 8 expenses payable from any other fund of the school corporation,
 9 including without limitation debt service and capital outlay, but
 10 excluding costs attributable to transportation (as defined in
 11 IC 21-2-11.5-2), may be budgeted in and paid from the general fund.
 12 However, after ~~June 30, 2003~~, and before ~~July 1~~, **December 31, 2005**,
 13 a school corporation may budget for and pay costs attributable to
 14 transportation (~~as defined in IC 21-2-11.5-2~~) from the general fund.

15 (b) In addition, remuneration for athletic coaches (whether or not
 16 they are otherwise employed by the school corporation and whether or
 17 not they are licensed under IC 20-6.1-3) may be budgeted in and paid
 18 from the school corporation's general fund.

19 (c) During the period beginning July 1, 2003, and ending June 30,
 20 2005, a school corporation may transfer money in a fund maintained by
 21 the school corporation (other than the special education preschool fund
 22 (IC 21-2-17-1) or the school bus replacement fund (IC 21-2-11.5-2))
 23 that is obtained from:

24 (1) a source other than a state distribution or local property
 25 taxation; or

26 (2) a state distribution or a property tax levy that is required to be
 27 deposited in the fund;

28 to any other fund. A transfer under subdivision (2) may not be the sole
 29 basis for reducing the property tax levy for the fund from which the
 30 money is transferred or the fund to which money is transferred. Money
 31 transferred under this subsection may be used only to pay costs,
 32 including debt service, attributable to reductions in funding for
 33 transportation distributions under IC 21-3-3.1, including
 34 reimbursements associated with transportation costs for special
 35 education and vocational programs under IC 21-3-3.1-4, and ADA flat
 36 grants under IC 21-3-4.5. The property tax levy for a fund from which
 37 money was transferred may not be increased to replace the money
 38 transferred to another fund.

39 (d) The total amount transferred under subsection (c) may not
 40 exceed the following:

41 (1) For the period beginning July 1, 2003, and ending June 30,
 42 2004, the total amount of state funding received for transportation

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1 distributions under IC 21-3-3.1, including reimbursements
2 associated with transportation costs for special education and
3 vocational programs under IC 21-3-3.1-4, and ADA flat grants
4 under IC 21-3-4.5 for the same period.

5 (2) For the period beginning July 1, 2004, and ending June 30,
6 2005, the product of:

7 (A) the amount determined under subdivision (1); multiplied
8 by

9 (B) two (2).

10 SECTION 140. IC 21-2-14-6, AS AMENDED BY P.L.90-2002,
11 SECTION 437, IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) The loan provided in
13 section 4 of this chapter shall be initiated by a resolution of the
14 governing body of the school corporation in an amount which, together
15 with the outstanding obligations of the school corporation, shall not
16 exceed its maximum permissible debt under the **Constitution of the**
17 **State of Indiana.** ~~constitution.~~ Such resolution shall not be effective
18 until it is approved by the state board upon petition of the governing
19 body of the school corporation.

20 (b) The provisions of all general laws relating to the filing of
21 petitions requesting issuance of bonds or other evidences of
22 indebtedness (herein referred to as "the loan") and giving of notice of
23 determination to issue bonds, the approval of the appropriation by the
24 department of local government finance, and the right of taxpayers to
25 remonstrate on the issuance or sale of the loan ~~as provided under~~
26 ~~IC 6-1-1-20~~ shall not be applicable or shall not be a prerequisite to the
27 validity of such loan. ~~unless the obligation is a lease or lease purchase~~
28 ~~agreement described in IC 6-1-1-20.~~

29 (c) After the petition has been approved by the state board, the loan
30 may be effected either by a loan from a financial institution evidenced
31 by notes or by the issuance of bonds. The loan or the issuance of bonds
32 shall be made only by public bidding after notice, in accordance with
33 IC 5-1-11. The loan or bonds shall be sold at par and bear interest as
34 determined by the bidding. Any bonds issued shall, except as otherwise
35 provided in this section, be governed by IC 20-5-4. Any such bonds or
36 loan may be secured by a pledge of the supplemental school operating
37 reserve fund and the tax levy for such fund, or any unobligated part
38 thereof and shall be further secured as debt service obligations as
39 provided in IC 20-5-4-10(2).

40 SECTION 141. IC 21-2-15-8, AS AMENDED BY P.L.256-2003,
41 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JANUARY 1, 2005]: Sec. 8. (a) After a hearing upon the petition under

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1 section 7 of this chapter, the department of local government finance
2 shall certify its approval. ~~disapproval; or modification of the plan to the~~
3 ~~governing body and the auditor of the county. The department of local~~
4 ~~government finance may seek the recommendation of the school~~
5 ~~property tax control board with respect to this determination.~~

6 (b) A governing body may petition for judicial review of the final
7 determination of the department of local government finance under this
8 subsection. The petition must be filed in the tax court not more than
9 forty-five (45) days after the department certifies its action under
10 subsection (a).

11 SECTION 142. IC 21-2-15-9, AS AMENDED BY P.L.90-2002,
12 SECTION 446, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JANUARY 1, 2005]: Sec. 9. ~~The department of local~~
14 ~~government finance~~ **A school corporation** may approve appropriations
15 from the capital projects fund only if they conform to a plan that has
16 been adopted in compliance with this chapter.

17 SECTION 143. IC 21-2-15-10, AS AMENDED BY P.L.90-2002,
18 SECTION 447, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JANUARY 1, 2005]: Sec. 10. (a) A governing body may
20 amend a plan adopted under section 5 of this chapter to:

- 21 (1) provide money for the purposes described in section 4 of this
22 chapter; or
- 23 (2) supplement money accumulated in the capital projects fund
24 for those purposes.

25 (b) When an amendment to a plan is required by reason other than
26 the occurrence of an emergency, the governing body must hold a public
27 hearing on the proposed amendment. At this hearing, the governing
28 body must declare the nature of and the need for the amendment and
29 then pass a resolution to adopt the amendment to the plan. The plan, as
30 proposed to be amended, must comply with the requirements for a plan
31 under section 5(b) of this chapter, and the governing body must publish
32 the proposed amendment to the plan and notice of the hearing in
33 accordance with IC 5-3-1-2(b). This amendment to the plan is not
34 subject to the deadline for adoption described in section 5(a) of this
35 chapter. ~~However, the amendment to the plan must be submitted to the~~
36 ~~department of local government finance for its consideration and is~~
37 ~~subject to approval, disapproval, or modification in accordance with~~
38 ~~the procedures for adopting a plan set forth in sections 6 through 8 of~~
39 ~~this chapter.~~

40 (c) When an emergency arises that results in costs that exceed the
41 amount accumulated in the fund for the purposes described in section
42 4(b)(4) of this chapter, the governing body is not required to comply

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1 with subsection (b), but instead must immediately apply to the
 2 department of local government finance for a determination that an
 3 emergency exists. If the department of local government finance
 4 determines that an emergency exists, the governing body may adopt a
 5 resolution to amend the plan. The amendment is not subject to the
 6 deadline and the procedures for adoption described in section 5 of this
 7 chapter. However, the amendment is subject to modification by the
 8 department of local government finance.

9 (d) An amendment adopted under this section may require the
 10 payment of eligible costs from:

11 (1) money accumulated in the capital projects fund for other
 12 purposes; or

13 (2) money to be borrowed from other funds of the school
 14 corporation or from a financial institution. The amendment may
 15 also require an increase in the property tax rate for the capital
 16 projects fund to restore money to the fund or to pay principal and
 17 interest on a loan. Any increase to the property tax rate for the
 18 capital projects fund is effective for property taxes first due and
 19 payable for the year next certified by the department of local
 20 government finance under IC 6-1.1-17-16. However, the property
 21 tax rate may not exceed the maximum rate established under
 22 section 11 of this chapter.

23 SECTION 144. IC 21-2-15-11, AS AMENDED BY P.L.224-2003,
 24 SECTION 151, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JANUARY 1, 2005]: Sec. 11. (a) Except as provided in
 26 subsection (e), to provide for the capital projects fund, the governing
 27 body may, for each year in which a plan adopted under section 5 of this
 28 chapter is in effect, impose a property tax rate that does not exceed **the**
 29 **lesser of:**

30 (1) forty-one and sixty-seven hundredths cents (\$0.4167); or

31 (2) **the property tax rate used by the unit for property taxes**
 32 **first due and payable in 2005 for the fund, as adjusted under**
 33 **subsection (b);**

34 on each one hundred dollars (\$100) of assessed valuation of the school
 35 corporation. This actual rate must be advertised in the same manner as
 36 other property tax rates.

37 (b) The maximum property tax rate levied by each school
 38 corporation must be adjusted each time a general reassessment of
 39 property takes effect. The adjusted property tax rate becomes the new
 40 maximum property tax rate for the levy for property taxes first due and
 41 payable in each year:

42 (1) after the general reassessment for which the adjustment was

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- 1 made takes effect; and
 2 (2) before the next general reassessment takes effect.
- 3 (c) The new maximum rate under this section is the tax rate
 4 determined under STEP SEVEN of the following formula:
 5 STEP ONE: Determine the maximum rate for the school
 6 corporation for the year preceding the year in which the general
 7 reassessment takes effect.
 8 STEP TWO: Determine the actual percentage increase (rounded
 9 to the nearest one-hundredth percent (0.01%)) in the assessed
 10 value of the taxable property from the year preceding the year the
 11 general reassessment takes effect to the year that the general
 12 reassessment is effective.
 13 STEP THREE: Determine the three (3) calendar years that
 14 immediately precede the ensuing calendar year and in which a
 15 statewide general reassessment of real property does not first
 16 become effective.
 17 STEP FOUR: Compute separately, for each of the calendar years
 18 determined in STEP THREE, the actual percentage increase
 19 (rounded to the nearest one-hundredth percent (0.01%)) in the
 20 assessed value of the taxable property from the preceding year.
 21 STEP FIVE: Divide the sum of the three (3) quotients computed
 22 in STEP FOUR by three (3).
 23 STEP SIX: Determine the greater of the following:
 24 (A) Zero (0).
 25 (B) The result of the STEP TWO percentage minus the STEP
 26 FIVE percentage.
 27 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 28 divided by the sum of one (1) plus the STEP SIX percentage
 29 increase.
- 30 (d) The department of local government finance shall compute the
 31 maximum rate allowed under subsection (c) and provide the rate to
 32 each school corporation.
- 33 (e) For a year in which a school corporation uses money from the
 34 school corporation's capital projects fund to pay for costs described in
 35 section 4(l) of this chapter, the school corporation may impose a
 36 property tax rate that exceeds the rate described in subsection (a). The
 37 amount by which the property tax rate may exceed the rate described
 38 in subsection (a) equals the amount determined under STEP THREE
 39 of the following formula:
 40 STEP ONE: Determine the sum of:
 41 (A) the school corporation's expenditures under section 4(l) of
 42 this chapter for the calendar year; plus

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- 1 (B) either:
- 2 (i) the school corporation's expenditures under section 4(m)
- 3 of this chapter for the 2004 calendar year; or
- 4 (ii) the school corporation's expenditures under section 4(n)
- 5 of this chapter for the 2005 calendar year.
- 6 STEP TWO: Determine the quotient of:
- 7 (A) the STEP ONE amount; divided by
- 8 (B) the school corporation's assessed valuation for the year.
- 9 STEP THREE: Determine the product of:
- 10 (A) the STEP TWO amount; multiplied by
- 11 (B) one hundred (100).

12 SECTION 145. IC 21-2-17-2 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. **Subject to**
 14 **IC 6-1.1-19-1.5**, each year each school corporation shall impose an ad
 15 valorem property tax of thirty-three hundredths of one cent (\$0.0033)
 16 for each one hundred dollars (\$100) of assessed valuation to be
 17 deposited in the fund.

18 SECTION 146. IC 21-5-9-2 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) A lessor
 20 corporation qualified or formed to acquire a site, erect a school
 21 building thereon, and lease it to a school corporation under either
 22 IC 21-5-11 or IC 21-5-12 may also be qualified or formed to, and may
 23 acquire, improve, or expand existing school buildings, may finance the
 24 existing or improved school buildings, and may lease them to a school
 25 corporation under the applicable law.

26 (b) A lessor corporation may also acquire and finance an existing
 27 school building, other than as provided in subsection (a), and lease it
 28 to a school corporation. A school corporation shall comply in all
 29 respects with all statutory requirements of IC 21-5-11 or IC 21-5-12.
 30 ~~and the petition and remonstrance provisions under IC 6-1.1-20.~~
 31 A lease made under this subsection may provide for the payment of lease
 32 rentals by the school corporation for the use of the existing school
 33 building. Lease rental payments made under the lease do not constitute
 34 a debt of the school corporation for purposes of the Constitution of the
 35 State of Indiana. A new school building may be substituted for the
 36 existing school building under the lease if the substitution was included
 37 in the notices given under IC 21-5-11 ~~and IC 21-5-12.~~ ~~and IC 6-1.1-20.~~
 38 A new school building shall be substituted for the existing school
 39 building upon completion. A school corporation may not pay a legal or
 40 other professional fee as the result of an exchange or a substitution
 41 under this section.

42 (c) "Existing school building" includes any school building (as

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1 defined under IC 21-5-11 or IC 21-5-12) and any building that after
2 acquisition will be used as a school building (as defined in IC 21-5-11
3 or IC 21-5-12) and may include more than one (1) building but shall
4 not include a portable or relocatable building or classroom.

5 (d) "Improved school building" means an existing school building
6 as improved, renovated, remodeled, or expanded by a lessor
7 corporation.

8 SECTION 147. IC 21-5-11-1 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. (a) **Subject to**
10 **IC 6-1.1-17.5**, any school corporation shall have the power to lease a
11 school building or buildings for the use of such school corporation or
12 of any joint or consolidated school district of which it is a part or to
13 which it contributes. However, no such contract of lease shall be
14 entered into for a period of more than thirty (30) years, nor unless there
15 shall first be filed with the body or bodies vested with control of the
16 school corporation a petition therefor signed by fifty (50) or more
17 patrons of such school corporation, and the board of school trustees,
18 township board, or the body or bodies vested with such control shall
19 have, after investigation, determined that a need exists for such school
20 building and that such school corporation cannot provide the necessary
21 funds to pay the cost or its proportionate share of the cost of the school
22 building or buildings required to meet the present needs.

23 (b) The term "school building", as used in this chapter, shall be
24 construed to mean any building used as a part of or in connection with
25 the operation of schools and shall include the site therefor, the
26 equipment thereof, and appurtenances thereto such as heating facilities,
27 water supply, sewage disposal, landscaping, walks, drives, and
28 playgrounds, except that no building shall be constructed under this
29 chapter which is designed for and to be used exclusively for interschool
30 athletic contests.

31 (c) If two (2) or more school corporations propose to enter into such
32 a lease contract jointly, then joint meetings of the boards of school
33 trustees, township boards, or other body or bodies having control may
34 be held, but no action taken shall be binding on any such school
35 corporation unless approved by a majority of the body representing
36 such corporation. Any lease contract executed by two (2) or more
37 school corporations as joint lessees shall set out the amount of the
38 aggregate lease rental to be paid by each, which may be as agreed
39 upon, but there shall be no right of occupancy by any lessee unless the
40 aggregate rental is paid as stipulated in the lease contract. All rights of
41 joint lessees under the lease contract shall be in proportion to the
42 amount of lease rental paid by each.

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1 SECTION 148. IC 21-5-11-7, AS AMENDED BY P.L.90-2002,
 2 SECTION 452, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) When the lessor
 4 corporation and the school corporation or corporations have agreed
 5 upon the terms and conditions of any lease proposed to be entered into
 6 pursuant to the terms and conditions of this chapter and before the final
 7 execution of such lease a notice shall be given by publication to all
 8 persons interested of a hearing to be held before the board of school
 9 trustees, the township board, or the body or bodies vested with
 10 authority to approve the lease, or a joint meeting thereof, which hearing
 11 shall be on a day not earlier than ten (10) days if new construction is
 12 proposed or thirty (30) days if improvement or expansion is proposed
 13 after the publication of such notice. The notice of such hearing shall be
 14 published one (1) time in a newspaper of general circulation printed in
 15 the English language in the school corporation, or one (1) of the same
 16 if the proposed lease be a joint lease, or if no such paper be published
 17 therein, then in any newspaper of general circulation published in the
 18 county. Such notice shall name the day, place, and hour of such hearing
 19 and shall set forth a brief summary of the principal terms of the lease
 20 agreed upon, including the location, name of the proposed lessor
 21 corporation and character of the property to be leased, the rental to be
 22 paid, and the number of years the contract is to be in effect. The
 23 proposed lease, drawings, plans, specifications, and estimates for such
 24 school building or buildings shall be available for inspection by the
 25 public during said ten (10) day or thirty (30) day period and at said
 26 meeting.

27 (b) All persons interested shall have a right to be heard at the time
 28 fixed, upon the necessity for the execution of such lease and whether
 29 the rental provided for therein to be paid to the lessor corporation is a
 30 fair and reasonable rental for the proposed building. Such hearing may
 31 be adjourned to a later date or dates, and within thirty (30) days
 32 following the termination of such hearing the board of school trustees,
 33 township board, or governing body or bodies of such school
 34 corporation or corporations may by a majority vote of all its members
 35 either authorize the execution of such lease as originally agreed upon,
 36 or make such modifications therein as may be agreed upon with such
 37 lessor corporation, but in no event shall the lease rentals as set out in
 38 the published notice be increased. The cost of the publication of the
 39 notice shall be borne by the lessor corporation.

40 (c) ~~In the event the execution of the lease as originally agreed upon;~~
 41 ~~or as modified by agreement, is authorized by such board of school~~
 42 ~~trustees, township board, or governing body or bodies of such school~~

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1 corporation or corporations; such board or governing body shall give
 2 notice of the signing of said contract by publication one (1) time in a
 3 newspaper of general circulation printed in the English language in the
 4 school corporation; or one (1) of the same if the proposed lease be a
 5 joint lease; or if no such newspaper be published therein; then in any
 6 newspaper of general circulation published in the county. Fifty (50) or
 7 more taxpayers in such school corporation or corporations who will be
 8 affected by the proposed lease and who may be of the opinion that no
 9 necessity exists for the execution of such lease; or that the proposed
 10 rental provided for therein is not a fair and reasonable rental; may file
 11 a petition in the office of the county auditor of the county in which such
 12 school corporation or corporations is located; within thirty (30) days
 13 after publication of notice of the execution of such lease; setting forth
 14 their objections thereto and facts showing that the execution of the
 15 lease is unnecessary or unwise; or that the lease rental is not fair and
 16 reasonable; as the case may be. Upon the filing of any such petition; the
 17 county auditor shall immediately certify a copy thereof; together with
 18 such other data as may be necessary in order to present the questions
 19 involved; to the department of local government finance; and upon the
 20 receipt of such certified petition and information; the department shall
 21 fix a time and place for the hearing of such matter which shall not be
 22 less than five (5) nor more than thirty (30) days thereafter; and said
 23 hearing shall be held in the school corporation or corporations; or in the
 24 county where such school corporations are located. Notice of the
 25 hearing shall be given by the department of local government finance
 26 to the members of the board of school trustees; township board; or
 27 governing body or bodies of such school corporation or corporations;
 28 and to the first fifty (50) taxpayer-petitioners upon such petition by a
 29 letter signed by the commissioner or deputy commissioner of the
 30 department; and enclosed with full prepaid postage addressed to such
 31 persons at their usual place of residence; at least five (5) days before
 32 the date of such hearing. The decision of the department of local
 33 government finance on such appeal; upon the necessity for the
 34 execution of said lease and as to whether the rental is fair and
 35 reasonable; shall be final.

36 (d) (c) No action to contest the validity of the lease or to enjoin the
 37 performance of any of the terms and conditions of the lease shall be
 38 instituted at any time later than thirty (30) days after publication of
 39 notice of the execution of the lease by the board of school trustees,
 40 township board, or governing body or bodies of such corporation or
 41 corporations, or if an appeal has been taken to the department of local
 42 government finance; a remonstrance petition is filed under

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1 **IC 6-1.1-17.5-11**, then ~~within~~ **not later than** thirty (30) days after the
 2 decision of the department: **deadline for filing a counterpetition**
 3 **under IC 6-1.1-17.5-12.**

4 SECTION 149. IC 21-5-11-12 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 12. **Subject to**
 6 **IC 6-1.1-17.5**, any school corporation availing itself of the provisions
 7 of this chapter shall have the power and authority to issue its general
 8 obligation bonds for the purpose of procuring funds to pay the cost of
 9 acquisition in the event such school unit shall determine to exercise its
 10 option to purchase, which bonds shall be authorized, issued, and sold
 11 in the manner provided for the authorization, issuance, and sale of
 12 bonds by such school units for school building purposes.

13 SECTION 150. IC 21-5-12-1 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 1. (a) **Subject to**
 15 **IC 6-1.1-17.5**, any school corporation shall have the power to lease a
 16 school building or buildings for the use of such school corporation or
 17 of any joint or consolidated school district of which it is a part or to
 18 which it contributes. However, no such contract of lease shall be
 19 entered into for a period of more than fifty (50) years, nor unless there
 20 shall first be filed with the body or bodies vested with control of the
 21 school corporation a petition therefor signed by fifty (50) or more
 22 patrons of such school corporation, and the board of school trustees,
 23 township board, or the body or bodies vested with such control shall
 24 have, after investigation, determined that a need exists for such school
 25 building.

26 (b) The term "school building", as used in this chapter, shall be
 27 construed to mean any building used as a part of or in connection with
 28 the operation of schools and shall include the site therefor, the
 29 equipment thereof and appurtenances thereto such as heating facilities,
 30 water supply, sewage disposal, landscaping, walks, drives, and
 31 playgrounds, except that no building shall be constructed under this
 32 chapter which is designed for and to be used exclusively for interschool
 33 athletic contests.

34 (c) If two (2) or more school corporations propose to enter into such
 35 a lease contract jointly, then joint meetings of the boards of school
 36 trustees, township boards, or other body or bodies having control may
 37 be held, but no action taken shall be binding on any such school
 38 corporation unless approved by a majority of the body representing
 39 such corporation. Any lease contract executed by two (2) or more
 40 school corporations as joint lessees shall set out the amount of the
 41 aggregate lease rental to be paid by each, which may be as agreed
 42 upon, but there shall be no right of occupancy by any lessee unless the

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1 aggregate rental is paid as stipulated in the lease contract. All rights of
 2 joint lessees under the lease contract shall be in proportion to the
 3 amount of lease rental paid by each.

4 SECTION 151. IC 21-5-12-3, AS AMENDED BY P.L.90-2002,
 5 SECTION 453, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JANUARY 1, 2005]: Sec. 3. (a) Except as provided in
 7 subsection (d), all contracts of lease shall provide that such school
 8 corporation or corporations shall have an option to:

- 9 (1) renew the lease for a further term on like conditions; and
 10 (2) purchase the property covered by the lease contract ~~the~~ **under**
 11 terms and conditions of the purchase to be specified in the lease.
 12 ~~subject to the approval of the department of local government~~
 13 ~~finance.~~

14 (b) **Subject to IC 6-1.1-17.5**, if the option to purchase the property
 15 covered by the lease is exercised, such school corporation or
 16 corporations, for the purpose of procuring funds to pay the purchase
 17 price thereof, may issue and sell bonds under the provisions of the
 18 general statute governing the issue and sale of bonds of such school
 19 corporation or corporations. The purchase price may not be more than
 20 the purchase price set forth in the lease contract with:

- 21 (1) two percent (2%) thereof as prepayment penalty for purchase
 22 within the first five (5) years of the lease term; or
 23 (2) one percent (1%) thereof as prepayment penalty for purchase
 24 in the second five (5) years of the lease term;

25 and thereafter the purchase shall be without prepayment penalty.

26 (c) However:

- 27 (1) if the school corporation has not or corporations have not
 28 exercised an option to purchase the property covered by the lease
 29 contract at the expiration of the lease contract; and
 30 (2) upon the full discharge and performance by the school
 31 corporation of its or corporations of their obligations under the
 32 lease contract;

33 the property covered by the lease contract shall thereupon become the
 34 absolute property of the school corporation or corporations and the
 35 lessor corporation shall execute proper instruments conveying to the
 36 school corporation or corporations good and merchantable title thereto.

37 (d) If a school corporation that is located in a county having a
 38 population of more than thirty-nine thousand six hundred (39,600) but
 39 less than forty thousand (40,000) enters into a contract of lease with a
 40 religious organization or the organization's agent as authorized under
 41 section 2 of this chapter, the contract of lease is not required to include
 42 on behalf of the school corporation an option to purchase the property

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1 covered by the lease contract, but must include an option to renew the
2 lease. In this case the property covered by the lease contract is not
3 required to become the absolute property of the school corporation as
4 provided in subsection (c).

5 SECTION 152. IC 21-5-12-7, AS AMENDED BY P.L.90-2002,
6 SECTION 455, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JANUARY 1, 2005]: Sec. 7. (a) When the lessor
8 corporation and the school corporation or corporations have agreed
9 upon the terms and conditions of any lease proposed to be entered into
10 pursuant to the terms and conditions of this chapter and before the final
11 execution of such lease a notice shall be given by publication to all
12 persons interested of a hearing to be held before the board of school
13 trustees, the township board, or the body or bodies vested with
14 authority to approve the lease, or a joint meeting thereof, which hearing
15 shall be on a day not earlier than ten (10) days if new construction is
16 proposed or thirty (30) days if improvement or expansion is proposed
17 after the publication of such notice. The notice of such hearing shall be
18 published one (1) time in a newspaper of general circulation printed in
19 the English language in the school corporation, or one (1) of the same
20 if the proposed lease be a joint lease, or if no such paper be published
21 therein, then in any newspaper of general circulation published in the
22 county. Such notice shall name the day, place, and hour of such hearing
23 and shall set forth a brief summary of the principal terms of the lease
24 agreed upon, including the location, name of the proposed lessor
25 corporation and character of the property to be leased, the rental to be
26 paid, and the number of years the contract is to be in effect. The
27 proposed lease, drawings, plans, specifications, and estimates for such
28 school building or buildings shall be available for inspection by the
29 public during said ten (10) day or thirty (30) day period and at said
30 meeting. All persons interested shall have a right to be heard at the
31 time fixed, upon the necessity for the execution of such lease and
32 whether the rental provided for therein be paid to the lessor corporation
33 is a fair and reasonable rental for the proposed building. Such hearing
34 may be adjourned to a later date or dates, and within thirty (30) days
35 following the termination of such hearing the board of school trustees,
36 township board, or governing body or bodies of such school
37 corporation or corporations may by a majority vote of all its members
38 either authorize the execution of such lease as originally agreed upon
39 or may make such modifications therein as may be agreed upon with
40 such lessor corporation, but in no event shall the lease rentals as set out
41 in the published notice be increased. The cost of the publication of the
42 notice shall be borne by lessor corporations.

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1 (b) In the event the execution of the lease as originally agreed upon,
 2 or as modified by agreement, is authorized by such board of school
 3 trustees, township board, or governing body or bodies of such school
 4 corporation or corporations, such board or governing body shall give
 5 notice of the signing of said contract by publication one (1) time in a
 6 newspaper of general circulation printed in the English language in the
 7 school corporation, or one (1) of the same if the proposed lease be a
 8 joint lease, or if no such newspaper be published therein, then in any
 9 newspaper of general circulation published in the county. Ten (10) or
 10 more taxpayers in such school corporation or corporations, who will be
 11 affected by the proposed lease and who may be of the opinion that no
 12 necessity exists for the execution of such lease, or that the proposed
 13 rental provided for therein is not a fair and reasonable rental, may file
 14 a petition in the office of the county auditor of the county in which such
 15 school corporation or corporations is located, within thirty (30) days
 16 after publication of notice of the execution of such lease, setting forth
 17 their objections thereto and facts showing that the execution of the
 18 lease is unnecessary or unwise, or that the lease rental is not fair and
 19 reasonable as the case may be. Upon the filing of any such petition, the
 20 county auditor shall immediately certify a copy thereof, together with
 21 such other data as may be necessary in order to present the questions
 22 involved, to the department of local government finance, and upon the
 23 receipt of such certified petition and information, the department shall
 24 fix a time and place for the hearing of such matter which shall not be
 25 less than five (5) nor more than thirty (30) days thereafter, and said
 26 hearing shall be in the school corporation or corporations, or in the
 27 county where such school corporations are located. Notice of the
 28 hearing shall be given by the department of local government finance
 29 to the members of the board of school trustees, township board, or
 30 governing body or bodies of such school corporation or corporations,
 31 and to the first ten (10) taxpayer-petitioners upon such petition by a
 32 letter signed by the commissioner or deputy commissioner of the
 33 department, and enclosed with full prepaid postage addressed to such
 34 persons at their usual place of residence, at least five (5) days before
 35 the date of such hearing. The decision of the department of local
 36 government finance on such appeal, upon the necessity for the
 37 execution of said lease and as to whether the rental is fair and
 38 reasonable, shall be final.

39 (c) No action to contest the validity of the lease or to enjoin the
 40 performance of any of the terms and conditions of the lease shall be
 41 instituted at any time later than thirty (30) days after publication of
 42 notice of the execution of the lease by the board of school trustees,

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1 township board, or governing body or bodies of such school
2 corporation or corporations, or if an appeal has been taken to the
3 department of local government finance, then within thirty (30) days
4 after the decision of the department.

5 SECTION 153. IC 36-2-6-18 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 18. (a) The county
7 fiscal body may, by ordinance:

8 (1) make loans for the purpose of procuring money to be used in
9 the exercise of county powers and for the payment of county debts
10 other than current running expenses, and issue bonds or other
11 county obligations to refund those loans;

12 (2) make temporary loans to meet current running expenses, in
13 anticipation of and not in excess of county revenues for the
14 current fiscal year, which shall be evidenced by tax anticipation
15 warrants of the county; and

16 (3) make loans and issue notes under subsection (d).

17 (b) An ordinance authorizing the issuance of bonds under this
18 section must state the purpose for which the bonds are issued and may
19 provide that the bonds:

- 20 (1) are or are not negotiable;
- 21 (2) bear interest at any rate;
- 22 (3) run not longer than twenty (20) years; and
- 23 (4) mature by installments payable annually or otherwise.

24 (c) An ordinance authorizing the issuance of tax anticipation
25 warrants under this section must:

- 26 (1) state the total amount of the issue;
- 27 (2) state the denomination of the warrants;
- 28 (3) state the time and place payable;
- 29 (4) state the rate of interest;
- 30 (5) state the funds and revenues in anticipation of which the
31 warrants are issued and out of which they are payable; and
- 32 (6) appropriate and pledge a sufficient amount of those revenues
33 to the punctual payment of the warrants.

34 The warrants are exempt from taxation for all purposes.

35 (d) The county fiscal body may, by ordinance, make loans of money
36 for not more than five (5) years and issue notes for the purpose of
37 refunding those loans. The loans may be made only for the purpose of
38 procuring money to be used in the exercise of the powers of the county,
39 and the total amount of outstanding loans under this subsection may not
40 exceed five percent (5%) of the county's total tax levy in the current
41 year (excluding amounts levied to pay debt service and lease rentals).
42 Loans under this subsection shall be made in the same manner as loans

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1 made under subsection (a)(1), except that:
2 (1) the ordinance authorizing the loans must pledge to their
3 payment a sufficient amount of tax revenues over the ensuing five
4 (5) years to provide for refunding the loans;
5 (2) the loans must be evidenced by notes of the county in terms
6 designating the nature of the consideration, the time and place
7 payable, and the revenues out of which they will be payable; and
8 (3) the interest accruing on the notes to the date of maturity may
9 be added to and included in their face value or be made payable
10 periodically, as provided in the ordinance.
11 Notes issued under this subsection are not ~~bonded indebtedness for~~
12 ~~purposes of IC 6-1.1-18.5~~; **subject to IC 6-1.1-17.5.**
13 (e) If a deficit is incurred for the current running expenses of the
14 county because the total of county revenues for the fiscal year is less
15 than the anticipated total, the county fiscal body shall provide for the
16 deficit in the next county tax levy.
17 SECTION 154. IC 36-3-4-21 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 21. (a) **Subject**
19 **to IC 6-1.1-17.5**, the city-county legislative body may, by ordinance,
20 make loans of money for the consolidated city and issue bonds for the
21 purpose of refunding those loans. The loans may be made only for the
22 purpose of procuring money to be used in the exercise of the powers of
23 the city and for the payment of city debts.
24 (b) An ordinance adopted under this section:
25 (1) must include the terms of the bonds to be issued in evidence
26 of the loan;
27 (2) must include the time and manner of giving notice of the sale
28 of the bonds;
29 (3) must include the manner in which the bonds will be sold; and
30 (4) may authorize a total amount for any issue of bonds.
31 (c) Bonds issued under this section may be sold in parcels of any
32 size and at any time their proceeds are needed by the city.
33 (d) Bonds issued and sold by the city under this section:
34 (1) are negotiable with or without registration, as may be provided
35 by the ordinance authorizing the issue;
36 (2) may bear interest at any rate;
37 (3) may run not longer than thirty (30) years;
38 (4) may contain an option allowing the city to redeem them in
39 whole or in part at specified times prior to maturity; and
40 (5) may be sold for not less than par value.
41 (e) The fiscal officer of the consolidated city shall:
42 (1) manage and supervise the preparation, advertisement,

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- 1 negotiations, and sale of bonds under this section, subject to the
- 2 terms of the ordinance authorizing the sale;
- 3 (2) deliver them to the county treasurer after they have been
- 4 properly executed and shall take ~~his~~ a receipt for them; and
- 5 (3) when a contract for the sale of all or any part of the bonds is
- 6 consummated, certify to the county treasurer the amount the
- 7 purchaser is to pay, together with the name and address of the
- 8 purchaser.

9 The county treasurer shall then receive from the purchaser the amount
 10 certified by the fiscal officer, deliver the bonds to the purchaser, and
 11 take the purchaser's receipt for the bonds. The fiscal officer and county
 12 treasurer shall then report the proceedings in the sale to the legislative
 13 body. However, if the county treasurer is not present to receive the
 14 properly executed bonds from the fiscal officer or to issue the bonds,
 15 the fiscal officer shall perform ~~his~~ **the county treasurer's** duties under
 16 this subsection.

17 SECTION 155. IC 36-3-5-8, AS AMENDED BY P.L.90-2002,
 18 SECTION 470, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JANUARY 1, 2005]: Sec. 8. (a) This section applies
 20 whenever a special taxing district of the consolidated city has the
 21 power to issue bonds, notes, or warrants.

22 (b) Before any bonds, notes, or warrants of a special taxing district
 23 may be issued, the issue must be approved by resolution of the
 24 legislative body of the consolidated city.

25 (c) Any bonds of a special taxing district must be issued in the
 26 manner prescribed by statute for that district, and the board of the
 27 department having jurisdiction over the district shall:

- 28 (1) hold all required hearings;
- 29 (2) adopt all necessary resolutions; and
- 30 (3) appropriate the proceeds of the bonds;
- 31 in that manner. However, the legislative body shall levy each year the
- 32 special tax required to pay the principal of and interest on the bonds
- 33 and any bank paying charges.

34 (d) Notwithstanding any other statute, bonds of a special taxing
 35 district may:

- 36 (1) be dated;
- 37 (2) be issued in any denomination;
- 38 (3) mature at any time or times not exceeding fifty (50) years after
- 39 their date; and
- 40 (4) be payable at any bank or banks;
- 41 as determined by the board. The interest rate or rates that the bonds will
- 42 bear must be determined by bidding, notwithstanding IC 5-1-11-3.

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1 (e) Bonds of a special taxing district are subject to the provisions of
 2 IC 5-1, **IC 6-1.1-17.5**, and ~~IC 6-1.1-20~~ **IC 6-1.1-18-5** relating to ~~the~~
 3 ~~filing of a petition requesting the issuance of bonds and giving notice~~
 4 ~~of the petition~~; the giving of notice of a hearing on the appropriation of
 5 the proceeds of bonds, the right of taxpayers to appear and be heard on
 6 the proposed appropriation, ~~the approval of the appropriation by the~~
 7 ~~department of local government finance~~; the right of ~~taxpayers voters~~
 8 **to remonstrate against the issuance of bonds, file petitions regarding**
 9 **a decision of a property tax control board**, and the sale of bonds at
 10 public sale.

11 SECTION 156. IC 36-4-6-19, AS AMENDED BY P.L.173-2003,
 12 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2005]: Sec. 19. (a) **Subject to IC 6-1.1-17.5**, the
 14 legislative body may, by ordinance, make loans of money and issue
 15 bonds for the purpose of refunding those loans. The loans may be made
 16 only for the purpose of procuring money to be used in the exercise of
 17 the powers of the city or for the payment of city debts.

- 18 (b) An ordinance adopted under this section:
- 19 (1) must include the terms of the bonds to be issued in evidence
 - 20 of the loan;
 - 21 (2) must include the time and manner of giving notice of the sale
 - 22 of the bonds;
 - 23 (3) must include the manner in which the bonds will be sold; and
 - 24 (4) may authorize a total amount for any issue of bonds.

25 (c) Bonds issued under this section may be sold in parcels of any
 26 size and at any time their proceeds are needed by the city.

- 27 (d) Bonds issued and sold by a city under this section:
- 28 (1) are negotiable with or without registration, as may be provided
 - 29 by the ordinance authorizing the issue;
 - 30 (2) may bear interest at any rate;
 - 31 (3) may run not longer than thirty (30) years;
 - 32 (4) may contain an option allowing the city to redeem them in
 - 33 whole or in part at specified times prior to maturity; and
 - 34 (5) may be sold for not less than par value.

- 35 (e) The city fiscal officer shall:
- 36 (1) manage and supervise the preparation, advertisement,
 - 37 negotiations, and sale of bonds under this section, subject to the
 - 38 terms of the ordinance authorizing the sale;
 - 39 (2) certify the amount the purchaser is to pay, together with the
 - 40 name and address of the purchaser;
 - 41 (3) receive the amount of payment certified;
 - 42 (4) deliver the bonds to the purchaser;

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1 (5) take a receipt for the securities delivered;
 2 (6) pay the purchaser's payment into the city treasury; and
 3 (7) report the proceedings in the sale to the legislative body.
 4 The actions of the fiscal officer under this subsection are ministerial.
 5 SECTION 157. IC 36-4-6-20 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 20. (a) The
 7 legislative body may, by ordinance, make loans of money for not more
 8 than five (5) years and issue notes for the purpose of refunding those
 9 loans. The loans may be made only for the purpose of procuring money
 10 to be used in the exercise of the powers of the city, and the total amount
 11 of outstanding loans under this subsection may not exceed five percent
 12 (5%) of the city's total tax levy in the current year (excluding amounts
 13 levied to pay debt service and lease rentals). Loans under this
 14 subsection shall be made in the same manner as loans made under
 15 section 19 of this chapter, except that:
 16 (1) the ordinance authorizing the loans must pledge to their
 17 payment a sufficient amount of tax revenues over the ensuing five
 18 (5) years to provide for refunding the loans; and
 19 (2) the loans must be evidenced by notes of the city in terms
 20 designating the nature of the consideration, the time and place
 21 payable, and the revenues out of which they will be payable.
 22 Notes issued under this subsection are not ~~bonded indebtedness for~~
 23 ~~purposes of IC 6-1.1-18.5.~~ **subject to IC 6-1.1-17.5.**
 24 (b) The legislative body may, by ordinance, make loans and issue
 25 notes for the purpose of refunding those loans in anticipation of
 26 revenues of the city that are anticipated to be levied and collected
 27 during the term of the loans. The term of a loan made under this
 28 subsection may not be more than five (5) years. Loans under this
 29 subsection shall be made in the same manner as loans made under
 30 section 19 of this chapter, except that:
 31 (1) the ordinance authorizing the loans must appropriate and
 32 pledge to their payment a sufficient amount of the revenues in
 33 anticipation of which they are issued and out of which they are
 34 payable; and
 35 (2) the loans must be evidenced by time warrants of the city in
 36 terms designating the nature of the consideration, the time and
 37 place payable, and the revenues in anticipation of which they are
 38 issued and out of which they are payable.
 39 (c) An action to contest the validity of a loan made under this
 40 section must be brought within fifteen (15) days from the day on which
 41 the ordinance is adopted.
 42 SECTION 158. IC 36-5-2-11, AS AMENDED BY P.L.90-2002,

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1 SECTION 471, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2005]: Sec. 11. (a) The legislative body
3 may issue bonds for the purpose of procuring money to be used in the
4 exercise of the powers of the town and for the payment of town debts.
5 However, a town may not issue bonds to procure money to pay current
6 expenses.

7 (b) Bonds issued under this section are payable in the amounts and
8 at the times determined by the legislative body.

9 (c) Bonds issued under this section are subject to the provisions of
10 IC 5-1 and ~~IC 6-1.1-20~~ **IC 6-1.1-18-5** relating to the ~~filing of a petition~~
11 ~~requesting the issuance of bonds and giving notice of the petition;~~ the
12 giving of notice of a hearing on the appropriation of the proceeds of
13 bonds, the right of taxpayers to appear and be heard on the proposed
14 appropriation, ~~the approval of the appropriation by the department of~~
15 ~~local government finance;~~ the right of taxpayers to remonstrate against
16 ~~the issuance of bonds;~~ and the sale of bonds at public sale for not less
17 than their par value.

18 (d) The legislative body may, by ordinance, make loans of money
19 for not more than five (5) years and issue notes for the purpose of
20 refunding those loans. The loans may be made only for the purpose of
21 procuring money to be used in the exercise of the powers of the town,
22 and the total amount of outstanding loans under this subsection may not
23 exceed five percent (5%) of the town's total tax levy in the current year
24 (excluding amounts levied to pay debt service and lease rentals). Loans
25 under this subsection shall be made as follows:

26 (1) The ordinance authorizing the loans must pledge to their
27 payment a sufficient amount of tax revenues over the ensuing five
28 (5) years to provide for refunding the loans.

29 (2) The loans must be evidenced by notes of the town in terms
30 designating the nature of the consideration, the time and place
31 payable, and the revenues out of which they will be payable.

32 (3) The interest accruing on the notes to the date of maturity may
33 be added to and included in their face value or be made payable
34 periodically, as provided in the ordinance.

35 Notes issued under this subsection are not ~~bonded indebtedness for~~
36 ~~purposes of IC 6-1.1-18.5:~~ **subject to IC 6-1.1-17.5.**

37 SECTION 159. IC 36-7-14-25.1, AS AMENDED BY P.L.224-2003,
38 SECTION 269, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JANUARY 1, 2005]: Sec. 25.1. (a) In addition to other
40 methods of raising money for property acquisition or redevelopment in
41 a blighted area, and in anticipation of the special tax to be levied under
42 section 27 of this chapter, the taxes allocated under section 39 of this

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1 chapter, or other revenues of the district, or any combination of these
2 sources, the redevelopment commission may, by resolution and subject
3 to subsection ~~(p)~~ **(o) and IC 6-1.1-17.5**, issue the bonds of the special
4 taxing district in the name of the unit. The amount of the bonds may
5 not exceed the total, as estimated by the commission, of all expenses
6 reasonably incurred in connection with the acquisition and
7 redevelopment of the property, including:

- 8 (1) the total cost of all land, rights-of-way, and other property to
- 9 be acquired and redeveloped;
- 10 (2) all reasonable and necessary architectural, engineering, legal,
- 11 financing, accounting, advertising, bond discount, and
- 12 supervisory expenses related to the acquisition and redevelopment
- 13 of the property or the issuance of bonds;
- 14 (3) capitalized interest permitted by this chapter and a debt
- 15 service reserve for the bonds to the extent the redevelopment
- 16 commission determines that a reserve is reasonably required; and
- 17 (4) expenses that the redevelopment commission is required or
- 18 permitted to pay under IC 8-23-17.

19 (b) If the redevelopment commission plans to acquire different
20 parcels of land or let different contracts for redevelopment work at
21 approximately the same time, whether under one (1) or more
22 resolutions, the commission may provide for the total cost in one (1)
23 issue of bonds.

24 (c) The bonds must be dated as set forth in the bond resolution and
25 negotiable, subject to the requirements of the bond resolution for
26 registering the bonds. The resolution authorizing the bonds must state:

- 27 (1) the denominations of the bonds;
- 28 (2) the place or places at which the bonds are payable; and
- 29 (3) the term of the bonds, which may not exceed fifty (50) years.

30 The resolution may also state that the bonds are redeemable before
31 maturity with or without a premium, as determined by the
32 redevelopment commission.

33 (d) The redevelopment commission shall certify a copy of the
34 resolution authorizing the bonds to the municipal or county fiscal
35 officer, who shall then prepare the bonds, subject to subsection ~~(p)~~ **(o)**.
36 The seal of the unit must be impressed on the bonds, or a facsimile of
37 the seal must be printed on the bonds.

38 (e) The bonds must be executed by the appropriate officer of the
39 unit, and attested by the municipal or county fiscal officer.

40 (f) The bonds are exempt from taxation for all purposes.

41 (g) The municipal or county fiscal officer shall give notice of the
42 sale of the bonds by publication in accordance with IC 5-3-1. The

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1 municipal fiscal officer, or county fiscal officer or executive, shall sell
 2 the bonds to the highest bidder, but may not sell them for less than
 3 ninety-seven percent (97%) of their par value. However, bonds payable
 4 solely or in part from tax proceeds allocated under section 39(b)(2) of
 5 this chapter, or other revenues of the district may be sold at a private
 6 negotiated sale.

7 (h) Except as provided in subsection (i), a redevelopment
 8 commission may not issue the bonds when the total issue, including
 9 bonds already issued and to be issued, exceeds two percent (2%) of the
 10 adjusted value of the taxable property in the special taxing district, as
 11 determined under IC 36-1-15.

12 (i) The bonds are not a corporate obligation of the unit but are an
 13 indebtedness of the taxing district. The bonds and interest are payable,
 14 as set forth in the bond resolution of the redevelopment commission:

15 (1) from a special tax levied upon all of the property in the taxing
 16 district, as provided by section 27 of this chapter;

17 (2) from the tax proceeds allocated under section 39(b)(2) of this
 18 chapter;

19 (3) from other revenues available to the redevelopment
 20 commission; or

21 (4) from a combination of the methods stated in subdivisions (1)
 22 through (3).

23 If the bonds are payable solely from the tax proceeds allocated under
 24 section 39(b)(2) of this chapter, other revenues of the redevelopment
 25 commission, or any combination of these sources, they may be issued
 26 in any amount without limitation.

27 (j) Proceeds from the sale of bonds may be used to pay the cost of
 28 interest on the bonds for a period not to exceed five (5) years from the
 29 date of issuance.

30 (k) All laws relating to the giving of notice of the issuance of bonds,
 31 the giving of notice of a hearing on the appropriation of the proceeds
 32 of the bonds, the right of taxpayers to appear and be heard on the
 33 proposed appropriation, and the ~~approval of the appropriation by the~~
 34 ~~department of local government finance~~ **right of voters to file**
 35 **petitions regarding a property tax control board's decision under**
 36 **IC 6-1.1-17.5**, apply to all bonds issued under this chapter that are
 37 payable from the special benefits tax levied pursuant to section 27 of
 38 this chapter or from taxes allocated under section 39 of this chapter.

39 ~~(l) All laws relating to the filing of petitions requesting the issuance~~
 40 ~~of bonds and the right of taxpayers to remonstrate against the issuance~~
 41 ~~of bonds apply to bonds issued under this chapter, except for bonds~~
 42 ~~payable solely from tax proceeds allocated under section 39(b)(2) of~~

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1 this chapter, other revenues of the redevelopment commission, or any
 2 combination of these sources.

3 (m) (l) If a debt service reserve is created from the proceeds of
 4 bonds, the debt service reserve may be used to pay principal and
 5 interest on the bonds as provided in the bond resolution.

6 (n) (m) Any amount remaining in the debt service reserve after all
 7 of the bonds of the issue for which the debt service reserve was
 8 established have matured shall be deposited in the allocation fund
 9 established under section 39(b)(2) of this chapter.

10 (o) (n) If bonds are issued under this chapter that are payable solely
 11 or in part from revenues to the redevelopment commission from a
 12 project or projects, the redevelopment commission may adopt a
 13 resolution or trust indenture or enter into covenants as is customary in
 14 the issuance of revenue bonds. The resolution or trust indenture may
 15 pledge or assign the revenues from the project or projects, but may not
 16 convey or mortgage any project or parts of a project. The resolution or
 17 trust indenture may also contain any provisions for protecting and
 18 enforcing the rights and remedies of the bond owners as may be
 19 reasonable and proper and not in violation of law, including covenants
 20 setting forth the duties of the redevelopment commission. The
 21 redevelopment commission may establish fees and charges for the use
 22 of any project and covenant with the owners of any bonds to set those
 23 fees and charges at a rate sufficient to protect the interest of the owners
 24 of the bonds. Any revenue bonds issued by the redevelopment
 25 commission that are payable solely from revenues of the commission
 26 shall contain a statement to that effect in the form of bond.

27 (p) (o) If the total principal amount of bonds authorized by a
 28 resolution of the redevelopment commission is equal to or greater than
 29 three million dollars (\$3,000,000), the bonds may not be issued without
 30 the approval, by resolution, of the legislative body of the unit.

31 SECTION 160. IC 36-7-14-25.2, AS AMENDED BY P.L.90-2002,
 32 SECTION 474, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JANUARY 1, 2005]: Sec. 25.2. (a) **Subject to**
 34 **IC 6-1.1-17.5**, a redevelopment commission may enter into a lease of
 35 any property that could be financed with the proceeds of bonds issued
 36 under this chapter with a lessor for a term not to exceed fifty (50) years,
 37 and the lease may provide for payments to be made by the
 38 redevelopment commission from special benefits taxes levied under
 39 section 27 of this chapter, taxes allocated under section 39 of this
 40 chapter, any other revenues available to the redevelopment
 41 commission, or any combination of these sources.

42 (b) A lease may provide that payments by the redevelopment

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1 commission to the lessor are required only to the extent and only for the
 2 period that the lessor is able to provide the leased facilities in
 3 accordance with the lease. The terms of each lease must be based upon
 4 the value of the facilities leased and may not create a debt of the unit
 5 or the district for purposes of the Constitution of the State of Indiana.

6 (c) A lease may be entered into by the redevelopment commission
 7 only after a public hearing by the redevelopment commission at which
 8 all interested parties are provided the opportunity to be heard. After the
 9 public hearing, the redevelopment commission may adopt a resolution
 10 authorizing the execution of the lease on behalf of the unit if it finds
 11 that the service to be provided throughout the term of the lease will
 12 serve the public purpose of the unit and is in the best interests of its
 13 residents. Any lease approved by a resolution of the redevelopment
 14 commission must be approved by an ordinance of the fiscal body of the
 15 unit.

16 (d) Upon execution of a lease providing for payments by the
 17 redevelopment commission in whole or in part from the levy of special
 18 benefits taxes under section 27 of this chapter and upon approval of the
 19 lease by the unit's fiscal body, the redevelopment commission shall
 20 publish notice of the execution of the lease and its approval in
 21 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the
 22 redevelopment district who will be affected by the lease and who may
 23 be of the opinion that no necessity exists for the execution of the lease
 24 or that the payments provided for in the lease are not fair and
 25 reasonable may file a petition in the office of the county auditor within
 26 thirty (30) days after the publication of the notice of execution and
 27 approval. The petition must set forth the petitioners' names, addresses,
 28 and objections to the lease and the facts showing that the execution of
 29 the lease is unnecessary or unwise or that the payments provided for in
 30 the lease are not fair and reasonable, as the case may be.

31 (e) Upon the filing of the petition, the county auditor shall
 32 immediately certify a copy of it, together with such other data as may
 33 be necessary in order to present the questions involved, to the
 34 department of local government finance. Upon receipt of the certified
 35 petition and information, the department of local government finance
 36 shall fix a time and place for a hearing in the redevelopment district,
 37 which must be not less than five (5) or more than thirty (30) days after
 38 the time is fixed. Notice of the hearing shall be given by the department
 39 of local government finance to the members of the fiscal body, to the
 40 redevelopment commission, and to the first fifty (50) petitioners on the
 41 petition by a letter signed by the commissioner or deputy commissioner
 42 of the department and enclosed with fully prepaid postage sent to those

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1 persons at their usual place of residence, at least five (5) days before
 2 the date of the hearing. The decision of the department of local
 3 government finance on the appeal, upon the necessity for the execution
 4 of the lease, and as to whether the payments under it are fair and
 5 reasonable, is final.

6 (f) (d) A redevelopment commission entering into a lease payable
 7 from allocated taxes under section 39 of this chapter or other available
 8 funds of the redevelopment commission may:

9 (1) pledge the revenue to make payments under the lease pursuant
 10 to IC 5-1-14-4; and

11 (2) establish a special fund to make the payments.

12 (g) (e) Lease rentals may be limited to money in the special fund so
 13 that the obligations of the redevelopment commission to make the lease
 14 rental payments are not considered debt of the unit or the district for
 15 purposes of the Constitution of the State of Indiana.

16 (h) (f) Except as provided in this section, no approvals of any
 17 governmental body or agency are required before the redevelopment
 18 commission enters into a lease under this section.

19 (i) (g) An action to contest the validity of the lease or to enjoin the
 20 performance of any of its terms and conditions must be brought within
 21 thirty (30) days after the publication of the notice of the execution and
 22 approval of the lease. However, if the lease is payable in whole or in
 23 part from tax levies and an appeal has been taken to the department of
 24 local government finance, a remonstrance petition is filed under
 25 IC 6-1.1-17.5-11, an action to contest the validity or enjoin the
 26 performance must be brought within thirty (30) days after the decision
 27 of the department. **deadline for filing a counterpetition under**
 28 **IC 6-1.1-17.5-12.**

29 (j) (h) If a redevelopment commission exercises an option to buy a
 30 leased facility from a lessor, the redevelopment commission may
 31 subsequently sell the leased facility, without regard to any other statute,
 32 to the lessor at the end of the lease term at a price set forth in the lease
 33 or at fair market value established at the time of the sale by the
 34 redevelopment commission through auction, appraisal, or arms length
 35 negotiation. If the facility is sold at auction, after appraisal, or through
 36 negotiation, the redevelopment commission shall conduct a hearing
 37 after public notice in accordance with IC 5-3-1 before the sale. Any
 38 action to contest the sale must be brought within fifteen (15) days of
 39 the hearing.

40 SECTION 161. IC 36-7-14-27.5, AS AMENDED BY P.L.90-2002,
 41 SECTION 475, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JANUARY 1, 2005]: Sec. 27.5. (a) The redevelopment

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1 commission may borrow money in anticipation of receipt of the
 2 proceeds of taxes levied for the redevelopment district bond fund and
 3 not yet collected, and may evidence this borrowing by issuing warrants
 4 of the redevelopment district. However, the aggregate principal amount
 5 of warrants issued in anticipation of and payable from the same tax
 6 levy or levies may not exceed an amount equal to eighty percent (80%)
 7 of that tax levy or levies, as certified by the department of local
 8 government finance, or as determined by multiplying the rate of tax as
 9 finally approved by the **redevelopment commission by the** total
 10 assessed valuation (after deducting all mortgage deductions) within the
 11 redevelopment district, as most recently certified by the county auditor.

12 (b) The warrants may be authorized and issued at any time after the
 13 tax or taxes in anticipation of which they are issued have been levied
 14 by the redevelopment commission. For purposes of this section, taxes
 15 for any year are considered to be levied upon adoption by the
 16 commission of a resolution prescribing the tax levies for the year.
 17 However, the warrants may not be delivered and paid for before final
 18 approval of the tax levy or levies by the ~~county board of tax adjustment~~
 19 ~~or, if appealed, by the~~ department of local government finance. ~~unless~~
 20 ~~the issuance of the warrants has been approved by the department.~~

21 (c) All action that this section requires or authorizes the
 22 redevelopment commission to take may be taken by resolution, which
 23 need not be published or posted. The resolution takes effect
 24 immediately upon its adoption by the redevelopment commission. An
 25 action to contest the validity of tax anticipation warrants may not be
 26 brought later than ten (10) days after the sale date.

27 (d) In their resolution authorizing the warrants, the redevelopment
 28 commission must provide that the warrants mature at a time or times
 29 not later than December 31 after the year in which the taxes in
 30 anticipation of which the warrants are issued are due and payable.

31 (e) In their resolution authorizing the warrants, the redevelopment
 32 commission may provide:

- 33 (1) the date of the warrants;
- 34 (2) the interest rate of the warrants;
- 35 (3) the time of interest payments on the warrants;
- 36 (4) the denomination of the warrants;
- 37 (5) the form, either registered or payable to bearer, of the
 38 warrants;
- 39 (6) the place or places of payment of the warrants, either inside or
 40 outside the state;
- 41 (7) the medium of payment of the warrants;
- 42 (8) the terms of redemption, if any, of the warrants, at a price not

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1 exceeding par value and accrued interest;

2 (9) the manner of execution of the warrants; and

3 (10) that all costs incurred in connection with the issuance of the
4 warrants may be paid from the proceeds of the warrants.

5 (f) The warrants shall be sold for not less than par value, after notice
6 inviting bids has been published under IC 5-3-1. The redevelopment
7 commission may also publish the notice in other newspapers or
8 financial journals.

9 (g) Warrants and the interest on them are not subject to any
10 limitation contained in section 25.1 of this chapter, and are payable
11 solely from the proceeds of the tax levy or levies in anticipation of
12 which the warrants were issued. The authorizing resolution must
13 pledge a sufficient amount of the proceeds of the tax levy or levies to
14 the payment of the warrants and the interest.

15 SECTION 162. IC 36-7-15.1-17 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 17. (a) In addition
17 to other methods of raising money for property acquisition or
18 redevelopment in a blighted, deteriorated, or deteriorating area, and in
19 anticipation of the special tax to be levied under section 19 of this
20 chapter, the taxes allocated under section 26 of this chapter, or other
21 revenues of the redevelopment district, the commission may, by
22 resolution **and subject to IC 6-1.1-17.5**, issue the bonds of the
23 redevelopment district in the name of the consolidated city and in
24 accordance with IC 36-3-5-8. The amount of the bonds may not exceed
25 the total, as estimated by the commission, of all expenses reasonably
26 incurred in connection with the acquisition and redevelopment of the
27 property, including:

28 (1) the total cost of all land, rights-of-way, and other property to
29 be acquired and redeveloped;

30 (2) all reasonable and necessary architectural, engineering, legal,
31 financing, accounting, advertising, bond discount, and
32 supervisory expenses related to the acquisition and redevelopment
33 of the property or the issuance of bonds;

34 (3) capitalized interest permitted in this chapter and a debt service
35 reserve for the bonds, to the extent that the redevelopment
36 commission determines that a reserve is reasonably required;

37 (4) the total cost of all clearing and construction work provided
38 for in the resolution; and

39 (5) expenses that the commission is required or permitted to pay
40 under IC 8-23-17.

41 (b) If the commission plans to acquire different parcels of land or let
42 different contracts for redevelopment work at approximately the same

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1 time, whether under one (1) or more resolutions, the commission may
2 provide for the total cost in one (1) issue of bonds.

3 (c) The bonds must be dated as set forth in the bond resolution and
4 negotiable subject to the requirements of the bond resolution for the
5 registration of the bonds. The resolution authorizing the bonds must
6 state:

- 7 (1) the denominations of the bonds;
- 8 (2) the place or places at which the bonds are payable; and
- 9 (3) the term of the bonds, which may not exceed fifty (50) years.

10 The resolution may also state that the bonds are redeemable before
11 maturity with or without a premium, as determined by the commission.

12 (d) The commission shall certify a copy of the resolution authorizing
13 the bonds to the fiscal officer of the consolidated city, who shall then
14 prepare the bonds. The seal of the unit must be impressed on the bonds,
15 or a facsimile of the seal must be printed on the bonds.

16 (e) The bonds shall be executed by the city executive and attested
17 by the fiscal officer. The interest coupons, if any, shall be executed by
18 the facsimile signature of the fiscal officer.

19 (f) The bonds are exempt from taxation as provided by IC 6-8-5.

20 (g) The city fiscal officer shall sell the bonds according to law.
21 Notwithstanding IC 36-3-5-8, bonds payable solely or in part from tax
22 proceeds allocated under section 26(b)(2) of this chapter or other
23 revenues of the district may be sold at private negotiated sale and at a
24 price or prices not less than ninety-seven percent (97%) of the par
25 value.

26 (h) The bonds are not a corporate obligation of the city but are an
27 indebtedness of the redevelopment district. The bonds and interest are
28 payable:

- 29 (1) from a special tax levied upon all of the property in the
- 30 redevelopment district, as provided by section 19 of this chapter;
- 31 (2) from the tax proceeds allocated under section 26(b)(2) of this
- 32 chapter;
- 33 (3) from other revenues available to the commission; or
- 34 (4) from a combination of the methods stated in subdivisions (1)
- 35 through (3);

36 and from any revenues of the designated project. If the bonds are
37 payable solely from the tax proceeds allocated under section 26(b)(2)
38 of this chapter, other revenues of the redevelopment commission, or
39 any combination of these sources, they may be issued in any amount
40 without limitation.

41 (i) Proceeds from the sale of the bonds may be used to pay the cost
42 of interest on the bonds for a period not to exceed five (5) years from

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1 the date of issue.

2 (j) Notwithstanding IC 36-3-5-8, the laws relating to the filing of
3 petitions requesting the issuance of bonds and the right of taxpayers to
4 remonstrate against the issuance of bonds applicable to bonds issued
5 under this chapter do not apply to bonds payable solely or in part from
6 tax proceeds allocated under section 26(b)(2) of this chapter, other
7 revenues of the commission, or any combination of these sources.

8 (k) (j) If bonds are issued under this chapter that are payable solely
9 or in part from revenues to the commission from a project or projects,
10 the commission may adopt a resolution or trust indenture or enter into
11 covenants as is customary in the issuance of revenue bonds. The
12 resolution or trust indenture may pledge or assign the revenues from
13 the project or projects but may not convey or mortgage any project or
14 parts of a project. The resolution or trust indenture may also contain
15 any provisions for protecting and enforcing the rights and remedies of
16 the bond owners as may be reasonable and proper and not in violation
17 of law, including covenants setting forth the duties of the commission.
18 The commission may establish fees and charges for the use of any
19 project and covenant with the owners of any bonds to set those fees and
20 charges at a rate sufficient to protect the interest of the owners of the
21 bonds. Any revenue bonds issued by the commission that are payable
22 solely from revenues of the commission must contain a statement to
23 that effect in the form of bond.

24 SECTION 163. IC 36-7-15.1-17.1, AS AMENDED BY
25 P.L.90-2002, SECTION 478, IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 17.1. (a) **Subject**
27 **to IC 6-1.1-17.5**, a commission may enter into a lease of any property
28 that may be financed with the proceeds of bonds issued under this
29 chapter with a lessor for a term not to exceed fifty (50) years. The lease
30 may provide for payments to be made by the commission from special
31 benefits taxes levied under section 19 of this chapter, taxes allocated
32 under section 26 of this chapter, any other revenue available to the
33 commission, or any combination of these sources.

34 (b) A lease may provide that payments by the commission to the
35 lessor are required only to the extent and only for the period that the
36 lessor is able to provide the leased facilities in accordance with the
37 lease. The terms of each lease must be based upon the value of the
38 facilities leased and may not create a debt of the unit or the district for
39 purposes of the Constitution of the State of Indiana.

40 (c) A lease may be entered into by the commission only after a
41 public hearing by the commission at which all interested parties are
42 given the opportunity to be heard. Notice of the hearing must be given

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1 by publication in accordance with IC 5-3-1. After the public hearing,
 2 the commission may adopt a resolution authorizing the execution of the
 3 lease on behalf of the unit if it finds that the service to be provided
 4 throughout the term of the lease will serve the public purpose of the
 5 unit and is in the best interests of its residents. Any lease approved by
 6 a resolution of the commission must be approved by an ordinance of
 7 the fiscal body of the unit.

8 (d) Upon execution of a lease providing for payments by the
 9 commission in whole or in part from the levy of special benefits taxes
 10 under section 19 of this chapter and upon approval of the lease by the
 11 fiscal body, the commission shall publish notice of the execution of the
 12 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
 13 taxpayers residing in the district who will be affected by the lease and
 14 who may be of the opinion that no necessity exists for the execution of
 15 the lease or that the payments provided for in the lease are not fair and
 16 reasonable may file a petition in the office of the county auditor within
 17 thirty (30) days after the publication of the notice of execution and
 18 approval. The petition must set forth the petitioners' names, addresses,
 19 and objections to the lease and the facts showing that the execution of
 20 the lease is unnecessary or unwise or that the payments provided for in
 21 the lease are not fair and reasonable, as the case may be. Upon the
 22 filing of the petition, the county auditor shall immediately certify a
 23 copy of it, together with such other data as may be necessary in order
 24 to present the questions involved, to the department of local
 25 government finance. Upon receipt of the certified petition and
 26 information, the department of local government finance shall fix a
 27 time and place for the hearing in the redevelopment district, which
 28 must be not less than five (5) or more than thirty (30) days after the
 29 time for the hearing is fixed. Notice of the hearing shall be given by the
 30 department of local government finance to the members of the fiscal
 31 body, to the commission, and to the first fifty (50) petitioners on the
 32 petition by a letter signed by the commissioner or deputy commissioner
 33 of the department and enclosed with fully prepaid postage sent to those
 34 persons at their usual place of residence, at least five (5) days before
 35 the date of the hearing. The decision of the department of local
 36 government finance on the appeal, upon the necessity for the execution
 37 of the lease and as to whether the payments under it are fair and
 38 reasonable, is final.

39 (e) (c) A commission entering into a lease payable from allocated
 40 taxes under section 26 of this chapter or revenues or other available
 41 funds of the commission may:

42 (1) pledge the revenue to make payments under the lease pursuant

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1 to IC 5-1-14-4; and
 2 (2) establish a special fund to make the payments.
 3 Lease rentals may be limited to money in the special fund so that the
 4 obligations of the commission to make the lease rental payments are
 5 not considered a debt of the unit or the district for purposes of the
 6 Constitution of the State of Indiana.
 7 (ff) (d) Except as provided in this section, no approvals of any
 8 governmental body or agency are required before the commission
 9 enters into a lease under this section.
 10 (gg) (e) An action to contest the validity of the lease or to enjoin the
 11 performance of any of its terms and conditions must be brought within
 12 thirty (30) days after the publication of the notice of the execution and
 13 approval of the lease. However, if the lease is payable in whole or in
 14 part from tax levies and ~~an appeal has been taken to the department of~~
 15 ~~local government finance,~~ **a remonstrance petition is filed under**
 16 **IC 6-1.1-17.5-11**, an action to contest the validity or to enjoin
 17 performance must be brought within thirty (30) days after the ~~decision~~
 18 ~~of the department.~~ **deadline for filing a counterpetition under**
 19 **IC 6-1.1-17.5-12.**
 20 (ff) (f) If a commission exercises an option to buy a leased facility
 21 from a lessor, the commission may subsequently sell the leased facility,
 22 without regard to any other statute, to the lessor at the end of the lease
 23 term at a price set forth in the lease or at fair market value established
 24 at the time of the sale by the commission through auction, appraisal, or
 25 arms length negotiation. If the facility is sold at auction, after appraisal,
 26 or through negotiation, the commission shall conduct a hearing after
 27 public notice in accordance with IC 5-3-1 before the sale. Any action
 28 to contest the sale must be brought within fifteen (15) days after the
 29 hearing.
 30 SECTION 164. IC 36-7-15.1-26.9, AS AMENDED BY
 31 P.L.90-2002, SECTION 482, IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 26.9. (a) The
 33 definitions set forth in section 26.5 of this chapter apply to this section.
 34 (b) The fiscal officer of the consolidated city shall publish in the
 35 newspaper in the county with the largest circulation all determinations
 36 made under section 26.5 or 26.7 of this chapter that result in the
 37 allowance or disallowance of credits. The publication of a
 38 determination made under section 26.5 of this chapter shall be made
 39 not later than June 20 of the year in which the determination is made.
 40 The publication of a determination made under section 26.7 of this
 41 chapter shall be made not later than December 5 of the year in which
 42 the determination is made.

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1 (c) If credits are granted under section 26.5(g) or 26.5(h) of this
 2 chapter, whether in whole or in part, property taxes on personal
 3 property (as defined in IC 6-1.1-1-11) that are equal to the aggregate
 4 amounts of the credits for all taxpayers in the allocation area under
 5 section 26.5(g) and 26.5(h) of this chapter shall be:

- 6 (1) allocated to the redevelopment district;
 7 (2) paid into the special fund for that allocation area; and
 8 (3) used for the purposes specified in section 26 of this chapter.

9 (d) The county auditor shall adjust the estimate of assessed
 10 valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing
 11 units in which the allocation area is located. The county auditor may
 12 amend this adjustment at any time before the earliest date a taxing unit
 13 must publish the unit's proposed property tax rate under IC 6-1.1-17-3
 14 in the year preceding the year in which the credits under section
 15 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to
 16 the assessed valuation shall be:

- 17 (1) calculated to produce an estimated assessed valuation that will
 18 offset the effect that paying personal property taxes into the
 19 allocation area special fund under subsection (c) would otherwise
 20 have on the ability of a taxing unit to achieve the taxing unit's tax
 21 levy in the following year; and
 22 (2) used by the county ~~board of tax adjustment~~, **property tax**
 23 **control board**, the department of local government finance, and
 24 each taxing unit in determining each taxing unit's tax rate and tax
 25 levy in the following year.

26 (e) The amount by which a taxing unit's levy is adjusted as a result
 27 of the county auditor's adjustment of assessed valuation under
 28 subsection (d), and the amount of the levy that is used to make direct
 29 payments to taxpayers under section 26.5(h) of this chapter, is not part
 30 of the total county tax levy under IC 6-1.1-21-2(g). ~~and is not subject~~
 31 ~~to IC 6-1.1-20.~~

32 (f) The ad valorem property tax ~~levy rate~~ limits imposed by
 33 IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5 do not apply to ad valorem
 34 property taxes imposed that are used to offset the effect of paying
 35 personal property taxes into an allocation area special fund during the
 36 taxable year under subsection (d) or to make direct payments to
 37 taxpayers under section 26.5(h) of this chapter. For purposes of
 38 computing the ad valorem property tax ~~levy rate~~ limits imposed under
 39 IC 6-1.1-18.5-3 and IC 6-1.1-19-1.5, a taxing unit's ad valorem property
 40 tax ~~levy rate~~ for a particular calendar year does not include that part of
 41 the ~~levy rate~~ imposed to offset the effect of paying personal property
 42 taxes into an allocation area special fund under subsection (d) or to

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1 make direct payments to taxpayers under section 26.5(h) of this
2 chapter.

3 (g) Property taxes on personal property that are deposited in the
4 allocation area special fund:

5 (1) are subject to any pledge of allocated property tax proceeds
6 made by the redevelopment district under section 26(d) of this
7 chapter, including but not limited to any pledge made to owners
8 of outstanding bonds of the redevelopment district of allocated
9 taxes from that area; and

10 (2) may not be treated as property taxes. ~~used to pay interest or~~
11 ~~principal due on debt under IC 6-1.1-21-2(g)(1)(D).~~

12 SECTION 165. IC 36-7-15.1-45, AS ADDED BY P.L.102-1999,
13 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JANUARY 1, 2005]: Sec. 45. (a) In addition to other methods of
15 raising money for property acquisition or redevelopment in a blighted,
16 deteriorated, or deteriorating area, and in anticipation of the special tax
17 to be levied under section 50 of this chapter, the taxes allocated under
18 section 53 of this chapter, or other revenues of the redevelopment
19 district, a commission may, by resolution **and subject to IC 6-1.1-17.5**,
20 issue the bonds of its redevelopment district in the name of the
21 excluded city. The amount of the bonds may not exceed the total, as
22 estimated by the commission, of all expenses reasonably incurred in
23 connection with the acquisition and redevelopment of the property,
24 including:

25 (1) the total cost of all land, rights-of-way, and other property to
26 be acquired and redeveloped;

27 (2) all reasonable and necessary architectural, engineering, legal,
28 financing, accounting, advertising, bond discount, and
29 supervisory expenses related to the acquisition and redevelopment
30 of the property or the issuance of bonds;

31 (3) capitalized interest permitted in this chapter and a debt service
32 reserve for the bonds, to the extent that the redevelopment
33 commission determines that a reserve is reasonably required;

34 (4) the total cost of all clearing and construction work provided
35 for in the resolution; and

36 (5) expenses that the commission is required or permitted to pay
37 under IC 8-23-17.

38 (b) If a commission plans to acquire different parcels of land or let
39 different contracts for redevelopment work at approximately the same
40 time, whether under one (1) or more resolutions, a commission may
41 provide for the total cost in one (1) issue of bonds.

42 (c) The bonds must be dated as set forth in the bond resolution and

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1 negotiable subject to the requirements concerning registration of the
2 bonds. The resolution authorizing the bonds must state:

- 3 (1) the denominations of the bonds;
- 4 (2) the place or places at which the bonds are payable; and
- 5 (3) the term of the bonds, which may not exceed fifty (50) years.

6 The resolution may also state that the bonds are redeemable before
7 maturity with or without a premium, as determined by the commission.

8 (d) The commission shall certify a copy of the resolution authorizing
9 the bonds to the fiscal officer of the excluded city, who shall then
10 prepare the bonds. The seal of the unit must be impressed on the bonds,
11 or a facsimile of the seal must be printed on the bonds.

12 (e) The bonds shall be executed by the excluded city executive and
13 attested by the excluded city fiscal officer. The interest coupons, if any,
14 shall be executed by the facsimile signature of the excluded city fiscal
15 officer.

16 (f) The bonds are exempt from taxation as provided by IC 6-8-5.

17 (g) The excluded city fiscal officer shall sell the bonds according to
18 law. Bonds payable solely or in part from tax proceeds allocated under
19 section 53(b)(2) of this chapter or other revenues of the district may be
20 sold at private negotiated sale and at a price or prices not less than
21 ninety-seven percent (97%) of the par value.

22 (h) The bonds are not a corporate obligation of the excluded city but
23 are an indebtedness of the redevelopment district. The bonds and
24 interest are payable:

- 25 (1) from a special tax levied upon all of the property in the
- 26 redevelopment district, as provided by section 50 of this chapter;
- 27 (2) from the tax proceeds allocated under section 53(b)(2) of this
- 28 chapter;
- 29 (3) from other revenues available to the commission; or
- 30 (4) from a combination of the methods described in subdivisions
- 31 (1) through (3);

32 and from any revenues of the designated project. If the bonds are
33 payable solely from the tax proceeds allocated under section 53(b)(2)
34 of this chapter, other revenues of the redevelopment commission, or
35 any combination of these sources, they may be issued in any amount
36 without limitation.

37 (i) Proceeds from the sale of the bonds may be used to pay the cost
38 of interest on the bonds for a period not to exceed five (5) years from
39 the date of issue.

40 (j) ~~The laws relating to the filing of petitions requesting the issuance~~
41 ~~of bonds and the right of taxpayers to remonstrate against the issuance~~
42 ~~of bonds applicable to bonds issued under this chapter do~~

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1 **IC 6-1.1-17.5** does not apply to bonds payable solely or in part from
2 tax proceeds allocated under section 53(b)(2) of this chapter, other
3 revenues of the commission, or any combination of these sources.

4 (k) If bonds are issued under this chapter that are payable solely or
5 in part from revenues to a commission from a project or projects, a
6 commission may adopt a resolution or trust indenture or enter into
7 covenants as is customary in the issuance of revenue bonds. The
8 resolution or trust indenture may pledge or assign the revenues from
9 the project or projects but may not convey or mortgage any project or
10 parts of a project. The resolution or trust indenture may also contain
11 any provisions for protecting and enforcing the rights and remedies of
12 the bond owners as may be reasonable and proper and not in violation
13 of law, including covenants setting forth the duties of the commission.
14 The commission may establish fees and charges for the use of any
15 project and covenant with the owners of bonds to set those fees and
16 charges at a rate sufficient to protect the interest of the owners of the
17 bonds. Any revenue bonds issued by the commission that are payable
18 solely from revenues of the commission must contain a statement to
19 that effect in the form of bond.

20 SECTION 166. IC 36-7-15.1-46, AS AMENDED BY P.L.90-2002,
21 SECTION 483, IS AMENDED TO READ AS FOLLOWS
22 [EFFECTIVE JANUARY 1, 2005]: Sec. 46. (a) **Subject to**
23 **IC 6-1.1-17.5**, a commission may enter into a lease of any property that
24 may be financed with the proceeds of bonds issued under section 45 of
25 this chapter with a lessor for a term not to exceed fifty (50) years. The
26 lease may provide for payments to be made by the commission from
27 special benefits taxes levied under section 50 of this chapter, taxes
28 allocated under section 53 of this chapter, any other revenue available
29 to the commission, or any combination of these sources.

30 (b) A lease may provide that payments by the commission to the
31 lessor are required only to the extent and only for the period that the
32 lessor is able to provide the leased facilities in accordance with the
33 lease. The terms of each lease must be based upon the value of the
34 facilities leased and may not create a debt of the unit or the district for
35 purposes of the Constitution of the State of Indiana.

36 (c) A lease may be entered into by the commission only after a
37 public hearing by the commission at which all interested parties are
38 given the opportunity to be heard. Notice of the hearing must be given
39 by publication in accordance with IC 5-3-1. After the public hearing,
40 the commission may adopt a resolution authorizing the execution of the
41 lease on behalf of the unit if it finds that the service to be provided
42 throughout the term of the lease will serve the public purpose of the

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1 unit and is in the best interests of its residents. Any lease approved by
 2 a resolution of the commission must be approved by an ordinance of
 3 the fiscal body of the excluded city.

4 (d) Upon execution of a lease providing for payments by the
 5 commission in whole or in part from the levy of special benefits taxes
 6 under section 50 of this chapter and upon approval of the lease by the
 7 fiscal body, the commission shall publish notice of the execution of the
 8 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
 9 taxpayers residing in the district who will be affected by the lease and
 10 who may be of the opinion that no necessity exists for the execution of
 11 the lease or that the payments provided for in the lease are not fair and
 12 reasonable may file a petition in the office of the county auditor within
 13 thirty (30) days after the publication of the notice of execution and
 14 approval. The petition must set forth the petitioners' names, addresses,
 15 and objections to the lease and the facts showing that the execution of
 16 the lease is unnecessary or unwise or that the payments provided for in
 17 the lease are not fair and reasonable, as the case may be. Upon the
 18 filing of the petition, the county auditor shall immediately certify a
 19 copy of the petition, together with such other data as may be necessary
 20 in order to present the questions involved, to the department of local
 21 government finance. Upon receipt of the certified petition and
 22 information, the department of local government finance shall fix a
 23 time and place for the hearing in the redevelopment district, which
 24 must not be less than five (5) or more than thirty (30) days after the
 25 time for the hearing is fixed. Notice of the hearing shall be given by the
 26 department of local government finance to the members of the fiscal
 27 body, to the commission, and to the first fifty (50) petitioners on the
 28 petition by a letter signed by the commissioner or deputy commissioner
 29 of the department and enclosed with fully prepaid postage sent to those
 30 persons at their usual place of residence, at least five (5) days before
 31 the date of the hearing. The decision of the department of local
 32 government finance on the appeal, upon the necessity for the execution
 33 of the lease and as to whether the payments under it are fair and
 34 reasonable, is final.

35 (e) (d) A commission entering into a lease payable from allocated
 36 taxes under section 53 of this chapter or revenues or other available
 37 funds of the commission may:

- 38 (1) pledge the revenue to make payments under the lease as
- 39 provided in IC 5-1-14-4; and
- 40 (2) establish a special fund to make the payments.

41 Lease rentals may be limited to money in the special fund so that the
 42 obligations of the commission to make the lease rental payments are

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1 not considered a debt of the unit or the district for purposes of the
2 Constitution of the State of Indiana.

3 ~~(f)~~ (e) Except as provided in this section, no approvals of any
4 governmental body or agency are required before the commission
5 enters into a lease under this section.

6 ~~(g)~~ (f) An action to contest the validity of the lease or to enjoin the
7 performance of any of its terms and conditions must be brought within
8 thirty (30) days after the publication of the notice of the execution and
9 approval of the lease. However, if the lease is payable in whole or in
10 part from tax levies and ~~an appeal has been taken to the department of~~
11 ~~local government finance; a remonstrance petition is filed under~~
12 **IC 6-1.1-17.5-11**, an action to contest the validity or to enjoin
13 performance must be brought within thirty (30) days after the ~~decision~~
14 ~~of the department of local government finance. deadline for filing a~~
15 **counterpetition under IC 6-1.1-17.5-12.**

16 ~~(h)~~ (g) If a commission exercises an option to buy a leased facility
17 from a lessor, the commission may subsequently sell the leased facility,
18 without regard to any other statute, to the lessor at the end of the lease
19 term at a price set forth in the lease or at fair market value established
20 at the time of the sale by the commission through auction, appraisal, or
21 arms length negotiation. If the facility is sold at auction, after appraisal,
22 or through negotiation, the commission shall conduct a hearing after
23 public notice in accordance with IC 5-3-1 before the sale. Any action
24 to contest the sale must be brought within fifteen (15) days after the
25 hearing.

26 SECTION 167. IC 36-7-29-13 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 13. (a) Subject to
28 section 15 of this chapter **and IC 6-1.1-17.5**, the board may issue
29 district bonds under this section for the payment of the cost of
30 substance removal or remedial action at a qualified site.

31 (b) On adopting a resolution ordering the issuance of district bonds,
32 the board shall certify a copy of the resolution and a copy of the
33 approval to the treasurer of the district, who shall prepare the district
34 bonds.

35 (c) The district bonds are special obligations of indebtedness of the
36 district. The district bonds issued under this section, and interest on the
37 district bonds, are payable solely out of a special tax levied on all of the
38 property of the district or other funds that may, under this chapter, or
39 under any other law, be used to pay debt service on bonds. The district
40 bonds must recite the terms on the face of the district bonds together
41 with the purpose for which the district bonds are issued. For the
42 purpose of raising money to pay district bonds issued under this

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1 section, the board shall levy each year a special tax on all of the
 2 property in the district in the amount and the manner necessary to meet
 3 and pay the principal of the district bonds as they severally mature,
 4 together with all accruing interest on them. The tax is declared to
 5 constitute the amount of benefits resulting to all of the property of the
 6 district.

7 (d) All proceeds from the sale of district bonds shall be kept as a
 8 separate and specific fund, to pay the cost of substance removal or
 9 remedial action, and no part of the proceeds may be used for any other
 10 purpose, except as provided in IC 5-1-13 and IC 5-1-14.

11 (e) The tax levied each year shall be certified to the treasurer of the
 12 district and to the county auditor. The tax levied and certified shall be
 13 estimated and entered upon the tax duplicate by the county auditor and
 14 shall be collected and enforced. As the tax is collected by the county
 15 treasurer, the tax shall be transferred to the treasurer of the district, kept
 16 in a separate fund to be known as the district bond fund, and applied to
 17 the payment of the principal of and interest on the district bonds as the
 18 district bonds become due and to no other purpose, except as provided
 19 in IC 5-1-13 and IC 5-1-14.

20 (f) The special tax described in this section may not be levied after
 21 the last of the principal and interest on bonds issued under this chapter
 22 have been completely paid.

23 SECTION 168. IC 36-7-29-16, AS AMENDED BY P.L.90-2002,
 24 SECTION 485, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JANUARY 1, 2005]: Sec. 16. (a) District bonds may be
 26 issued by a board under this chapter without following any procedures
 27 set forth in any other statute except that the board must:

28 (1) adopt a bond resolution after a public hearing following public
 29 notice of the hearing published in accordance with IC 5-3-1;

30 ~~(2) publish notice of the determination to issue district bonds in
 31 accordance with IC 6-1.1-20-5;~~

32 ~~(3) (2) obtain the approval for **comply with IC 6-1.1-18-5 with**
 33 **respect to** the appropriation of the proceeds of the district bonds
 34 as set forth in IC 6-1.1-18-5 if the appropriation is an additional
 35 appropriation; and~~

36 ~~(4) obtain the approval of the department of local government
 37 finance for a tax levy under IC 6-1.1-18.5-8.~~

38 ~~(3) **comply with IC 6-1.1-17.5.**~~

39 (b) The bond resolution must contain a finding that substance
 40 removal or remedial action at the qualified site will be of public utility
 41 and benefit because the conditions at the qualified site are detrimental
 42 to the social and economic interests of the district.

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1 SECTION 169. IC 36-7-30-18 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 18. (a) In addition
 3 to other methods of raising money for property acquisition,
 4 redevelopment, or economic development activities in or directly
 5 serving or benefiting a military base reuse area, and in anticipation of
 6 the taxes allocated under section 25 of this chapter, other revenues of
 7 the district, or any combination of these sources, the reuse authority
 8 may by resolution issue the bonds of the special taxing district in the
 9 name of the unit, **subject to IC 6-1.1-17.5.**

10 (b) The reuse authority shall certify a copy of the resolution
 11 authorizing the bonds to the municipal or county fiscal officer, who
 12 shall then prepare the bonds. The seal of the unit must be impressed on
 13 the bonds or a facsimile of the seal must be printed on the bonds.

14 (c) The bonds must be executed by the appropriate officer of the
 15 unit, and attested by the unit's fiscal officer.

16 (d) The bonds are exempt from taxation for all purposes.

17 (e) Bonds issued under this section may be sold at public sale in
 18 accordance with IC 5-1-11 or at a negotiated sale.

19 (f) The bonds are not a corporate obligation of the unit but are an
 20 indebtedness of the taxing district. The bonds and interest are payable,
 21 as set forth in the bond resolution of the reuse authority, from any of
 22 the following:

- 23 (1) The tax proceeds allocated under section 25 of this chapter.
- 24 (2) Other revenues available to the reuse authority.
- 25 (3) A combination of the methods stated in subdivisions (1)
 26 through (2).

27 If the bonds are payable solely from the tax proceeds allocated under
 28 section 25 of this chapter, other revenues of the reuse authority, or any
 29 combination of these sources, the bonds may be issued in any amount
 30 without limitation.

31 (g) Proceeds from the sale of bonds may be used to pay the cost of
 32 interest on the bonds for a period not to exceed five (5) years after the
 33 date of issuance.

34 (h) ~~All laws relating to the filing of petitions requesting the issuance~~
 35 ~~of bonds and the right of taxpayers to remonstrate against the issuance~~
 36 ~~of bonds do not apply IC 6-1.1-17.5 applies to bonds issued under this~~
 37 chapter.

38 (i) If a debt service reserve is created from the proceeds of bonds,
 39 the debt service reserve may be used to pay principal and interest on
 40 the bonds as provided in the bond resolution.

41 (j) If bonds are issued under this chapter that are payable solely or
 42 in part from revenues of the reuse authority, the reuse authority may

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1 adopt a resolution or trust indenture or enter into covenants as is
 2 customary in the issuance of revenue bonds. The resolution or trust
 3 indenture may pledge or assign revenues of the reuse authority and
 4 properties becoming available to the reuse authority under this chapter.
 5 The resolution or trust indenture may also contain provisions for
 6 protecting and enforcing the rights and remedies of the bond owners as
 7 may be reasonable and proper and not in violation of law, including a
 8 covenant setting forth the duties of the reuse authority. The reuse
 9 authority may establish fees and charges for the use of any project and
 10 covenant with the owners of any bonds to set the fees and charges at a
 11 rate sufficient to protect the interest of the owners of the bonds.
 12 Revenue bonds issued by the reuse authority that are payable solely
 13 from revenues of the reuse authority shall contain a statement to that
 14 effect in the form of the bond.

15 SECTION 170. IC 36-7-32-24, AS ADDED BY P.L.192-2002(ss),
 16 SECTION 187, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JANUARY 1, 2005]: Sec. 24. (a) **Subject to**
 18 **IC 6-1.1-17.5**, a redevelopment commission may issue bonds for the
 19 purpose of providing public facilities under this chapter.

20 (b) The bonds are payable solely from:

- 21 (1) property tax proceeds allocated to the certified technology
- 22 park fund under section 17 of this chapter;
- 23 (2) money distributed to the redevelopment commission under
- 24 section 22 of this chapter;
- 25 (3) other funds available to the redevelopment commission; or
- 26 (4) a combination of the methods in subdivisions (1) through (3).

27 (c) The bonds shall be authorized by a resolution of the
 28 redevelopment commission.

29 (d) The terms and form of the bonds shall be set out either in the
 30 resolution or in a form of trust indenture approved by the resolution.

31 (e) The bonds must mature within fifty (50) years.

32 (f) The redevelopment commission shall sell the bonds at public or
 33 private sale upon such terms as determined by the redevelopment
 34 commission.

35 (g) All money received from any bonds issued under this chapter
 36 shall be applied solely to the payment of the cost of providing public
 37 facilities within a certified technology park, or the cost of refunding or
 38 refinancing outstanding bonds, for which the bonds are issued. The cost
 39 may include:

- 40 (1) planning and development of the public facilities and all
- 41 related buildings, facilities, structures, and improvements;
- 42 (2) acquisition of a site and clearing and preparing the site for

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- 1 construction;
- 2 (3) equipment, facilities, structures, and improvements that are
- 3 necessary or desirable to make the public facilities suitable for use
- 4 and operation;
- 5 (4) architectural, engineering, consultant, and attorney's fees;
- 6 (5) incidental expenses in connection with the issuance and sale
- 7 of bonds;
- 8 (6) reserves for principal and interest;
- 9 (7) interest during construction and for a period thereafter
- 10 determined by the redevelopment commission, but not to exceed
- 11 five (5) years;
- 12 (8) financial advisory fees;
- 13 (9) insurance during construction;
- 14 (10) municipal bond insurance, debt service reserve insurance,
- 15 letters of credit, or other credit enhancement; and
- 16 (11) in the case of refunding or refinancing, payment of the
- 17 principal of, redemption premiums, if any, for, and interest on, the
- 18 bonds being refunded or refinanced.

19 SECTION 171. IC 36-8-6-5, AS AMENDED BY P.L.90-2002,
 20 SECTION 487, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JANUARY 1, 2005]: Sec. 5. (a) If the local board
 22 determines that the total amount of money available for a year will be
 23 insufficient to pay the benefits, pensions, and retirement allowances the
 24 local board is obligated to pay under this chapter, the local board shall,
 25 before the date on which the budget of the municipality is adopted,
 26 prepare an itemized estimate in the form prescribed by the state board
 27 of accounts of the amount of money that will be receipted into and
 28 disbursed from the 1925 fund during the next fiscal year. The estimated
 29 receipts consist of the items enumerated in section 4(a) of this chapter.
 30 The estimated disbursements consist of an estimate of the amount of
 31 money that will be needed by the local board during the next fiscal year
 32 to defray the expenses and obligations incurred and that will be
 33 incurred by the local board in making the payments prescribed by this
 34 chapter to retired members, to members who are eligible to and expect
 35 to retire during the ensuing fiscal year, and to the dependents of
 36 deceased members.

37 (b) The local board may provide in its annual budget and pay all
 38 necessary expenses of operating the 1925 fund, including the payment
 39 of all costs of litigation and attorney fees arising in connection with the
 40 fund, as well as the payment of benefits and pensions. Notwithstanding
 41 any other law, neither the municipal legislative body ~~the county board~~
 42 ~~of tax adjustment~~, nor the department of local government finance may

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reduce an item of expenditure.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

(1) the name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled;

(2) the name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive; and

(3) the name and age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is entitled.

(d) The total receipts shall be deducted from the total expenditures stated in the itemized estimate and the amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the municipality in the same manner as other expenses of the municipality are paid. A tax levy shall be made annually for this purpose, as provided in subsection (e). The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other municipal offices and departments are prepared and filed.

(e) The municipal legislative body shall levy an annual tax in the amount and at the rate that are necessary to produce the revenue to pay that part of the police pensions that the municipality is obligated to pay. All money derived from the levy is for the exclusive use of the police pensions and benefits. The amounts in the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the municipality. The legislative body shall make a levy for them that will yield an amount equal to the estimated disbursements, less the amount of the estimated receipts. Notwithstanding any other law, ~~neither the county board of tax adjustment nor~~ the department of local government finance may **not** reduce the levy.

SECTION 172. IC 36-8-7-14, AS AMENDED BY P.L.90-2002, SECTION 488, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 14. (a) The local board shall meet annually and prepare an itemized estimate, in the form prescribed by the state board of accounts, of the amount of money that will be receipted into and disbursed from the 1937 fund during the next fiscal

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1 year. The estimated receipts consist of the items enumerated in section
 2 8 of this chapter. The estimated disbursements must be divided into
 3 two (2) parts, designated as part 1 and part 2.

4 (b) Part 1 of the estimated disbursements consists of an estimate of
 5 the amount of money that will be needed by the local board during the
 6 next fiscal year to defray the expenses and obligations incurred and that
 7 will be incurred by the local board in making the payments prescribed
 8 by this chapter to retired members, to members who are eligible to and
 9 expect to retire during the next fiscal year, and to the dependents of
 10 deceased members. Part 2 of the estimated disbursements consists of
 11 an estimate of the amount of money that will be needed to pay death
 12 benefits and other expenditures that are authorized or required by this
 13 chapter.

14 (c) At the time when the estimates are prepared and submitted, the
 15 local board shall also prepare and submit a certified statement showing
 16 the following:

17 (1) The name, age, and date of retirement of each retired member
 18 and the monthly and yearly amount of the payment to which the
 19 retired member is entitled.

20 (2) The name and age of each member who is eligible to and
 21 expects to retire during the next fiscal year, the date on which the
 22 member expects to retire, and the monthly and yearly amount of
 23 the payment that the member will be entitled to receive.

24 (3) The name and the age of each dependent, the date on which
 25 the dependent became a dependent, the date on which the
 26 dependent will cease to be a dependent by reason of attaining the
 27 age at which dependents cease to be dependents, and the monthly
 28 and yearly amount of the payment to which the dependent is
 29 entitled.

30 (4) The amount that would be required for the next fiscal year to
 31 maintain level cost funding during the active fund members'
 32 employment on an actuarial basis.

33 (5) The amount that would be required for the next fiscal year to
 34 amortize accrued liability for active members, retired members,
 35 and dependents over a period determined by the local board, but
 36 not to exceed forty (40) years.

37 (d) The total receipts shall be deducted from the total expenditures
 38 as listed in the itemized estimate. The amount of the excess of the
 39 estimated expenditures over the estimated receipts shall be paid by the
 40 unit in the same manner as other expenses of the unit are paid, and an
 41 appropriation shall be made annually for that purpose. The estimates
 42 submitted shall be prepared and filed in the same manner and form and

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1 at the same time that estimates of other offices and departments of the
2 unit are prepared and filed.

3 (e) The estimates shall be made a part of the annual budget of the
4 unit. When revising the estimates, the executive, the fiscal officer, and
5 other fiduciary officers may not reduce the items in part 1 of the
6 estimated disbursements.

7 (f) The unit's fiscal body shall make the appropriations necessary to
8 pay that proportion of the budget of the 1937 fund that the unit is
9 obligated to pay under subsection (d). In addition, the fiscal body may
10 make appropriations for purposes of subsection (c)(4), (c)(5), or both.
11 All appropriations shall be made to the local board for the exclusive
12 use of the 1937 fund. The amounts listed in part 1 of the estimated
13 disbursements, if found to be correct and in conformity with the data
14 submitted in the certified statement, are a binding obligation upon the
15 unit. Notwithstanding any other law, ~~neither the county board of tax
16 adjustment nor~~ the department of local government finance may **not**
17 reduce the appropriations made to pay the amount equal to estimated
18 disbursements minus estimated receipts.

19 SECTION 173. IC 36-8-7-22, AS AMENDED BY P.L.90-2002,
20 SECTION 489, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JANUARY 1, 2005]: Sec. 22. The 1937 fund may not
22 be, either before or after an order for distribution to members of the fire
23 department or to the surviving spouses or guardians of a child or
24 children of a deceased, disabled, or retired member, held, seized, taken,
25 subjected to, detained, or levied on by virtue of an attachment,
26 execution, judgment, writ, interlocutory or other order, decree, or
27 process, or proceedings of any nature issued out of or by a court in any
28 state for the payment or satisfaction, in whole or in part, of a debt,
29 damages, demand, claim, judgment, fine, or amercement of the
30 member or the member's surviving spouse or children. The 1937 fund
31 shall be kept and distributed only for the purpose of pensioning the
32 persons named in this chapter. The local board may, however, annually
33 expend an amount from the 1937 fund that it considers proper for the
34 necessary expenses connected with the fund. Notwithstanding any
35 other law, ~~neither the fiscal body the county board of tax adjustment;~~
36 nor the department of local government finance may reduce these
37 expenditures.

38 SECTION 174. IC 36-8-7.5-10, AS AMENDED BY P.L.1-2003,
39 SECTION 101, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JANUARY 1, 2005]: Sec. 10. (a) If the local board
41 determines that the total amount of money available for a year will be
42 insufficient to pay the benefits, pensions, and retirement allowances the

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1 local board is obligated to pay under this chapter, the local board shall,
 2 before the date on which the budget of the police special service
 3 district is adopted, prepare an itemized estimate in the form prescribed
 4 by the state board of accounts of the amount of money that will be
 5 receipted into and disbursed from the 1953 fund during the next fiscal
 6 year. The estimated receipts consist of the items enumerated in section
 7 8 of this chapter. The estimated disbursements consist of an estimate
 8 of the amount of money that will be needed by the local board during
 9 the next fiscal year to defray the expenses and obligations incurred and
 10 that will be incurred by the local board in making the payments
 11 prescribed by this chapter to retired members, to members who are
 12 eligible and expect to retire during the ensuing fiscal year, and to the
 13 dependents of deceased members.

14 (b) At the time when the estimates are prepared and submitted, the
 15 local board shall also prepare and submit a certified statement showing:

16 (1) the estimated number of beneficiaries from the 1953 fund
 17 during the ensuing fiscal year in each of the various
 18 classifications of beneficiaries as prescribed in this chapter, and
 19 the names and amount of benefits being paid to those actively on
 20 the list of beneficiaries at that time;

21 (2) the name, age, and length of service of each member of the
 22 police department who is eligible to and expects to retire during
 23 the ensuing fiscal year, and the monthly and yearly amounts of the
 24 payment that the member will be entitled to receive; and

25 (3) the name and age of each dependent of a member of the police
 26 department who is then receiving benefits, the date on which the
 27 dependent commenced drawing benefits, and the date on which
 28 the dependent will cease to be a dependent by reason of attaining
 29 the age limit prescribed by this chapter, and the monthly and
 30 yearly amounts of the payments to which each of the dependents
 31 is entitled.

32 (c) After the amounts of receipts and disbursements shown in the
 33 itemized estimate are fixed and approved by the executive, fiscal
 34 officer, legislative body and other bodies, as provided by law for other
 35 municipal funds, the total receipts shall be deducted from the total
 36 expenditures stated in the itemized estimate, and the amount of the
 37 excess shall be paid by the police special service district in the same
 38 manner as other expenses of the district are paid. The legislative body
 39 shall levy a tax and the money derived from the levy shall, when
 40 collected, be credited exclusively to the 1953 fund. The tax shall be
 41 levied in the amount and at the rate that is necessary to produce
 42 sufficient revenue to equal the deficit. Notwithstanding any other law,

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1 ~~neither the county board of tax adjustment nor~~ the department of local
2 government finance may **not** reduce the tax levy.

3 SECTION 175. IC 36-8-11-18, AS AMENDED BY P.L.90-2002,
4 SECTION 491, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2005]: Sec. 18. (a) The board shall
6 annually budget the necessary money to meet the expenses of operation
7 and maintenance of the district, including repairs, fees, salaries,
8 depreciation on all depreciable assets, rents, supplies, contingencies,
9 bond redemption, and all other expenses lawfully incurred by the
10 district. After estimating expenses and receipts of money, the board
11 shall establish the tax levy required to fund the estimated budget,
12 **subject to IC 6-1.1-17.5 and IC 6-1.1-18.5.**

13 (b) The budget must be approved by the fiscal body of the county
14 ~~the county board of tax adjustment,~~ and **reviewed by** the department
15 of local government finance.

16 (c) ~~Upon approval~~ **After final review** by the department of local
17 government finance, the board shall certify the approved tax levy to the
18 auditor of the county having land within the district. The auditor shall
19 have the levy entered on the county treasurer's tax records for
20 collection. After collection of the taxes the auditor shall issue a warrant
21 on the treasurer to transfer the revenues collected to the board, as
22 provided by statute.

23 SECTION 176. IC 36-8-11-23, AS AMENDED BY P.L.63-1991,
24 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2005]: Sec. 23. (a) Any fire protection district may
26 merge with one (1) or more protection districts to form a single district
27 if at least one-eighth (1/8) of the aggregate external boundaries of the
28 districts coincide.

29 (b) The legislative body of the county where at least two (2) districts
30 are located (or if the districts are located in more than one (1) county,
31 the legislative body of each county) shall, if petitioned by freeholders
32 in the two (2) districts, adopt an ordinance merging the districts into a
33 single fire protection district.

34 (c) Freeholders who desire the merger of at least two (2) fire
35 protection districts must initiate proceedings by filing a petition in the
36 office of the county auditor of each county where a district is located.
37 The petition must be signed:

38 (1) by at least twenty percent (20%), with a minimum of five
39 hundred (500) from each district, of the freeholders owning land
40 within the district; or

41 (2) by a majority of the freeholders from the districts;
42 whichever is less.

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1 (d) The petition described in subsection (c) must state the same
2 items listed in section 7 of this chapter. Sections 6, 8, and 9 of this
3 chapter apply to the petition and to the legislative body of each county
4 in the proposed district.

5 (e) The board of fire trustees for each district shall form a single
6 board, which shall continue to be appointed as prescribed by section 12
7 of this chapter. In addition, sections 13, 14, and 15 of this chapter
8 relating to the board of fire trustees apply to the board of the merged
9 district, except that if the merged district lies in more than one (1)
10 county, the county legislative bodies serving the combined district shall
11 jointly decide where the board shall locate (or approve relocation of)
12 its office.

13 (f) Sections 16, 17, 18, 19, and 21 of this chapter relating to the
14 taxing district, bonds, annual budget, tax levies, and disbanding of fire
15 departments apply to a merged district. However, the budget must be
16 approved by the county fiscal body ~~and county board of tax adjustment~~
17 in each county in the merged district. In addition, the auditor of each
18 county in the district shall perform the duties described in section 18(c)
19 of this chapter.

20 SECTION 177. IC 36-8-13-4, AS AMENDED BY P.L.82-2001,
21 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JANUARY 1, 2005]: Sec. 4. (a) Each township shall annually establish
23 a township firefighting fund which is to be the exclusive fund used by
24 the township for the payment of costs attributable to providing fire
25 protection or emergency services under the methods prescribed in
26 section 3 of this chapter and for no other purposes. The money in the
27 fund may be paid out by the township executive with the consent of the
28 township legislative body.

29 (b) Each township may levy, for each year, a tax for the township
30 firefighting fund. Other than a township providing fire protection or
31 emergency services or both to municipalities in the township under
32 section 3(b) or 3(c) of this chapter, the tax levy is on all taxable real
33 and personal property in the township outside the corporate boundaries
34 of municipalities. Subject to the ~~levy rate~~ limitations contained in
35 **IC 6-1.1-17.5 and** IC 6-1.1-18.5, the township levy is to be in an
36 amount sufficient to pay all costs attributable to fire protection and
37 emergency services that are not paid from other revenues available to
38 the fund. The tax rate and levy shall be established in accordance with
39 the procedures set forth in IC 6-1.1-17 **and IC 6-1.1-17.5.**

40 (c) In addition to the tax levy and service charges received under
41 IC 36-8-12-13 and IC 36-8-12-16, the executive may accept donations
42 to the township for the purpose of firefighting and other emergency

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1 services and shall place them in the fund, keeping an accurate record
2 of the sums received. A person may also donate partial payment of any
3 purchase of firefighting or other emergency services equipment made
4 by the township.

5 (d) If a fire department serving a township dispatches fire apparatus
6 or personnel to a building or premises in the township in response to:

7 (1) an alarm caused by improper installation or improper
8 maintenance; or

9 (2) a drill or test, if the fire department is not previously notified
10 that the alarm is a drill or test;

11 the township may impose a fee or service charge upon the owner of the
12 property. However, if the owner of property that constitutes the owner's
13 residence establishes that the alarm is under a maintenance contract
14 with an alarm company and that the alarm company has been notified
15 of the improper installation or maintenance of the alarm, the alarm
16 company is liable for the payment of the fee or service charge.

17 (e) The amount of a fee or service charge imposed under subsection
18 (d) shall be determined by the township legislative body. All money
19 received by the township from the fee or service charge must be
20 deposited in the township's firefighting fund.

21 SECTION 178. IC 36-8-13-4.5 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4.5. (a) This
23 section applies to a township that provides fire protection or emergency
24 services, or both to a municipality in the township under section 3(b)
25 or 3(c) of this chapter.

26 (b) With the consent of the township legislative body, the township
27 executive shall pay the expenses for fire protection and emergency
28 services in the township, both inside and outside the corporate
29 boundaries of participating municipalities, from any combination of the
30 following township funds, regardless of when the funds were
31 established:

32 (1) The township firefighting fund under section 4 of this chapter.

33 (2) The cumulative building and equipment fund under
34 IC 36-8-14.

35 (3) The debt fund under sections 6 and 6.5 of this chapter.

36 (c) Subject to the ~~levy rate~~ limitations contained in IC 6-1.1-18.5,
37 the tax rate and levy for the township firefighting fund, the cumulative
38 building and equipment fund, or the debt fund is to be in an amount
39 sufficient to pay all costs attributable to fire protection or emergency
40 services that are provided to the township and the participating
41 municipalities that are not paid from other available revenues. The tax
42 rate and levy for each fund shall be established in accordance with the

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1 procedures set forth in IC 6-1.1-17 and apply both inside and outside
2 the corporate boundaries of participating municipalities.

3 (d) The township executive may accept donations for the purpose of
4 firefighting and emergency services. The township executive shall
5 place donations in the township firefighting fund. A person may donate
6 partial payment of a purchase of firefighting or emergency services
7 equipment made by the township.

8 SECTION 179. IC 36-8-14-2, AS AMENDED BY P.L.140-2002,
9 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JANUARY 1, 2005]: Sec. 2. (a) As used in this section, "emergency
11 medical services" has the meaning set forth in IC 16-18-2-110.

12 (b) As used in this section, "volunteer fire department" has the
13 meaning set forth in IC 36-8-12-2.

14 (c) The legislative body of a unit or the board of fire trustees of a
15 fire protection district may provide a cumulative building and
16 equipment fund ~~under IC 6-1.1-41~~ for the following purposes:

17 (1) The:

18 (A) purchase, construction, renovation, or addition to
19 buildings; or

20 (B) purchase of land;

21 used by the fire department or a volunteer fire department serving
22 the unit.

23 (2) The purchase of firefighting equipment for use of the fire
24 department or a volunteer fire department serving the unit,
25 including making the required payments under a lease rental with
26 option to purchase agreement made to acquire the equipment.

27 (3) In a municipality, the purchase of police radio equipment.

28 (4) The:

29 (A) purchase, construction, renovation, or addition to a
30 building;

31 (B) purchase of land; or

32 (C) purchase of equipment;

33 for use of a provider of emergency medical services under
34 IC 16-31-5 to the unit establishing the fund.

35 (d) ~~In addition to the requirements of IC 6-1.1-41,~~ Before a
36 cumulative fund may be established by a township fire protection
37 district, the county legislative body which appoints the trustees of the
38 fire protection district must approve the establishment of the fund.

39 SECTION 180. IC 36-8-14-4 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. (a) To provide
41 for the cumulative building and equipment fund established under this
42 chapter, the legislative body may levy a tax on all taxable property

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1 within the taxing district, ~~in compliance with IC 6-1.1-41,~~ **subject to**
2 **IC 6-1.1-18.5.** The tax rate may not exceed three and thirty-three
3 hundredths cents (\$0.0333) on each one hundred dollars (\$100) of
4 assessed valuation of property in the taxing district.

5 (b) As the tax is collected, it shall be deposited in a qualified public
6 depository or depositories and held in a special fund to be known as the
7 building or remodeling, firefighting, and police radio equipment fund
8 in the case of a municipality or as the building or remodeling and fire
9 equipment fund in the case of a township or fire protection district.

10 SECTION 181. IC 36-8-15-19 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 19. (a) This
12 subsection applies to a county not having a consolidated city. For the
13 purpose of raising money to fund the operation of the district, the
14 county fiscal body may impose, for property taxes first due and payable
15 during each year after the adoption of an ordinance establishing the
16 district, an ad valorem property tax levy on property within the district,
17 **subject to IC 6-1.1-18.5.** The property tax rate for that levy may not
18 exceed five cents (\$0.05) on each one hundred dollars (\$100) of
19 assessed valuation.

20 (b) This subsection applies to a county having a consolidated city.
21 The county fiscal body may elect to fund the operation of the district
22 from part of the certified distribution, if any, that the county is to
23 receive during a particular calendar year under IC 6-3.5-6-17. To make
24 such an election, the county fiscal body must adopt an ordinance before
25 September 1 of the immediately preceding calendar year. The county
26 fiscal body must specify in the ordinance the amount of the certified
27 distribution that is to be used to fund the operation of the district. If the
28 county fiscal body adopts such an ordinance, it shall immediately send
29 a copy of the ordinance to the county auditor.

30 (c) Subject to subsections (d), (e), and (f), if an ordinance or **a**
31 resolution is adopted changing the territory covered by the district or
32 the number of public agencies served by the district, the **department**
33 **of local government tax control board finance** shall, for property taxes
34 first due and payable during the year after the adoption of the
35 ordinance, adjust the maximum permissible ad valorem property tax
36 **levy rate** limits of the district and the units participating in the district.

37 (d) If a unit by ordinance or resolution joins the district or elects to
38 have its public safety agencies served by the district, the **department**
39 **of local government tax control board finance** shall reduce the
40 maximum permissible ad valorem property tax levy of the unit for
41 property taxes first due and payable during the year after the adoption
42 of the ordinance or resolution. The reduction shall be based on the

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1 amount budgeted by the unit for public safety communication services
 2 in the year in which the ordinance was adopted. If such an ordinance
 3 or a resolution is adopted, the district shall refer its proposed ~~budget;~~
 4 ~~ad valorem property tax levy;~~ and ~~property tax~~ rate for the following
 5 year to the **appropriate county property tax control** board, which
 6 shall review and ~~set approve~~ the ~~budget;~~ ~~levy;~~ and rate as though the
 7 district were covered by IC 6-1.1-18.5-7.

8 (e) If a unit by ordinance or resolution withdraws from the district
 9 or rescinds its election to have its public safety agencies served by the
 10 district, the **department of local government tax control board finance**
 11 shall reduce the maximum permissible ad valorem property tax levy of
 12 the district for property taxes first due and payable during the year after
 13 the adoption of the ordinance or resolution. The reduction shall be
 14 based on the amounts being levied by the district within that unit. If
 15 such an ordinance or resolution is adopted, the unit shall refer its
 16 proposed ~~budget;~~ ~~ad valorem property tax levy;~~ and ~~property tax~~ rate
 17 for public safety communication services to the **appropriate county**
 18 **property tax control** board, which shall review and ~~set approve~~ the
 19 ~~budget;~~ ~~levy;~~ and rate as though the unit were covered by
 20 IC 6-1.1-18.5-7.

21 (f) The adjustments provided for in subsections (c), (d), and (e) do
 22 not apply to a district or unit located in a particular county if the county
 23 fiscal body of that county does not impose an ad valorem property tax
 24 levy under subsection (a) to fund the operation of the district.

25 SECTION 182. IC 36-8-19-8, AS AMENDED BY P.L.240-2001,
 26 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2005]: Sec. 8. (a) Upon the adoption of identical
 28 ordinances under section 6 of this chapter, the designated provider unit
 29 must establish a fire protection territory fund from which all expenses
 30 of operating and maintaining the fire protection services within the
 31 territory, including repairs, fees, salaries, depreciation on all
 32 depreciable assets, rents, supplies, contingencies, and all other
 33 expenses lawfully incurred within the territory shall be paid. The
 34 purposes described in this subsection are the sole purposes of the fund
 35 and money in the fund may not be used for any other expenses. Except
 36 as allowed in subsections (d) and (e) and section 8.5 of this chapter, the
 37 provider unit is not authorized to transfer money out of the fund at any
 38 time.

39 (b) The fund consists of the following:

- 40 (1) All receipts from the tax imposed under this section.
- 41 (2) Any money transferred to the fund by the provider unit as
- 42 authorized under subsection (d).

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1 (3) Any receipts from a false alarm fee or service charge imposed
 2 by the participating units under IC 36-8-13-4.

3 (c) The provider unit, with the assistance of each of the other
 4 participating units, shall annually budget the necessary money to meet
 5 the expenses of operation and maintenance of the fire protection
 6 services within the territory, plus a reasonable operating balance, not
 7 to exceed twenty percent (20%) of the budgeted expenses. After
 8 estimating expenses and receipts of money, the provider unit shall
 9 establish the tax levy required to fund the estimated budget. The
 10 amount budgeted under this subsection shall be considered a part of
 11 each of the participating unit's budget.

12 (d) If the amount levied in a particular year is insufficient to cover
 13 the costs incurred in providing fire protection services within the
 14 territory, the provider unit may transfer from available sources to the
 15 fire protection territory fund the money needed to cover those costs. In
 16 this case:

17 (1) the levy in the following year shall be increased by the amount
 18 required to be transferred; and

19 (2) the provider unit is entitled to transfer the amount described
 20 in subdivision (1) from the fund as reimbursement to the provider
 21 unit.

22 (e) If the amount levied in a particular year exceeds the amount
 23 necessary to cover the costs incurred in providing fire protection
 24 services within the territory, the levy in the following year shall be
 25 reduced by the amount of surplus money that is not transferred to the
 26 equipment replacement fund established under section 8.5 of this
 27 chapter. The amount that may be transferred to the equipment
 28 replacement fund may not exceed five percent (5%) of the levy for that
 29 fund for that year. All participating units must agree to the amount to
 30 be transferred by adoption of identical ordinances specifying the
 31 amount.

32 ~~(f) The tax under this section is not subject to the tax levy~~
 33 ~~limitations imposed on civil taxing units under IC 6-1.1-18.5 for any~~
 34 ~~unit that is a participating unit in a fire protection territory that was~~
 35 ~~established before August 1, 2001.~~

36 ~~(g)~~ (f) This subsection applies to a participating unit in a fire
 37 protection territory established under IC 36-8-19 after July 31, 2001.
 38 For purposes of calculating a participating unit's maximum permissible
 39 ad valorem property tax levy for the three (3) calendar years in which
 40 the participating unit levies a tax to support the territory, the unit's
 41 maximum permissible ad valorem property tax levy for the preceding
 42 calendar year under IC 6-1.1-18.5-3(a) STEP ONE or

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1 IC 6-1.1-18.5-3(b) STEP ONE is increased each year by an amount
2 equal to the difference between the:

3 (1) amount the unit will have to levy for the ensuing calendar year
4 in order to fund the unit's share of the fire protection territory
5 budget for the operating costs as provided in the ordinance
6 making the unit a participating unit in the fire protection territory;
7 and

8 (2) unit's levy for fire protection services for the calendar year that
9 immediately precedes the ensuing calendar year in which the
10 participating unit levies a tax to support the territory.

11 SECTION 183. IC 36-8-19-13 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 13. (a) If a unit
13 elects to withdraw from a fire protection territory established under this
14 chapter, the unit must after January 1 but before April 1 adopt an
15 ordinance providing for the withdrawal. An ordinance adopted under
16 this section takes effect July 1 of the year that the ordinance is adopted.

17 (b) If an ordinance is adopted under subsection (a):

18 (1) the unit's maximum permissible ad valorem property tax levy
19 with respect to fire protection services shall be initially increased
20 by the amount of the particular unit's previous year levy under this
21 chapter; and

22 (2) additional increases with respect to fire protection services
23 levy amounts are subject to the tax levy limitations under
24 IC 6-1.1-18.5; except for the part of the unit's levy that is
25 necessary to retire the unit's share of any debt incurred while the
26 unit was a participating unit.

27 SECTION 184. IC 36-9-3-29, AS AMENDED BY P.L.90-2002,
28 SECTION 503, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JANUARY 1, 2005]: Sec. 29. The board shall prepare
30 an annual budget for the authority's operating and maintenance
31 expenditures and necessary capital expenditures. Each annual budget
32 is subject to review and modification by the:

33 (1) fiscal body of the county or municipality that establishes the
34 authority; and

35 (2) county board of tax adjustment and the department of local
36 government finance under IC 6-1.1-17.

37 SECTION 185. IC 36-9-3-31, AS AMENDED BY P.L.90-2002,
38 SECTION 504, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JANUARY 1, 2005]: Sec. 31. (a) This section applies to
40 an authority that includes a county having a population of more than
41 four hundred thousand (400,000) but less than seven hundred thousand
42 (700,000).

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

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

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

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

32 (f) General obligation bonds issued under this section are subject to
33 the provisions of IC 5-1, ~~and IC 6-1.1-20~~ **IC 6-1.1-17.5, and**
34 **IC 6-1.1-18-5** relating to the filing of a petition requesting the issuance
35 of bonds, the appropriation of the proceeds of bonds, the right of
36 taxpayers to appeal and be heard on the proposed appropriation, ~~the~~
37 ~~approval of the appropriation by the department of local government~~
38 ~~finance; the right of taxpayers voters to remonstrate against the~~
39 ~~issuance of bonds; file petitions regarding a decision of a property~~
40 **tax control board**, and the sale of bonds for not less than their par
41 value.

42 (g) Notice of the filing of a petition requesting the issuance of

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1 bonds, notice of determination to issue bonds, and notice of the
 2 appropriation of the proceeds of the bonds shall be given by posting in
 3 the offices of the authority for a period of one (1) week and by
 4 publication in accordance with IC 5-3-1.

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

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

14 SECTION 186. IC 36-9-4-13.5 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 13.5. (a) This
 16 section applies to a county having a population of more than two
 17 hundred thousand (200,000) but less than three hundred thousand
 18 (300,000).

19 (b) The taxing district of a public transportation corporation under
 20 this section includes all the territory inside the corporate boundaries of
 21 the two (2) cities in the county having the largest populations and such
 22 suburban territory as provided in section 13 of this chapter.

23 (c) This section applies upon the adoption of substantially identical
 24 ordinances approving subsection (b) by both:

25 (1) the public transportation corporation incorporating the
 26 additional territory; and

27 (2) the legislative body of the city being added to the taxing
 28 district of the public transportation corporation.

29 (d) Whenever the city in the county having the second largest
 30 population becomes a part of the public transportation corporation,
 31 then two (2) additional directors representing that city shall be
 32 appointed to the board of directors of the corporation. The directors
 33 must be residents of that city and are entitled to all of the rights,
 34 privileges, powers, and duties of directors under this chapter. The
 35 executive and the legislative body of that city shall each appoint one
 36 (1) director. These two (2) directors must not be of the same political
 37 party. The director appointed by the legislative body shall serve for a
 38 term of one (1) year, and the director appointed by the executive shall
 39 serve for a term of two (2) years. Upon the expiration of the respective
 40 terms, successors shall be appointed in accordance with section 18 of
 41 this chapter.

42 (e) If the city in the county having the second largest population

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1 appropriates money to support the public transportation corporation in
 2 a particular year; and if the territory of that city subsequently becomes
 3 a part of the taxing district of the public transportation corporation in
 4 that year and is subject to a separate property tax levy for transportation
 5 services; the maximum permissible levy of that city for the year
 6 following the particular year used to compute the property tax levy
 7 limit under IC 6-1.1-18.5 is decreased; and the maximum permissible
 8 levy of the public transportation corporation for the particular year used
 9 to compute the property tax levy limit under IC 6-1.1-18.5 is increased;
 10 by an amount equivalent to the current contract amount to be paid by
 11 that city to the public transportation corporation for transportation
 12 services provided to that city in the particular year.

13 (f) (e) The public transportation corporation shall establish a single
 14 property tax rate applicable to the taxing district of the public
 15 transportation corporation, including the territory of the city in the
 16 county having the second largest population that is included in the
 17 public transportation corporation under this section. The initial
 18 permissible levy to be raised by this rate equals the sum of the amount
 19 raised by the levy of the public transportation corporation in the
 20 previous taxable year plus an amount equivalent to the current contract
 21 amount to be paid in the calendar year 1982 by the city in the county
 22 having the second largest population to the public transportation
 23 corporation. The permissible levy for the subsequent years shall be
 24 computed in accordance with IC 6-1.1-18.5.

25 (g) If the city in the county having the second largest population is
 26 excluded from the public transportation corporation in a subsequent
 27 year; and that city is no longer subject to a separate property tax levy
 28 for transportation services; the maximum permissible levy of the public
 29 transportation corporation for that subsequent year used to compute the
 30 property tax levy limit under IC 6-1.1-18.5 is decreased; and the
 31 maximum permissible levy of that city for that subsequent year used to
 32 compute the property tax levy limit under IC 6-1.1-18.5 is increased;
 33 by the amount of the product of the public transportation property tax
 34 rate for that subsequent year multiplied by the assessed value in that
 35 subsequent year of all taxable property in that city that is excluded from
 36 the public transportation corporation.

37 SECTION 187. IC 36-9-4-45, AS AMENDED BY P.L.90-2002,
 38 SECTION 505, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JANUARY 1, 2005]: Sec. 45. (a) Bonds issued under
 40 this chapter:

- 41 (1) shall be issued in the denomination;
- 42 (2) are payable over a period not to exceed thirty (30) years from

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1 the date of the bonds; and
 2 (3) mature;
 3 as determined by the ordinance authorizing the bond issue.
 4 (b) All bonds issued under this chapter, the interest on them, and the
 5 income from them are exempt from taxation to the extent provided by
 6 IC 6-8-5-1.
 7 (c) The provisions of ~~IC 6-1.1-20~~ **IC 6-1.1-17.5 and IC 6-1.1-18-5**
 8 relating to ~~filing petitions requesting the issuance of bonds and giving~~
 9 ~~notice of those petitions;~~ giving notice of a hearing on the appropriation
 10 of the proceeds of the bonds, the right of taxpayers to appear and be
 11 heard on the proposed appropriation, ~~the approval of the appropriation~~
 12 ~~by the department of local government finance;~~ and the right of
 13 ~~taxpayers voters to remonstrate against the issuance of bonds file~~
 14 **petitions regarding a decision of a property tax control board** apply
 15 to the issuance of bonds under this chapter.
 16 (d) A suit to question the validity of bonds issued under this chapter
 17 or to prevent their issue and sale may not be instituted after the date set
 18 for the sale of the bonds, and the bonds are incontestable after that date.
 19 SECTION 188. IC 36-9-4-47, AS AMENDED BY P.L.90-2002,
 20 SECTION 506, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JANUARY 1, 2005]: Sec. 47. (a) The board of directors
 22 of a public transportation corporation may:
 23 (1) borrow money in anticipation of receipt of the proceeds of
 24 taxes that have been levied by the board and have not yet been
 25 collected; and
 26 (2) evidence this borrowing by issuing warrants of the
 27 corporation.
 28 The money that is borrowed may be used by the corporation for
 29 payment of principal and interest on its bonds or for payment of current
 30 operating expenses.
 31 (b) The warrants:
 32 (1) bear the date or dates;
 33 (2) mature at the time or times on or before December 31
 34 following the year in which the taxes in anticipation of which the
 35 warrants are issued are due and payable;
 36 (3) bear interest at the rate or rates and are payable at the time or
 37 times;
 38 (4) may be in the denominations;
 39 (5) may be in the forms, either registered or payable to bearer;
 40 (6) are payable at the place or places, either inside or outside
 41 Indiana;
 42 (7) are payable in the medium of payment;

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1 (8) are subject to redemption upon the terms, including a price not
 2 exceeding par and accrued interest; and
 3 (9) may be executed by the officers of the corporation in the
 4 manner;
 5 provided by resolution of the board of directors. The resolution may
 6 also authorize the board to pay from the proceeds of the warrants all
 7 costs incurred in connection with the issuance of the warrants.
 8 (c) The warrants may be authorized and issued at any time after the
 9 board of directors levies the tax or taxes in anticipation of which the
 10 warrants are issued.
 11 (d) The warrants may be sold for not less than par value after notice
 12 inviting bids has been published in accordance with IC 5-3-1. The
 13 board of directors may also publish the notice inviting bids in other
 14 newspapers or financial journals.
 15 (e) After the warrants are sold, they may be delivered and paid for
 16 at one (1) time or in installments.
 17 (f) The aggregate principal amount of warrants issued in
 18 anticipation of and payable from the same tax levy or levies may not
 19 exceed eighty percent (80%) of the levy or levies, as the amount of the
 20 levy or levies is certified by the department of local government
 21 finance, or as is determined by multiplying the rate of tax as finally
 22 approved by the total assessed valuation of taxable property within the
 23 taxing district of the public transportation corporation as most recently
 24 certified by the county auditor.
 25 (g) For purposes of this section, taxes for any year are considered to
 26 be levied when the board of directors adopts the ordinance prescribing
 27 the tax levies for the year. However, warrants may not be delivered and
 28 paid for before final approval of a tax levy or levies by the ~~county~~
 29 ~~board of tax adjustment (or, if appealed, by the department of local~~
 30 ~~government finance. unless the issuance of the warrants has been~~
 31 ~~approved by the department of local government finance.~~
 32 (h) The warrants and the interest on them are not subject to sections
 33 43 and 44 of this chapter and are payable solely from the proceeds of
 34 the tax levy or levies in anticipation of which the warrants were issued.
 35 The authorizing resolution must pledge a sufficient amount of the
 36 proceeds of the tax levy or levies to the payment of the warrants and
 37 the interest.
 38 (i) All actions of the board of directors under this section may be
 39 taken by resolution, which need not be published or posted. The
 40 resolution takes effect immediately upon its adoption by a majority of
 41 the members of the board of directors.
 42 (j) An action to contest the validity of any tax anticipation warrants

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1 may not be brought later than ten (10) days after the sale date.

2 SECTION 189. IC 36-9-4-48 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 48. (a) A
4 cumulative transportation fund to provide money for the acquisition of
5 buses and for the planning, establishment, and maintenance of routes
6 and schedules to assist in implementing this chapter may be established
7 ~~under IC 6-1.1-41~~ by:

8 (1) the legislative body of a municipality that:

9 (A) is making grants to an urban mass transportation system;

10 or

11 (B) has purchased buses for operation under lease by an urban
12 mass transportation system; or

13 (2) the board of directors of a public transportation corporation.

14 ~~(b) In addition to other notices required under IC 6-1.1-41, notices~~
15 ~~of hearings under IC 6-1.1-41 must be given to the following:~~

16 ~~(1) the municipal executive; for a tax levy by a municipality; and~~

17 ~~(2) the chairman of the board of directors; for a tax levy by a~~
18 ~~public transportation corporation.~~

19 ~~(c) (b) A tax levy to finance the cumulative transportation fund may~~
20 ~~be levied. in compliance with IC 6-1.1-41. Subject to IC 6-1.1-18.5,~~
21 ~~the tax levied under this section may not exceed six and sixty-seven~~
22 ~~hundredths cents (\$0.0667) on each one hundred dollars (\$100) of~~
23 ~~taxable property within the corporate boundaries of the municipality or~~
24 ~~the taxing district of the public transportation corporation, as the case~~
25 ~~may be.~~

26 SECTION 190. IC 36-9-13-25 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 25. (a) A lease
28 under section 23 of this chapter may give one (1) or more of the lessees
29 acting jointly or severally an option to purchase before the expiration
30 of the term of the lease:

31 (1) on the date or dates in each year that are fixed by the lease;
32 and

33 (2) at a price to be computed by a method set forth in the lease.

34 However, such a lease may not provide, or be construed to provide, that
35 an eligible entity is under an obligation to purchase the leased
36 government building or system or is under an obligation respecting any
37 creditors or bondholders of the authority.

38 (b) **Subject to IC 6-1.1-17.5**, an eligible entity that exercises a
39 option to purchase may issue general obligation bonds for the purpose
40 of obtaining enough money to pay the purchase price or its
41 proportionate share of the purchase price. The bonds shall be
42 authorized, issued, and sold in the manner prescribed by law for the

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1 authorization, issuance, and sale of bonds of the eligible entity for other
2 purposes.

3 SECTION 191. IC 36-9-13-28, AS AMENDED BY P.L.90-2002,
4 SECTION 510, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2005]: Sec. 28. (a) If the terms and
6 conditions of a proposed lease are approved under section 27 of this
7 chapter, notice of the approval of the lease shall be given on behalf of
8 the eligible entity by publication in accordance with IC 5-3-1. ~~Fer (10)~~
9 or more taxpayers in the eligible entity:

10 (1) ~~whose tax rate will be affected by the proposed lease; and~~

11 (2) ~~who are of the opinion that there is no necessity for the lease;~~
12 ~~or that the method of determining the lease rental is not fair and~~
13 ~~reasonable;~~

14 may file a petition in the office of the county auditor within thirty (30)
15 days after publication of notice of the approval of the lease. The
16 petition must set forth their objections to the lease and facts showing
17 that the lease is unnecessary or unwise; or that the method of
18 determining the lease rental is not fair and reasonable.

19 (b) ~~Upon the filing of a petition under subsection (a), the county~~
20 ~~auditor shall immediately certify a copy of it, together with any other~~
21 ~~data necessary to present the questions involved; to the department of~~
22 ~~local government finance. Not less than five (5) nor more than fifteen~~
23 ~~(15) days after receipt of the certified petition and data, the department~~
24 ~~of local government finance shall fix a time and place in the county for~~
25 ~~the hearing of the matter. The department of local government finance~~
26 ~~shall give notice of the hearing to the eligible entity and to the first ten~~
27 ~~(10) petitioners on the petition by registered mail, at least five (5) days~~
28 ~~before the date of the hearing.~~

29 (c) ~~The decision of the department of local government finance on a~~
30 ~~petition under this section is final.~~

31 ~~(d)~~ (b) An action to contest the validity of the lease or to enjoin the
32 performance of any of its terms and conditions must be instituted
33 within thirty (30) days after publication of notice of the approval of the
34 lease, or if an appeal has been taken to the department of local
35 government finance, **within a remonstrance petition is filed under**
36 **IC 6-1.1-17.5-11, not later than thirty (30) days after the decision of**
37 **the department. deadline for filing a counterpetition under**
38 **IC 6-1.1-17.5-12.**

39 SECTION 192. IC 36-9-13-35, AS AMENDED BY P.L.90-2002,
40 SECTION 511, IS AMENDED TO READ AS FOLLOWS
41 [EFFECTIVE JANUARY 1, 2005]: Sec. 35. The annual operating
42 budget of a building authority is subject to review by the ~~county board~~

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1 of tax adjustment and then by the department of local government
2 finance as in the case of other political subdivisions.

3 SECTION 193. IC 36-9-14-2, AS AMENDED BY
4 P.L.192-2002(ss), SECTION 188, IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) A
6 cumulative building fund to provide money for the construction,
7 remodeling, and repair of courthouses may be established by the county
8 legislative body. ~~under IC 6-1.1-41.~~

9 (b) As used in this section, "courthouse" includes a historical
10 complex consisting of a former county courthouse, jail, and sheriff's
11 residence which is open to the general public for educational or
12 community purposes in a county having a population of more than one
13 hundred seventy thousand (170,000) but less than one hundred eighty
14 thousand (180,000).

15 SECTION 194. IC 36-9-14-5 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 5. **Subject to**
17 **IC 6-1.1-18.5**, the county fiscal body may provide money for the
18 cumulative building fund by levying a tax in compliance with
19 ~~IC 6-1.1-41~~ of not more than sixteen and sixty-seven hundredths cents
20 (\$0.1667) on each one hundred dollars (\$100) of taxable property in
21 the county.

22 SECTION 195. IC 36-9-14.5-2 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The county
24 legislative body may establish a cumulative capital development fund
25 ~~under IC 6-1.1-41~~ to provide money for any purpose for which property
26 taxes may be imposed within the county under the authority of:

- 27 IC 3-11-6-9;
- 28 IC 8-16-3;
- 29 IC 8-16-3.1;
- 30 IC 8-22-3-25;
- 31 IC 14-27-6-48;
- 32 IC 14-33-14;
- 33 IC 16-22-8-41;
- 34 IC 16-22-5-2 through IC 16-22-5-15;
- 35 IC 36-9-14;
- 36 IC 36-9-15;
- 37 IC 36-9-16-2;
- 38 IC 36-9-16-3;
- 39 IC 36-9-27-100; or
- 40 IC 36-10-3-21.

41 SECTION 196. IC 36-9-14.5-6 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) Except as

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1 provided in subsection (c) **and subject to IC 6-1.1-18.5**, the county
 2 fiscal body may provide money for the cumulative capital development
 3 fund by levying a tax ~~in compliance with IC 6-1.1-41~~ on the taxable
 4 property in the county.

5 (b) The maximum property tax rate that may be imposed for
 6 property taxes first due and payable during a particular year in a county
 7 in which the county option income tax or the county adjusted gross
 8 income tax is in effect on January 1 of that year, depends upon the
 9 number of years the county has previously imposed a tax under this
 10 chapter and is determined under the following table:

11 NUMBER	TAX RATE PER \$100
12 OF YEARS	OF ASSESSED
	13 VALUATION
14 0	\$0.05
15 1 or more	\$0.10

16 (c) The maximum property tax rate that may be imposed for
 17 property taxes first due and payable during a particular year in a county
 18 in which neither the county option income tax nor the county adjusted
 19 gross income tax is in effect on January 1 of that year, depends upon
 20 the number of years the county has previously imposed a tax under this
 21 chapter and is determined under the following table:

22 NUMBER	TAX RATE PER \$100
23 OF YEARS	OF ASSESSED
	24 VALUATION
25 0	\$0.04
26 1 or more	\$0.07

27 SECTION 197. IC 36-9-15-2 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) A county
 29 fiscal body may establish cumulative building funds ~~under IC 6-1.1-41~~
 30 or sinking funds in the same manner as cumulative funds are
 31 established ~~under IC 6-1.1-41~~ for the:

- 32 (1) construction, repair, remodeling, enlarging, and equipment of:
 - 33 (A) a county jail; or
 - 34 (B) a juvenile detention center to be operated under
 - 35 IC 31-31-9; or
- 36 (2) in a county having a consolidated city, purchase, lease, or
- 37 payment of all or part of the purchase price of motor vehicles for
- 38 use of the sheriff's department.

39 (b) **Subject to IC 6-1.1-18.5**, the county fiscal body may levy taxes
 40 to provide money for:

- 41 (1) cumulative building funds established under this chapter; ~~in~~
 42 ~~compliance with IC 6-1.1-41~~; or

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1 (2) sinking funds established under this chapter in the same
 2 manner a tax is levied for a cumulative fund. ~~under IC 6-1.1-41.~~
 3 ~~(c) IC 6-1.1-41 applies to a sinking fund under this chapter to the~~
 4 ~~same extent as if the sinking fund was a cumulative fund.~~

5 SECTION 198. IC 36-9-15.5-2 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. The legislative
 7 body of a municipality may establish a cumulative capital development
 8 fund ~~under IC 6-1.1-41~~ to provide money for any purpose for which
 9 property taxes may be imposed within the municipality under the
 10 authority of:

- 11 IC 8-16-3;
- 12 IC 8-22-3-25;
- 13 IC 14-27-6-48;
- 14 IC 14-33-14;
- 15 IC 16-23-1-40;
- 16 IC 36-8-14;
- 17 IC 36-9-4-48;
- 18 IC 36-9-16-2;
- 19 IC 36-9-16-3;
- 20 IC 36-9-16.5;
- 21 IC 36-9-17;
- 22 IC 36-9-26;
- 23 IC 36-9-27-100;
- 24 IC 36-10-3-21; or
- 25 IC 36-10-4-36.

26 SECTION 199. IC 36-9-15.5-6 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) Except as
 28 provided in subsection (c), **and subject to IC 6-1.1-18.5**, the municipal
 29 fiscal body may provide money for the cumulative capital development
 30 fund by levying a tax ~~in compliance with IC 6-1.1-41~~ on the taxable
 31 property in the municipality.

32 (b) The maximum property tax rate that may be imposed for
 33 property taxes first due and payable during a particular year in a
 34 municipality that is either wholly or partially located in a county in
 35 which the county option income tax or the county adjusted gross
 36 income tax is in effect on January 1 of that year depends upon the
 37 number of years the municipality has previously imposed a tax under
 38 this chapter and is determined under the following table:

39	NUMBER	TAX RATE PER \$100
40	OF YEARS	OF ASSESSED
41		VALUATION
42	0	\$0.05

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1	1	\$0.10
2	2 or more	\$0.15

3 (c) The maximum property tax rate that may be imposed for
 4 property taxes first due and payable during a particular year in a
 5 municipality that is wholly located in a county in which neither the
 6 county option income tax nor the county adjusted gross income tax is
 7 in effect on January 1 of that year depends upon the number of years
 8 the municipality has previously imposed a tax under this chapter and
 9 is determined under the following table:

10	NUMBER	TAX RATE PER \$100
11	OF YEARS	OF ASSESSED
12		VALUATION
13	0	\$0.04
14	1	\$0.08
15	2 or more	\$0.12

16 SECTION 200. IC 36-9-16-4, AS AMENDED BY P.L.256-2003,
 17 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2005]: Sec. 4. (a) A cumulative building fund or
 19 cumulative capital improvement fund may be established by a
 20 resolution that is

21 (1) adopted by the unit's legislative body. and

22 (2) approved by the department of local government finance:

23 (b) Notice of the proposed levy to provide money for the cumulative
 24 building fund or cumulative capital improvement fund shall be given
 25 to all taxpayers in the unit before the proposed action is presented to
 26 the department of local government finance for approval. **adopted.**
 27 Notice shall be given by publication of the proposal in accordance with
 28 IC 5-3-1.

29 (c) If, after the public hearing, the proposed action is submitted for
 30 approval to the department of local government finance, the department
 31 shall require notice of that submission to be given to the taxing district
 32 involved in the manner prescribed by subsection (b):

33 (d) Fifty (50) or more taxpayers in the taxing district who will be
 34 affected by the tax rate may, not later than ten (10) days after the
 35 publication of the notice, file with the county auditor a petition setting
 36 forth their objections to the proposed levy. The county auditor shall
 37 immediately certify the petition to the department of local government
 38 finance, which, within a reasonable time, shall fix a date for a hearing
 39 on the petition. The hearing shall be held in the county in which the
 40 unit is located. Notice of the hearing shall be given to the executive of
 41 the unit and to the first ten (10) taxpayers whose names appear upon
 42 the petition, by a letter signed by the commissioner or deputy

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1 commissioner of the department of local government finance and sent
2 by mail to the executive and the taxpayers at their usual place of
3 residence at least five (5) days before the date fixed for the hearing:

4 (e) After a hearing upon the proposal, the department of local
5 government finance shall certify its approval, disapproval, or
6 modification of the proposed tax levy to the auditor of the county in
7 which the unit is located:

8 (f) A:

9 (1) taxpayer who signed a petition filed under subsection (d); or

10 (2) unit against which a petition under subsection (d) is filed;

11 may petition for judicial review of the final determination of the
12 department of local government finance under subsection (a). The
13 petition must be filed in the tax court not more than forty-five (45) days
14 after the department certifies its action under subsection (e):

15 SECTION 201. IC 36-9-16-5 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 5. (a) The unit's
17 fiscal body may levy a tax not to exceed thirty-three cents (\$0.33) on
18 each one hundred dollars (\$100) of taxable property within the taxing
19 district to provide for a cumulative building fund, **subject to**
20 **IC 6-1.1-18.5**. The tax may be levied annually for any period not to
21 exceed ten (10) years.

22 (b) Appropriations may be made from the cumulative building fund
23 for the purposes authorized by this chapter.

24 SECTION 202. IC 36-9-16-6, AS AMENDED BY P.L.90-2002,
25 SECTION 513, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JANUARY 1, 2005]: Sec. 6. (a) The unit's fiscal body
27 may levy a tax not to exceed thirty-three cents (\$0.33) on each one
28 hundred dollars (\$100) of taxable property within the taxing district to
29 provide for a cumulative capital improvement fund. The tax may be
30 levied annually for any period not to exceed ten (10) years and may be
31 decreased or increased from year to year, except that the tax **rate** may
32 not be increased above the ~~levy approved by the department of local~~
33 ~~government finance: tax rate contained in IC 6-1.1-18.5, except as~~
34 **provided in IC 6-1.1-17.5**.

35 (b) Surplus money in other accounts of the unit, or other sources,
36 and money acquired from other activities of the unit, or other sources,
37 may, by resolution of the legislative body, ~~and with the approval of the~~
38 ~~department of local government finance;~~ be added to the cumulative
39 capital improvement fund.

40 (c) Appropriations may be made:

41 (1) as provided by law from the cumulative capital improvement
42 fund for purposes of this chapter; or

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1 (2) for a contribution to an authority established under
2 IC 36-7-23.

3 SECTION 203. IC 36-9-17-3 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 3. A municipality
5 may, by ordinance, and in compliance with the procedures for the
6 establishment of a cumulative fund under ~~IC 6-1.1-41~~; establish a
7 general improvement fund, which shall be used to construct, repair, or
8 improve streets, alleys, sidewalks, curbs, gutters, and sewers. This fund
9 consists of:

10 (1) the special assessments collected under this chapter for
11 benefits to property from constructing, repairing, or improving
12 streets, alleys, sidewalks, curbs, gutters, and sewers; and

13 (2) any appropriation made from the general fund of the
14 municipality or from taxes levied by the municipal legislative
15 body for these purposes.

16 However, special assessments collected by a municipality under any
17 statute other than this chapter may not be deposited in the fund.

18 SECTION 204. IC 36-9-17-5 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 5. (a) Subject to
20 tax limitations and to the review of appropriations and tax levies, the
21 legislative body of a municipality that establishes a general
22 improvement fund may appropriate money from the general fund of the
23 municipality and transfer that money to the general improvement fund
24 or levy a tax **subject to IC 6-1.1-18.5** for the benefit and use of the
25 general improvement fund, in compliance with the procedures for a
26 levy for a cumulative fund under ~~IC 6-1.1-41~~; or both.

27 (b) During the year in which a municipality establishes a general
28 improvement fund, the municipal legislative body may make an
29 emergency appropriation from the general fund of the municipality and
30 transfer that appropriation to the general improvement fund in the
31 manner prescribed by statute for the making of emergency
32 appropriations.

33 (c) Any sum may be appropriated or levied under this section in any
34 one (1) year, but the aggregate sum that may be appropriated and levied
35 under this section, including emergency appropriations under
36 subsection (b), may not exceed the equivalent of sixteen and
37 sixty-seven hundredths cents (\$0.1667) on each one hundred dollars
38 (\$100) net taxable valuation of property in the municipality.

39 SECTION 205. IC 36-9-17.5-2, AS ADDED BY P.L.129-1999,
40 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JANUARY 1, 2005]: Sec. 2. A township may establish a cumulative
42 township vehicle and building fund ~~under IC 6-1.1-41~~ to provide

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- 1 money to:
- 2 (1) acquire township vehicles;
- 3 (2) purchase, construct, equip, and maintain buildings for public
- 4 purposes;
- 5 (3) acquire the land and any improvements on the land that are
- 6 necessary for the construction of public buildings;
- 7 (4) demolish any improvements on land acquired under this
- 8 section and level, grade, and prepare the land for the construction
- 9 of a public building;
- 10 (5) acquire land or rights-of-way to be used as a public way or
- 11 other means of ingress or egress to land acquired for the
- 12 construction of a public building; and
- 13 (6) improve or construct any public way or other means of ingress
- 14 or egress to land acquired for the construction of a public
- 15 building.

16 SECTION 206. IC 36-9-17.5-4, AS ADDED BY P.L.129-1999,
 17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2005]: Sec. 4. (a) To provide for the cumulative
 19 township vehicle and building fund authorized under this chapter, the
 20 legislative body of a township may levy a tax on all taxable property
 21 within the township, ~~in compliance with IC 6-1.1-41,~~ **subject to**
 22 **IC 6-1.1-18.5.** The tax rate may not exceed ~~five cents (\$0.05) on each~~
 23 ~~one hundred dollars (\$100) of assessed valuation of property in the~~
 24 ~~township for property taxes first due and payable before January 1,~~
 25 ~~2002; or one and sixty-seven hundredths cents (\$0.0167) on each one~~
 26 ~~hundred dollars (\$100) of assessed valuation of property in the~~
 27 ~~township. for property taxes first due and payable after December 31,~~
 28 ~~2001.~~

29 (b) As the tax is collected, it shall be deposited in a qualified public
 30 depository or depositories and held in a special fund known as the
 31 cumulative township vehicle and building fund.

32 SECTION 207. IC 36-9-26-2 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2. (a) A
 34 municipality may, by ordinance, establish a cumulative building and
 35 sinking fund ~~under IC 6-1.1-41~~ to provide money for one (1) or more
 36 of the following purposes:

- 37 (1) The planning, erection, remodeling, extension, and repair of
- 38 sewage disposal plants and sewers to convey sanitary sewage to
- 39 those plants.
- 40 (2) The construction, remodeling, repair, and extension of storm
- 41 sewers.
- 42 (3) Relief sewers and drains in aid of the sanitary system or storm

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1 sewers.
 2 (4) The payment of the municipality's part of the costs of any
 3 public sewer or drainage project that:
 4 (A) lies partly or wholly within the municipality; and
 5 (B) aids or is connected to the sewage collection or drainage
 6 system of the municipality.
 7 (5) The payment of the part of any project that is allocable to
 8 property owners by special assessment under IC 36-9-39, for
 9 repayment to the cumulative building and sinking fund.
 10 (b) The statement for repayment under subsection (a)(5) shall be
 11 mailed to the property owner separately from the property tax
 12 statement.

13 SECTION 208. IC 36-9-26-4 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 4. **Subject to**
 15 **IC 6-1.1-18.5**, a municipality that has established a cumulative
 16 building and sinking fund may levy a tax ~~in compliance with~~
 17 ~~IC 6-1.1-41~~ not to exceed one dollar (\$1) on each one hundred dollars
 18 (\$100) of taxable property in the municipality.

19 SECTION 209. IC 36-9-27-99 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 99. A municipal
 21 or county fiscal body may, by resolution, establish a cumulative
 22 drainage fund ~~under IC 6-1.1-41~~ for the construction, reconstruction,
 23 or maintenance of drains under this chapter. In the case of a county,
 24 however, the fund may be established only upon the recommendation
 25 of the county executive.

26 SECTION 210. IC 36-9-27-100 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 100. To provide
 28 money for a cumulative drainage fund established under section 99 of
 29 this chapter **and subject to IC 6-1.1-18.5**, the fiscal body may levy a
 30 tax ~~in compliance with IC 6-1.1-41~~ not to exceed five cents (\$0.05) on
 31 each one hundred dollars (\$100) of assessed valuation of all taxable
 32 personal and real property:

- 33 (1) within the corporate boundaries, in the case of a municipality;
- 34 or
- 35 (2) within the county but outside the corporate boundaries of all
 36 municipalities, in the case of a county.

37 SECTION 211. IC 36-10-3-21 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 21. (a) The board
 39 may establish a cumulative building fund ~~under IC 6-1.1-41~~ to provide
 40 money for:

- 41 (1) building, remodeling, and repair of park and recreation
 42 facilities; or

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1 (2) purchase of land for park and recreation purposes.
2 ~~In addition to the requirements of IC 6-1.1-41,~~ Before a fund may be
3 established, the proposed action must be approved by the fiscal body
4 of the unit.

5 (b) To provide for the cumulative building fund **and subject to**
6 **IC 6-1.1-18.5,** the unit's fiscal body may levy a tax ~~in compliance with~~
7 ~~IC 6-1.1-41~~ not to exceed one and sixty-seven hundredths cents
8 (\$0.0167) on each one hundred dollars (\$100) of assessed valuation of
9 taxable property within the unit.

10 (c) The tax shall be collected and held in a special fund known as
11 the unit's park and recreation cumulative building fund.

12 SECTION 212. IC 36-10-3-24, AS AMENDED BY P.L.90-2002,
13 SECTION 517, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JANUARY 1, 2005]: Sec. 24. (a) In order to raise money
15 to pay for land to be acquired for any of the purposes named in this
16 chapter, to pay for an improvement authorized by this chapter, or both,
17 and in anticipation of the special benefit tax to be levied as provided in
18 this chapter, the board shall cause to be issued, in the name of the unit,
19 the bonds of the district. The bonds may not exceed in amount the total
20 cost of all land to be acquired and all improvements described in the
21 resolution, including all expenses necessarily incurred in connection
22 with the proceedings, together with a sum sufficient to pay the costs of
23 supervision and inspection during the period of construction of a work.
24 The expenses to be covered in the bond issue include all expenses of
25 every kind actually incurred preliminary to acquiring the land and the
26 construction of the work, such as the cost of the necessary record,
27 engineering expenses, publication of notices, preparation of bonds, and
28 other necessary expenses. If more than one (1) resolution or proceeding
29 of the board under section 23 of this chapter is confirmed whereby
30 different parcels of land are to be acquired, or more than one (1)
31 contract for work is let by the board at approximately the same time,
32 the cost involved under all of the resolutions and proceedings may be
33 included in one (1) issue of bonds.

34 (b) The bonds may be issued in any denomination not less than one
35 thousand dollars (\$1,000) each, in not less than five (5) nor more than
36 forty (40) annual series. The bonds are payable one (1) series each
37 year, beginning at a date after the receipt of taxes from a levy made for
38 that purpose. The bonds are negotiable. The bonds may bear interest at
39 any rate, payable semiannually. After adopting a resolution ordering
40 bonds, the board shall certify a copy of the resolution to the unit's fiscal
41 officer. The fiscal officer shall prepare the bonds and the unit's
42 executive shall execute them, attested by the fiscal officer.

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1 (c) The bonds and the interest on them are exempt from taxation as
 2 prescribed by IC 6-8-5-1. Bonds issued under this section are subject
 3 to the provisions of IC 5-1, ~~and IC 6-1.1-20~~ **IC 6-1.1-17.5, and**
 4 **IC 6-1.1-18-5** relating to the filing of a petition requesting the issuance
 5 of bonds; ~~the right of taxpayers voters to remonstrate against the~~
 6 ~~issuance of bonds; file petitions regarding a property tax control~~
 7 **board's decision**, the appropriation of the proceeds of the bonds, ~~and~~
 8 ~~approval by the department of local government finance; and the sale~~
 9 of bonds at public sale for not less than their par value.

10 (d) The board may not have bonds of the district issued under this
 11 section that are payable by special taxation when the total issue for that
 12 purpose, including the bonds already issued or to be issued, exceeds
 13 two percent (2%) of the adjusted value of the taxable property in the
 14 district as determined under IC 36-1-15. All bonds or obligations
 15 issued in violation of this subsection are void. The bonds are not
 16 obligations or indebtedness of the unit, but constitute an indebtedness
 17 of the district as a special taxing district. The bonds and interest are
 18 payable only out of a special tax levied upon all the property of the
 19 district as prescribed by this chapter. The bonds must recite the terms
 20 upon their face, together with the purposes for which they are issued.

21 SECTION 213. IC 36-10-3-42 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 42. (a) The board
 23 shall hold a hearing as required by section 25 of this chapter. The board
 24 shall appropriate the proceeds of the bonds as required by law for
 25 special taxing district bonds.

26 (b) ~~IC 6-1.1-20-1, IC 6-1.1-20-2, and IC 6-1.1-20-5~~ apply
 27 **IC 6-1.1-17.5 applies** to the issuance of the bonds.

28 (c) The bonds may be sold at public sale in accordance with
 29 IC 5-1-11 or may be sold at a negotiated sale.

30 SECTION 214. IC 36-10-4-35, AS AMENDED BY P.L.2-1989,
 31 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 2005]: Sec. 35. (a) In order to pay for:

- 33 (1) land to be acquired for any of the purposes of this chapter;
- 34 (2) an improvement authorized by this chapter; or
- 35 (3) both;

36 the board shall issue the bonds of the district in the name of the city in
 37 anticipation of the special benefits tax to be levied under this chapter.
 38 The amount of the bonds may not exceed the estimated cost of all land
 39 to be acquired and the estimated cost of all improvements provided in
 40 the resolution, including all expenses necessarily incurred in the
 41 proceedings and a sum sufficient to pay the estimated costs of
 42 supervision and inspection during the period of construction. Expenses

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1 include all expenses actually incurred preliminary to acquisition of the
 2 land and the construction work, such as the estimated cost of the
 3 necessary record, engineering expenses, publication of notices,
 4 preparation of bonds, and other expenses necessary to letting the
 5 contract and selling the bonds.

6 (b) The total amount of any benefits that have been assessed by the
 7 board and confirmed against lots and parcels of land, exclusive of
 8 improvements, lying within two thousand (2,000) feet on either side of
 9 the land to be acquired or of the improvement, however, shall be
 10 deducted from the estimated cost.

11 (c) If more than one (1) resolution or proceeding of the board under
 12 section 25 of this chapter is confirmed whereby different parcels of
 13 land are to be acquired or more than one (1) contract for work is let by
 14 the board at approximately the same time, the estimated cost involved
 15 under all of the resolutions and proceedings may be contained in one
 16 (1) issue of bonds.

17 (d) The bonds shall be issued in any denomination up to five
 18 thousand dollars (\$5,000) each. The bonds are negotiable instruments
 19 and bear interest at a rate established by the board and approved by the
 20 city legislative body.

21 (e) After adopting a resolution ordering the bonds, the board shall
 22 certify a copy of the resolution to the fiscal officer of the city. The
 23 fiscal officer shall then prepare the bonds, which shall be executed by
 24 the city executive and attested by the fiscal officer. The bonds are
 25 exempt from taxation for all purposes and are subject to ~~IC 6-1.1-20~~
 26 **IC 6-1.1-17.5 concerning the filing of a petition requesting the**
 27 **issuance of bonds, and the right of taxpayers voters to remonstrate**
 28 **against the issuance of bonds. file petitions regarding a property tax**
 29 **control board's decision.**

30 (f) All bonds shall be sold at not less than par value plus accrued
 31 interest to date of delivery by the city fiscal officer to the highest bidder
 32 after giving notice of the sale of the bonds by publication in accordance
 33 with IC 5-3-1.

34 (g) The bonds are subject to approval by the city legislative body,
 35 in the manner it prescribes by ordinance or resolution.

36 (h) The bonds are not corporate obligations or indebtedness of the
 37 city, but are an indebtedness of the district as a special taxing district.
 38 The bonds and interest are payable only out of a special tax levied upon
 39 all property of the district. The bonds must recite these terms upon their
 40 face, together with the purposes for which they are issued.

41 (i) An action to question the validity of bonds of the district or to
 42 prevent their issue may not be brought after the date set for the sale of

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the bonds.

(j) The board may, instead of selling the bonds in series, sell the bonds to run for a period of five (5) years from the date of issue for the purposes of this chapter at any rate of interest payable semiannually, also exempt from taxation for all purposes. The board may sell bonds in series to refund the five (5) year bonds.

SECTION 215. IC 36-10-4-36 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 36. (a) To raise money for any of the purposes for which bonds may be issued under section 35 of this chapter, the board may request that the city legislative body adopt an ordinance establishing a cumulative building and sinking fund. The legislative body may establish a cumulative building and sinking fund. ~~under IC 6-1-1-41.~~ **Subject to IC 6-1.1-18.5**, the tax may not exceed three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable personal and real property in the district.

(b) The tax, when collected, shall be held in a public depository in a special fund to be known as the park district cumulative building and sinking fund.

SECTION 216. IC 36-10-7-8, AS AMENDED BY P.L.90-2002, SECTION 518, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 8. (a) This section applies to all townships having a population of less than two thousand (2,000).

(b) The township executive may lease, purchase, accept by grant, devise, bequest, or other conveyance to the township, or otherwise acquire land for park purposes and may make necessary improvements only as provided by this section.

(c) The legislative body may establish a township park and may, by resolution, appropriate from the general fund of the township the necessary money to lease, purchase, accept, or otherwise acquire land for park purposes or make improvements thereon. The executive shall then lease, purchase, accept, or acquire the land for park purposes or shall make improvements thereon as directed in the resolution. However, the costs of the park grounds or of the improvements provided for in the resolution may not exceed in one (1) year one-fifth of one percent (0.2%) of the adjusted value of all taxable property of the township as determined under IC 36-1-15.

(d) If a park has been established under this section, the executive shall have the park maintained and may make improvements and construct and maintain facilities for the comfort and convenience of the public. However, the executive annually may not spend more than one cent (\$0.01) on each one hundred dollars (\$100) of assessed valuation

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1 of taxable property in the township as it appears on the tax duplicates
2 of the auditor of the county in which the township is located. The
3 money shall be paid from the general fund of the township.

4 (e) If the general fund of the township is insufficient to meet the
5 expenses of acquiring or improving the land for park purposes, the
6 executive shall call a special meeting of the legislative body by written
7 notice to each member of the legislative body at least three (3) days
8 before the date of the meeting. The notice must state the time, place,
9 and purpose of the meeting. The legislative body shall meet and
10 determine whether an emergency exists for the issuance of the warrants
11 or bonds of the township. The legislative body shall, by resolution,
12 authorize the issuance and sale of the warrants or bonds of the
13 township in an amount not exceeding two percent (2%) of the adjusted
14 value of all taxable property in the township as determined under
15 IC 36-1-15. The amount of bonds may not exceed the total estimated
16 cost of all land to be acquired and all improvements described in the
17 resolution, including all expenses necessarily incurred in connection
18 with the proceedings. The proceeds from the sale of the bonds shall be
19 deposited in the general fund of the township. The bonds become due
20 and payable not less than two (2) nor more than ten (10) years after the
21 date of issuance, may bear interest at any rate, and may not be sold for
22 less than par value. The bonds shall be sold after giving notice of the
23 sale of bonds in accordance with IC 5-3-1. The bonds and the interest
24 thereon are exempt from taxation as provided by IC 6-8-5. ~~and are~~
25 ~~subject to the provisions of IC 6-1.1-20 relating to the filing of a~~
26 ~~petition requesting the issuance of bonds; the appropriation of the~~
27 ~~proceeds of the bonds; and the approval by the department of local~~
28 ~~government finance.~~

29 (f) The legislative body shall, at its next annual meeting after
30 authorization of bonds and annually each following year, levy a
31 sufficient tax against all the taxable property of the township to pay the
32 principal of the bonds, together with accruing interest, as they become
33 due. The executive shall apply the money received from the levy only
34 to the payment of bonds and interest as they become due.

35 (g) In addition to the levy required by subsection (f), the legislative
36 body shall, when a park has been established under this section and at
37 every annual meeting after establishment, levy a tax not exceeding one
38 cent (\$0.01) on each one hundred dollars (\$100) of taxable property in
39 the township. The levy required by this subsection shall be used by the
40 executive for the maintenance and improvement of the park. The
41 executive may not expend more for maintenance and improvement of
42 the park than the amount collected by the levy except:

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- 1 (1) upon petition by fifty-one percent (51%) of the taxpayers of
- 2 the township; or
- 3 (2) when warrants or bonds are to be issued under this section to
- 4 finance the expenses of improvements.

5 The amount received from the levy shall be deposited in the general
6 fund of the township.

7 (h) A park established under this section shall be kept open to the
8 public in accordance with rules prescribed by the executive.

9 (i) If the executive determines that land or other property used for
10 park purposes under this section should be disposed of and that the
11 park should no longer be maintained, the executive shall appoint three
12 (3) disinterested appraisers to appraise the property. The property shall
13 then be disposed of either at public or private sale for at least its
14 appraised value.

15 (j) This subsection applies if the township sells the property by
16 acceptance of bids. A bid submitted by a trust (as defined in
17 IC 30-4-1-1(a)) must identify each:

- 18 (1) beneficiary of the trust; and
- 19 (2) settlor empowered to revoke or modify the trust.

20 (k) All money from the sale of park property, less the expenses
21 incurred in making the appraisal and sale, shall be paid into the general
22 fund of the township.

23 SECTION 217. IC 36-10-7.5-19 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 19. (a) The fiscal
25 body may establish a cumulative building fund ~~under IC 6-1.1-41~~ to
26 provide money for:

- 27 (1) building, remodeling, and repair of park and recreation
- 28 facilities; or
- 29 (2) purchase of land for park and recreation purposes.

30 (b) To provide for the cumulative building fund **and subject to**
31 **IC 6-1.1-18.5**, the township fiscal body may levy a tax ~~in compliance~~
32 ~~with IC 6-1.1-41~~ not greater than one and sixty-seven hundredths cents
33 (\$0.0167) on each one hundred dollars (\$100) of assessed valuation of
34 taxable property within the township.

35 (c) The tax shall be collected and held in a special fund known as
36 the township park and recreation cumulative building fund.

37 SECTION 218. IC 36-10-7.5-22, AS AMENDED BY P.L.90-2002,
38 SECTION 519, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JANUARY 1, 2005]: Sec. 22. (a) To raise money to pay
40 for land to be acquired for any of the purposes named in this chapter or
41 to pay for an improvement authorized by this chapter and in
42 anticipation of the special benefit tax to be levied as provided in this

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1 chapter, the legislative body shall issue in the name of the township the
 2 bonds of the district. The bonds may not exceed in amount the total
 3 cost of all land to be acquired and all improvements described in the
 4 resolution, including all expenses necessarily incurred in connection
 5 with the proceedings, together with a sum sufficient to pay the costs of
 6 supervision and inspection during the period of construction of a work.
 7 The expenses to be covered in the bond issue include all expenses of
 8 every kind actually incurred preliminary to acquiring the land and the
 9 construction of the work, such as the cost of the necessary record,
 10 engineering expenses, publication of notices, preparation of bonds, and
 11 other necessary expenses. If more than one (1) resolution or proceeding
 12 of the legislative body under this chapter is confirmed whereby
 13 different parcels of land are to be acquired or more than one (1)
 14 contract for work is let by the executive at approximately the same
 15 time, the cost involved under all of the resolutions and proceedings
 16 may be included in one (1) issue of bonds.

17 (b) The bonds may be issued in any denomination not less than one
 18 thousand dollars (\$1,000) each, in not less than five (5) nor more than
 19 forty (40) annual series. The bonds are payable one (1) series each
 20 year, beginning at a date after the receipt of taxes from a levy made for
 21 that purpose. The bonds are negotiable. The bonds may bear interest at
 22 any rate, payable semiannually. After adopting a resolution ordering
 23 bonds, the legislative body shall certify a copy of the resolution to the
 24 township's fiscal officer. The fiscal officer shall prepare the bonds and
 25 the executive shall execute the bonds, attested by the fiscal officer.

26 (c) The bonds and the interest on the bonds are exempt from
 27 taxation as prescribed by IC 6-8-5-1. Bonds issued under this section
 28 are subject to the provisions of IC 5-1 and ~~IC 6-1-1-20~~ **IC 6-1.1-17.5**
 29 relating to the filing of a petition requesting the issuance of bonds; the
 30 right of taxpayers to remonstrate against the issuance of bonds; the
 31 appropriation of the proceeds of the bonds with the approval of the
 32 department of local government finance; **voters to file petitions**
 33 **regarding a property tax control board's decision**, and the sale of
 34 bonds at public sale for not less than the par value of the bonds.

35 (d) The legislative body may not have bonds of the district issued
 36 under this section that are payable by special taxation when the total
 37 issue for that purpose, including the bonds already issued or to be
 38 issued, exceeds two percent (2%) of the total adjusted value of the
 39 taxable property in the district as determined under IC 36-1-15. All
 40 bonds or obligations issued in violation of this subsection are void. The
 41 bonds are not obligations or indebtedness of the township but constitute
 42 an indebtedness of the district as a special taxing district. The bonds

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1 and interest are payable only out of a special tax levied upon all the
 2 property of the district as prescribed by this chapter. A bond must
 3 recite the terms upon the face of the bond, together with the purposes
 4 for which the bond is issued.

5 SECTION 219. IC 36-10-8-16, AS AMENDED BY P.L.90-2002,
 6 SECTION 520, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JANUARY 1, 2005]: Sec. 16. (a) A capital improvement
 8 may be financed in whole or in part by the issuance of general
 9 obligation bonds of the county or, if the authority was created under
 10 IC 18-7-18 (before its repeal on February 24, 1982), also of the city, if
 11 the board determines that the estimated annual net income of the
 12 capital improvement, plus the estimated annual tax revenues to be
 13 derived from any tax revenues made available for this purpose, will not
 14 be sufficient to satisfy and pay the principal of and interest on all bonds
 15 issued under this chapter, including the bonds then proposed to be
 16 issued.

17 (b) If the board desires to finance a capital improvement in whole
 18 or in part as provided in this section, it shall have prepared a resolution
 19 to be adopted by the county executive authorizing the issuance of
 20 general obligation bonds, or, if the authority was created under
 21 IC 18-7-18 (before its repeal on February 24, 1982), by the fiscal body
 22 of the city authorizing the issuance of general obligation bonds. The
 23 resolution must set forth an itemization of the funds and assets received
 24 by the board, together with the board's valuation and certification of the
 25 cost. The resolution must state the date or dates on which the principal
 26 of the bonds is payable, the maximum interest rate to be paid, and the
 27 other terms upon which the bonds shall be issued. The board shall
 28 submit the proposed resolution to the proper officers, together with a
 29 certificate to the effect that the issuance of bonds in accordance with
 30 the resolution will be in compliance with this section. The certificate
 31 must also state the estimated annual net income of the capital
 32 improvement to be financed by the bonds, the estimated annual tax
 33 revenues, and the maximum amount payable in any year as principal
 34 and interest on the bonds issued under this chapter, including the bonds
 35 proposed to be issued, as the maximum interest rate set forth in the
 36 resolution. The bonds issued may mature over a period not exceeding
 37 forty (40) years from the date of issue.

38 (c) Upon receipt of the resolution and certificate the proper officers
 39 may adopt them and take all action necessary to issue the bonds in
 40 accordance with the resolution. An action to contest the validity of
 41 bonds issued under this section may not be brought after the fifteenth
 42 day following the receipt of bids for the bonds.

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1 (d) The provisions of all general statutes relating to:

2 ~~(1) the filing of a petition requesting the issuance of bonds and~~
3 ~~giving notice;~~

4 ~~(2) (1) the right of taxpayers voters to remonstrate against the~~
5 ~~issuance of bonds; file petitions regarding a property tax~~
6 ~~control board's decision under IC 6-1.1-17.5;~~

7 ~~(3) the giving of notice of the determination to issue bonds;~~

8 ~~(4) (2) the giving of notice of a hearing on the appropriation of the~~
9 ~~proceeds of bonds;~~

10 ~~(5) (3) the right of taxpayers to appear and be heard on the~~
11 ~~proposed appropriation;~~

12 ~~(6) the approval of the appropriation by the department of local~~
13 ~~government finance; and~~

14 ~~(7) (4) the sale of bonds at public sale;~~

15 apply to the issuance of bonds under this section.

16 SECTION 220. IC 36-10-9-15, AS AMENDED BY P.L.90-2002,
17 SECTION 521, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JANUARY 1, 2005]: Sec. 15. (a) A capital improvement
19 may be financed in whole or in part by the issuance of general
20 obligation bonds of the county.

21 (b) If the board desires to finance a capital improvement in whole
22 or in part as provided in this section, it shall have prepared a resolution
23 to be adopted by the board of commissioners of the county authorizing
24 the issuance of general obligation bonds. The resolution must state the
25 date or dates on which the principal of the bonds is payable, the
26 maximum interest rate to be paid, and the other terms upon which the
27 bonds shall be issued. The board shall submit the proposed resolution
28 to the board of commissioners of the county, together with a certificate
29 to the effect that the issuance of bonds in accordance with the
30 resolution will be in compliance with this section. The certificate must
31 also state the estimated annual net income of the capital improvement
32 to be financed by the bonds, the estimated annual tax revenues, and the
33 maximum amount payable in any year as principal and interest on the
34 bonds issued under this chapter, including the bonds proposed to be
35 issued, at the maximum interest rate set forth in the resolution. The
36 bonds issued may mature over a period not exceeding forty (40) years
37 from the date of issue.

38 (c) Upon receipt of the resolution and certificate, the board of
39 commissioners of the county may adopt them and take all action
40 necessary to issue the bonds in accordance with the resolution. An
41 action to contest the validity of bonds issued under this section may not
42 be brought after the fifteenth day following the receipt of bids for the

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- 1 bonds.
- 2 (d) The provisions of all general statutes relating to:
- 3 (1) the filing of a petition requesting the issuance of bonds and
- 4 giving notice;
- 5 (2) the right of taxpayers to remonstrate against the issuance of
- 6 bonds;
- 7 (3) (1) the giving of notice of the determination to issue bonds;
- 8 (4) (2) the giving of notice of a hearing on the appropriation of the
- 9 proceeds of bonds;
- 10 (5) (3) the right of taxpayers to appear and be heard on the
- 11 proposed appropriation;
- 12 (6) the approval of the appropriation by the department of local
- 13 government finance; and
- 14 (7) (4) the sale of bonds at public sale for not less than par value;
- 15 and
- 16 (5) the right of voters to file petitions regarding a property tax
- 17 control board's decision under IC 6-1.1-17.5;

18 are applicable to the issuance of bonds under this section.

19 SECTION 221. IC 36-10-10-14, AS AMENDED BY P.L.90-2002,

20 SECTION 523, IS AMENDED TO READ AS FOLLOWS

21 [EFFECTIVE JANUARY 1, 2005]: Sec. 14. (a) If the execution of the

22 lease is authorized, notice of the execution shall be given on behalf of

23 the city by publication one (1) time in a newspaper of general

24 circulation printed in the English language and published in the city.

25 Fifty (50) or more taxpayers in the city whose tax rate will be affected

26 by the proposed lease and who may be of the opinion that no necessity

27 exists for the execution of the lease, or that the lease rental is not fair

28 and reasonable, may file a petition in the office of the city clerk within

29 fifteen (15) days after publication of notice of the execution of the

30 lease, setting forth their objections and the facts supporting those

31 objections.

32 (b) Upon the filing of a petition, the city clerk shall immediately

33 certify a copy, together with other data that is necessary in order to

34 present the questions involved, to the department of local government

35 finance. Upon receipt of a certified petition and information, the

36 department of local government finance shall set a time and place for

37 the hearing of the matter in the city where the petition originated. The

38 hearing shall be held at least five (5) but not more than fifteen (15)

39 days after receipt of the petition by the department of local government

40 finance. Notice of the hearing shall be given by the department of local

41 government finance to the city executive and to the first ten (10)

42 taxpayer petitioners on the petition by certified mail sent to the

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1 addresses listed on the petition at least five (5) days before the date of
 2 the hearing. After the hearing, the department of local government
 3 finance shall promptly issue its decision on the petition.

4 SECTION 222. IC 36-10-10-15, AS AMENDED BY P.L.90-2002,
 5 SECTION 524, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JANUARY 1, 2005]: Sec. 15. An action to contest the
 7 validity of the lease or to enjoin the performance of any of the terms
 8 and conditions of the lease may not be brought at any time later than
 9 fifteen (15) days after publication of notice of the execution of the
 10 lease, or if an appeal has been taken to the department of local
 11 government finance, a remonstrance petition is filed under
 12 IC 6-1.1-17.5-11, then fifteen (15) days after the decision of the
 13 department: **deadline for filing a counterpetition under**
 14 **IC 6-1.1-17.5-12.**

15 SECTION 223. IC 36-10-11-16, AS AMENDED BY P.L.90-2002,
 16 SECTION 525, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JANUARY 1, 2005]: Sec. 16. (a) The lease shall be
 18 executed on behalf of the governmental entity by an officer authorized
 19 by law to execute contracts for the entity and on behalf of the authority
 20 by both the president or vice president of the board and the secretary
 21 of the board of directors.

22 (b) Notice of the execution of the lease shall be given by the
 23 governmental entity by publication as provided in IC 5-3-1.

24 (c) A lease may not be executed with annual lease rental exceeding
 25 an aggregate of two hundred seventy-five thousand dollars (\$275,000)
 26 unless the fiscal body of the lessee governmental entity finds that the
 27 estimated annual net income to the lessee governmental entity from the
 28 civic center, plus any other nonproperty tax funds made available
 29 annually for the payment of the lease rental, will not be less than the
 30 amount of the excess.

31 (d) The lease is subject to approval by the department of local
 32 government finance under IC 6-3-5. The lease may be executed before
 33 approval; however, if the department of local government finance does
 34 not approve the lease, it is void. The department of local government
 35 finance may not approve the lease under IC 6-3.5-1.1-8 unless it finds
 36 that the condition prescribed in subsection (c) is satisfied:
 37 **IC 6-1.1-17.5.**

38 (e) All net revenues of the leased building, together with any other
 39 funds made available for the payment of lease rental, shall be
 40 transferred at least annually by the lessee to a fund for payment of lease
 41 rental.

42 SECTION 224. IC 36-10-11-18, AS AMENDED BY P.L.90-2002,

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1 SECTION 527, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JANUARY 1, 2005]: Sec. 18. An action to contest the
 3 validity of the lease or to enjoin the performance of the lease may not
 4 be brought later than thirty (30) days after publication of notice of the
 5 execution of the lease, or, **if a remonstrance petition is filed under**
 6 **IC 6-1.1-17.5-11, not later than** thirty (30) days after the ~~decision of~~
 7 ~~the department of local government finance, whichever is later:~~
 8 **deadline for filing a counterpetition under IC 6-1.1-17.5-12.**

9 SECTION 225. THE FOLLOWING ARE REPEALED
 10 [EFFECTIVE JANUARY 1, 2005]: IC 6-1.1-17-6; IC 6-1.1-17-7;
 11 IC 6-1.1-17-8; IC 6-1.1-17-9; IC 6-1.1-17-10; IC 6-1.1-17-11;
 12 IC 6-1.1-17-13; IC 6-1.1-17-14; IC 6-1.1-17-15; IC 6-1.1-17-16.5;
 13 IC 6-1.1-17-16.7; IC 6-1.1-18-3; IC 6-1.1-18.5-2; IC 6-1.1-18.5-4;
 14 IC 6-1.1-18.5-6; IC 6-1.1-18.5-9; IC 6-1.1-18.5-9.5; IC 6-1.1-18.5-9.8;
 15 IC 6-1.1-18.5-10; IC 6-1.1-18.5-10.1; IC 6-1.1-18.5-10.2;
 16 IC 6-1.1-18.5-10.3; IC 6-1.1-18.5-10.4; IC 6-1.1-18.5-11;
 17 IC 6-1.1-18.5-12; IC 6-1.1-18.5-13; IC 6-1.1-18.5-13.5;
 18 IC 6-1.1-18.5-13.6; IC 6-1.1-18.5-15; IC 6-1.1-18.5-16;
 19 IC 6-1.1-18.5-17; IC 6-1.1-18.5-18; IC 6-1.1-18.5-19;
 20 IC 6-1.1-18.5-19.1; IC 6-1.1-18.6; IC 6-1.1-19-1.7; IC 6-1.1-19-2;
 21 IC 6-1.1-19-3; IC 6-1.1-19-4.1; IC 6-1.1-19-4.2; IC 6-1.1-19-4.4;
 22 IC 6-1.1-19-4.5; IC 6-1.1-19-4.6; IC 6-1.1-19-4.7; IC 6-1.1-19-4.9;
 23 IC 6-1.1-19-5.1; IC 6-1.1-19-5.4; IC 6-1.1-19-7; IC 6-1.1-19-10;
 24 IC 6-1.1-19-11; IC 6-1.1-20; IC 6-1.1-21.7-14; IC 6-1.1-29;
 25 IC 6-1.1-41; IC 8-18-22-14; IC 12-19-7-5; IC 12-19-7.5-7;
 26 IC 12-20-25-49; IC 16-22-6-20; IC 20-4-57-6; IC 21-2-5.5-3;
 27 IC 21-2-5.5-4; IC 21-2-11.5; IC 21-2-11.6; IC 21-2-12-5.1; IC 21-2-14;
 28 IC 21-2-15-7; IC 21-2-15-8; IC 36-1-12.5-5.5; IC 36-8-8.5-17;
 29 IC 36-10-11-17.

30 SECTION 226. [EFFECTIVE JANUARY 1, 2005] **This act applies**
 31 **only to property taxes first due and payable after December 31,**
 32 **2005.**

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