

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Finance, to which was referred Senate Bill No. 1, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 13, line 34, delete "is" and insert "**should be**".
- 2 Page 15, line 4, delete "committee" and insert "**commission**".
- 3 Page 21, line 39, strike "IC 6-1.1-9." and insert "**IC 6-1.1-13**".
- 4 Page 29, delete lines 19 through 42, begin a new paragraph and
- 5 insert:
- 6 "SECTION 19. IC 6-1.1-18.5-1, AS AMENDED BY P.L.198-2001,
- 7 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 UPON PASSAGE]: Sec. 1. As used in this chapter:
- 9 "Ad valorem property tax levy for an ensuing calendar year" means
- 10 the total property taxes imposed by a civil taxing unit for current
- 11 property taxes collectible in that ensuing calendar year.
- 12 "Adopting county" means any county in which the county adjusted
- 13 gross income tax is in effect.
- 14 "Civiltaxing unit" means any taxing unit except a school corporation.
- 15 "Maximum permissible ad valorem property tax levy for the
- 16 preceding calendar year" means ~~the greater of:~~
- 17 ~~(1) the civil taxing unit's maximum permissible ad valorem~~
- 18 ~~property tax levy for the calendar year immediately preceding the~~
- 19 ~~ensuing calendar year; as that levy was determined under section~~
- 20 ~~3 of this chapter; or~~

1 (2) the civil taxing unit's ad valorem property tax levy for the
2 calendar year immediately preceding the ensuing calendar year, as
3 that levy was determined by the department of local government
4 finance in fixing the civil taxing unit's budget, levy, and rate for
5 that preceding calendar year under IC 6-1.1-17.

6 "Taxable property" means all tangible property that is subject to the
7 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 department
13 of local government finance in a particular calendar year before the
14 application of an annual adjustment under IC 6-1.1-4-4.5 for that
15 particular calendar year or any calendar year since the last general
16 reassessment preceding the particular calendar year."

17 Page 30, delete lines 1 through 17.

18 Page 38, delete lines 36 through 42.

19 Page 39, delete lines 1 through 30.

20 Page 46, between lines 20 and 21, begin a new paragraph and insert:

21 "SECTION 27. IC 6-1.1-20-3.1, AS AMENDED BY P.L.178-2002,
22 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 MARCH 1, 2004]: Sec. 3.1. A political subdivision may not impose
24 property taxes to pay debt service or lease rentals without completing
25 the following procedures:

- 26 (1) The proper officers of a political subdivision shall:
27 (A) publish notice in accordance with IC 5-3-1; and
28 (B) send notice by first class mail to any organization that
29 delivers to the officers, before January 1 of that year, an annual
30 written request for such notices;
31 of any meeting to consider adoption of a resolution or an
32 ordinance making a preliminary determination to issue bonds or
33 enter into a lease and shall conduct a public hearing on a
34 preliminary determination before adoption of the resolution or
35 ordinance.

36 (2) When the proper officers of a political subdivision make a
37 preliminary determination to issue bonds or enter into a lease, the

- 1 officers shall give notice of the preliminary determination by:
- 2 (A) publication in accordance with IC 5-3-1; and
- 3 (B) first class mail to the organizations described in subdivision
- 4 (1)(B).
- 5 (3) A notice under subdivision (2) of the preliminary determination
- 6 of the political subdivision to issue bonds or enter into a lease must
- 7 include the following information:
- 8 (A) The maximum term of the bonds or lease.
- 9 (B) The maximum principal amount of the bonds or the
- 10 maximum lease rental for the lease.
- 11 (C) The estimated interest rates that will be paid and the total
- 12 interest costs associated with the bonds or lease.
- 13 (D) The purpose of the bonds or lease.
- 14 (E) A statement that any owners of real property within the
- 15 political subdivision who want to initiate a petition and
- 16 remonstrance process against the proposed debt service or
- 17 lease payments must file a petition that complies with
- 18 subdivisions (4) and (5) not later than thirty (30) days after
- 19 publication in accordance with IC 5-3-1.
- 20 (F) With respect to bonds issued or a lease entered into to
- 21 open:
- 22 (i) a new school facility; or
- 23 (ii) an existing facility that has not been used for at least
- 24 three (3) years and that is being reopened to provide
- 25 additional classroom space;
- 26 the estimated costs the school corporation expects to incur
- 27 annually to operate the facility.
- 28 (G) A statement of whether the school corporation expects to
- 29 appeal as described in IC 6-1.1-19-4.4(a)(4) for an increased
- 30 adjusted base levy to pay the estimated costs described in
- 31 clause (F).
- 32 (4) After notice is given, a petition requesting the application of a
- 33 petition and remonstrance process may be filed by the lesser of:
- 34 (A) ~~two one~~ hundred ~~fifty (250)~~ (100) owners of real property
- 35 within the political subdivision; or
- 36 (B) ~~ten~~ five percent ~~(10%)~~ (5%) of the owners of real
- 37 property within the political subdivision.

1 **(5) The state board of accounts shall design and, upon**
 2 **request by the county auditor, deliver to the county auditor**
 3 **or the county auditor's designated printer the petition forms**
 4 **to be used solely in the petition process described in this**
 5 **section. The county auditor shall issue to an owner or owners**
 6 **of real property within the political subdivision the number**
 7 **of petition forms requested by the owner or owners. Each**
 8 **form must be accompanied by instructions detailing the**
 9 **requirements that:**

10 **(A) the carrier and signers must be owners of real**
 11 **property;**

12 **(B) the carrier must be a signatory on at least one (1)**
 13 **petition;**

14 **(C) after the signatures have been collected, the carrier**
 15 **must swear or affirm before a notary public that the**
 16 **carrier witnessed each signature; and**

17 **(D) govern the closing date for the petition period.**

18 **Persons requesting forms may not be required to identify**
 19 **themselves and may be allowed to pick up additional copies**
 20 **to distribute to other property owners.**

21 **(6) Each petition must be verified under oath by at least one (1)**
 22 **qualified petitioner in a manner prescribed by the state board of**
 23 **accounts before the petition is filed with the county auditor under**
 24 **subdivision ~~(6)~~ (7).**

25 **~~(6)~~ (7) Each petition must be filed with the county auditor not**
 26 **more than thirty (30) days after publication under subdivision (2)**
 27 **of the notice of the preliminary determination.**

28 **~~(7)~~ (8) The county auditor must file a certificate and each petition**
 29 **with:**

30 **(A) the township trustee, if the political subdivision is a**
 31 **township, who shall present the petition or petitions to the**
 32 **township board; or**

33 **(B) the body that has the authority to authorize the issuance of**
 34 **the bonds or the execution of a lease, if the political subdivision**
 35 **is not a township;**

36 **within fifteen (15) business days of the filing of the petition**

1 requesting a petition and remonstrance process. The certificate
2 must state the number of petitioners that are owners of real
3 property within the political subdivision.

4 If a sufficient petition requesting a petition and remonstrance process
5 is not filed by owners of real property as set forth in this section, the
6 political subdivision may issue bonds or enter into a lease by following
7 the provisions of law relating to the bonds to be issued or lease to be
8 entered into.

9 SECTION 28. IC 6-1.1-20-3.2, AS AMENDED BY P.L.178-2002,
10 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 MARCH 1, 2004]: Sec. 3.2. If a sufficient petition requesting the
12 application of a petition and remonstrance process has been filed as set
13 forth in section 3.1 of this chapter, a political subdivision may not
14 impose property taxes to pay debt service or lease rentals without
15 completing the following procedures:

16 (1) The proper officers of the political subdivision shall give notice
17 of the applicability of the petition and remonstrance process by:

18 (A) publication in accordance with IC 5-3-1; and

19 (B) first class mail to the organizations described in section
20 3.1(1)(B) of this chapter.

21 A notice under this subdivision must include a statement that any
22 owners of real property within the political subdivision who want
23 to petition in favor of or remonstrate against the proposed debt
24 service or lease payments must file petitions and remonstrances in
25 compliance with subdivisions (2) through (4) not earlier than thirty
26 (30) days or later than sixty (60) days after publication in
27 accordance with IC 5-3-1.

28 (2) Not earlier than thirty (30) days or later than sixty (60) days
29 after the notice under subdivision (1) is given:

30 (A) petitions (described in subdivision (3)) in favor of the
31 bonds or lease; and

32 (B) remonstrances (described in subdivision (3)) against the
33 bonds or lease;

34 may be filed by an owner or owners of real property within the
35 political subdivision. Each signature on a petition must be dated
36 and the date of signature may not be before the date on which the
37 petition and remonstrance forms may be issued under subdivision

1 (3). A petition described in clause (A) or a remonstrance described
 2 in clause (B) must be verified in compliance with subdivision (4)
 3 before the petition or remonstrance is filed with the county auditor
 4 under subdivision (4).

5 (3) The state board of accounts shall design and, upon request by
 6 the county auditor, deliver to the county auditor or the county
 7 auditor's designated printer the petition and remonstrance forms
 8 to be used solely in the petition and remonstrance process
 9 described in this section. The county auditor shall issue to an
 10 owner or owners of real property within the political subdivision
 11 the number of petition or remonstrance forms requested by the
 12 owner or owners. Each form must be accompanied by
 13 instructions detailing the requirements that:

- 14 (A) the carrier and signers must be owners of real property;
- 15 (B) the carrier must be a signatory on at least one (1) petition;
- 16 (C) after the signatures have been collected, the carrier must
 17 swear or affirm before a notary public that the carrier
 18 witnessed each signature; ~~and~~
- 19 (D) govern the closing date for the petition and remonstrance
 20 period; **and**

21 **(E) apply to the carrier under section 10 of this chapter.**

22 Persons requesting forms may not be required to identify
 23 themselves and may be allowed to pick up additional copies to
 24 distribute to other property owners. The county auditor may not
 25 issue a petition or remonstrance form earlier than twenty-nine (29)
 26 days after the notice is given under subdivision (1). The county
 27 auditor shall certify the date of issuance on each petition or
 28 remonstrance form that is distributed under this subdivision.

29 (4) The petitions and remonstrances must be verified in the
 30 manner prescribed by the state board of accounts and filed with
 31 the county auditor within the sixty (60) day period described in
 32 subdivision (2) in the manner set forth in section 3.1 of this
 33 chapter relating to requests for a petition and remonstrance
 34 process.

35 (5) The county auditor must file a certificate and the petition or
 36 remonstrance with the body of the political subdivision charged
 37 with issuing bonds or entering into leases within fifteen (15)

1 business days of the filing of a petition or remonstrance under
 2 subdivision (4), whichever applies, containing ten thousand
 3 (10,000) signatures or less. The county auditor may take an
 4 additional five (5) days to review and certify the petition or
 5 remonstrance for each additional five thousand (5,000) signatures
 6 up to a maximum of sixty (60) days. The certificate must state the
 7 number of petitioners and remonstrators that are owners of real
 8 property within the political subdivision.

9 (6) If a greater number of owners of real property within the
 10 political subdivision sign a remonstrance than the number that
 11 signed a petition, the bonds petitioned for may not be issued or the
 12 lease petitioned for may not be entered into. The proper officers
 13 of the political subdivision may not make a preliminary
 14 determination to issue bonds or enter into a lease for the controlled
 15 project defeated by the petition and remonstrance process under
 16 this section or any other controlled project that is not substantially
 17 different within one (1) year after the date of the county auditor's
 18 certificate under subdivision (5). Withdrawal of a petition carries
 19 the same consequences as a defeat of the petition.

20 (7) After a political subdivision has gone through the petition and
 21 remonstrance process set forth in this section, the political
 22 subdivision is not required to follow any other remonstrance or
 23 objection procedures under any other law (including section 5 of
 24 this chapter) relating to bonds or leases designed to protect
 25 owners of real property within the political subdivision from the
 26 imposition of property taxes to pay debt service or lease rentals.
 27 However, the political subdivision must still receive the approval
 28 of the department of local government finance required by
 29 IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

30 SECTION 29. IC 6-1.1-20-10 IS ADDED TO THE INDIANA
 31 CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
 32 MARCH 1, 2004]: **Sec. 10. (a) If a petition and remonstrance**
 33 **process is commenced under section 3.2 of this chapter, during the**
 34 **sixty (60) day period commencing with the notice under section**
 35 **3.2(1) of this chapter, the political subdivision seeking to issue**
 36 **bonds or enter into a lease for the proposed controlled project may**
 37 **not promote a position on the petition or remonstrance by doing**

1 any of the following:

2 (1) Allowing facilities owned by the political subdivision to be
3 used for public relations purposes to promote a position on
4 the petition or remonstrance, unless equal access to the
5 facilities is given to persons with a position opposite to that
6 of the political subdivision.

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

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

19 However, this section does not prohibit an employee of the
20 political subdivision from carrying out duties with respect to a
21 petition or remonstrance that are part of the normal and regular
22 conduct of the employee's office or agency.

23 (b) A person may not solicit or collect signatures for a petition
24 or remonstrance on property owned or controlled by the political
25 subdivision."

26 Page 55, line 31, delete "this provisional statement is sent to" and
27 insert "_____ County (insert county) has".

28 Page 55, line 32, delete "property owners in a county that".

29 Page 55, line 36, delete "of _____ County (insert county)".

30 Page 58, line 32, after "supplement the" delete "other".

31 Page 58, line 33, delete "article" and insert "chapter".

32 Page 93, line 38, after "IC 6-1.1-12-9" insert ", as amended by this
33 act".

34 Page 96, between lines 16 and 17, begin a new paragraph and insert:
35 "SECTION 62. [EFFECTIVE UPON PASSAGE] IC 6-1.1-18.5-1,

1 as amended by this act, applies to property taxes first due and
2 payable after December 31, 2003."

3 Page 98, line 6, delete "homeowner in _____ County" and insert
4 "2004 property tax bill for homeowners in _____ County would
5 be approximately _____ percent (___%) greater."."

6 Page 98, delete lines 7 through 8.

7 Page 99, delete lines 7 through 11, begin a new paragraph and insert:

8 "SECTION 72. [EFFECTIVE UPON PASSAGE] (a) The
9 commission on state tax and financing policy established under
10 IC 2-5-3 shall study:

11 (1) the elimination of property taxes as a source of funding
12 for local government services other than:

13 (A) police and fire protection; and

14 (B) public health purposes; and

15 (2) alternative sources of revenue that might be used to
16 replace the property taxes described in subdivision (1).

17 The commission shall complete its study not later than December
18 31, 2005.

19 (b) This SECTION expires July 1, 2006."

20 Renumber all SECTIONS consecutively.

(Reference is to SB 1 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 13, Nays 1.

Borst

Chairperson