



February 22, 2005

HOUSE BILL No. 1568

DIGEST OF HB 1568 (Updated February 16, 2005 8:45 pm - DI 73)

Citations Affected: IC 6-1.1.

Synopsis: Hearings on appeals of budgets, rates, and levies. Requires the department of local government finance (DLGF) to publish notice and hold a hearing on an objecting petition concerning budgets, rates, and levies filed by taxpayers. Eliminates the limitation against filing such a petition unless a certain percentage of petitioners also objected locally. Allows a taxpayer that owns property that represents at least 10% of the taxable assessed valuation in a political subdivision to appeal from the county board of tax adjustment's action on the political subdivision's budget. Requires the DLGF to provide written notice of the hearing on an appeal from the county board of tax adjustment's action to the taxpayers who initiated the appeal. Prohibits the DLGF from holding a hearing on local budgets, rates, and levies if an informational notice is not published by the county auditor at least ten days before the date of the hearing. Requires the DLGF to certify its action after a hearing on a political subdivision's budget, rate, and levy to the taxpayers that had appealed from the county board of tax adjustment's action and to a taxpayer that owns property that represents at least 10% of the taxable assessed valuation in a political subdivision. Allows a taxpayer that owns property that represents at least 10% of the taxable assessed valuation in a political subdivision to petition for judicial review of the DLGF's final determination.

Effective: July 1, 2005.

Cherry, Grubb

January 18, 2005, read first time and referred to Committee on Local Government.
February 21, 2005, amended, reported — Do Pass.

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HB 1568—LS 7435/DI 52+



February 22, 2005

First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1568

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

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

1 SECTION 1. IC 6-1.1-17-13 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) ~~Except as~~
3 ~~provided in subsection (b);~~ Ten (10) or more taxpayers **or one (1)**
4 **taxpayer that owns property that represents at least ten percent**
5 **(10%) of the taxable assessed valuation in the political subdivision**
6 may initiate an appeal from the county board of tax adjustment's action
7 on a political subdivision's budget by filing a statement of their
8 objections with the county auditor. The statement must be filed not
9 later than ten (10) days after the publication of the notice required by
10 section 12 of this chapter. The statement shall specifically identify the
11 provisions of the budget and tax levy to which the taxpayers object.
12 The county auditor shall forward the statement, with the budget, to the
13 department of local government finance.

14 ~~(b) This subsection applies to provisions of the budget and tax levy~~
15 ~~of a political subdivision:~~

16 ~~(1) against which an objection petition was filed under section~~
17 ~~5(b) of this chapter; and~~

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1 (2) that were not changed by the fiscal body of the political
2 subdivision after hearing the objections:

3 A group of ten (10) or more taxpayers may not initiate an appeal under
4 subsection (a) against provisions of the budget and tax levy if less than
5 seventy-five percent (75%) of the objecting taxpayers with respect to
6 the objection petition filed under section 5(b) of this chapter were
7 objecting taxpayers with respect to the objection statement filed under
8 subsection (a) against those provisions:

- 9 (b) The department of local government finance shall:
 - 10 (1) subject to subsection (c), give notice to the first ten (10)
 - 11 taxpayers whose names appear on the petition, or to the
 - 12 taxpayer that owns property that represents at least ten
 - 13 percent (10%) of the taxable assessed valuation in the political
 - 14 subdivision, in the case of an appeal initiated by that taxpayer,
 - 15 of the date, time, and location of the hearing on the objection
 - 16 statement filed under subsection (a);
 - 17 (2) conduct a hearing on the objection; and
 - 18 (3) after the hearing:
 - 19 (A) consider the testimony and evidence submitted at the
 - 20 hearing; and
 - 21 (B) mail the department's:
 - 22 (i) written determination; and
 - 23 (ii) written statement of findings;
 - 24 to the first ten (10) taxpayers whose names appear on the
 - 25 petition, or to the taxpayer that owns property that
 - 26 represents at least ten percent (10%) of the taxable
 - 27 assessed valuation in the political subdivision, in the case
 - 28 of an appeal initiated by that taxpayer.

29 The department of local government finance may hold the hearing
30 in conjunction with the hearing required under IC 6-1.1-17-16.

- 31 (c) The department of local government finance shall:
 - 32 (1) provide written notice to:
 - 33 (A) the first ten (10) taxpayers whose names appear on the
 - 34 petition; or
 - 35 (B) the taxpayer that owns property that represents at
 - 36 least ten percent (10%) of the taxable assessed valuation in
 - 37 the political subdivision, in the case of an appeal initiated
 - 38 by that taxpayer; and
 - 39 (2) publish notice of the hearing;
 - 40 at least five (5) days before the date of the hearing.

41 SECTION 2. IC 6-1.1-17-16 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) Subject to the

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1 limitations and requirements prescribed in this section, the department
2 of local government finance may revise, reduce, or increase a political
3 subdivision's budget, tax rate, or tax levy which the department reviews
4 under section 8 or 10 of this chapter.

5 (b) Subject to the limitations and requirements prescribed in this
6 section, the department of local government finance may review,
7 revise, reduce, or increase the budget, tax rate, or tax levy of any of the
8 political subdivisions whose tax rates compose the aggregate tax rate
9 within a political subdivision whose budget, tax rate, or tax levy is the
10 subject of an appeal initiated under this chapter.

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

28 (d) Except as provided in subsection (i), IC 6-1.1-19, or
29 IC 6-1.1-18.5, the department of local government finance may not
30 increase a political subdivision's budget, tax rate, or tax levy to an
31 amount which exceeds the amount originally fixed by the political
32 subdivision. The department of local government finance shall give the
33 political subdivision written notification specifying any revision,
34 reduction, or increase the department proposes in a political
35 subdivision's tax levy or tax rate. The political subdivision has one (1)
36 week from the date the political subdivision receives the notice to
37 provide a written response to the department of local government
38 finance's Indianapolis office specifying how to make the required
39 reductions in the amount budgeted for each office or department. The
40 department of local government finance shall make reductions as
41 specified in the political subdivision's response if the response is
42 provided as required by this subsection and sufficiently specifies all

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1 necessary reductions. The department of local government finance may
2 make a revision, a reduction, or an increase in a political subdivision's
3 budget only in the total amounts budgeted for each office or department
4 within each of the major budget classifications prescribed by the state
5 board of accounts.

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

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

14 (f) The department of local government finance shall certify its
15 action to:

- 16 (1) the county auditor; ~~and~~
- 17 (2) the political subdivision if the department acts pursuant to an
18 appeal initiated by the political subdivision;
- 19 **(3) the first ten (10) taxpayers whose names appear on a**
20 **petition filed under section 13 of this chapter; and**
- 21 **(4) a taxpayer that owns property that represents at least ten**
22 **percent (10%) of the taxable assessed valuation in the political**
23 **subdivision.**

24 (g) The following may petition for judicial review of the final
25 determination of the department of local government finance under
26 subsection (f):

- 27 (1) If the department acts under an appeal initiated by a political
28 subdivision, the political subdivision.
- 29 (2) If the department acts under an appeal initiated by taxpayers
30 under section 13 of this chapter, a taxpayer who signed the
31 petition under that section.
- 32 (3) If the department acts under an appeal initiated by the county
33 auditor under section 14 of this chapter, the county auditor.
- 34 **(4) A taxpayer that owns property that represents at least ten**
35 **percent (10%) of the taxable assessed valuation in the political**
36 **subdivision.**

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).

39 (h) 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 **(k) The department of local government finance may hold a**
23 **hearing under subsection (c) only if the notice required in**
24 **IC 6-1.1-17-12 is published at least ten (10) days before the date of**
25 **the hearing.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1568, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, after "taxpayers" insert "**or one (1) taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision**".

Page 2, line 9, after "petition" insert "**, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer,**".

Page 2, line 11, delete "and".

Page 2, between lines 11 and 12, begin a new line block indented and insert:

"(2) conduct a hearing on the objection; and".

Page 2, line 12, delete "(2)" and insert "**(3)**".

Page 2, line 18, beginning with "to", begin a new line double block indented.

Page 2, line 19, after "petition" delete "." and insert "**, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer.**".

Page 2, delete lines 22 through 25, begin a new paragraph and insert:

"(c) The department of local government finance shall:

(1) provide written notice to:

(A) the first ten (10) taxpayers whose names appear on the petition; or

(B) the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer; and

(2) publish notice of the hearing;

at least five (5) days before the date of the hearing."

Page 4, line 1, strike "and".

Page 4, line 3, after "subdivision" delete "." and insert ";".

Page 4, between lines 3 and 4, begin a new line block indented and insert:

"(3) the first ten (10) taxpayers whose names appear on a petition filed under section 13 of this chapter; and

(4) a taxpayer that owns property that represents at least ten

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percent (10%) of the taxable assessed valuation in the political subdivision."

Page 4, between lines 13 and 14, begin a new line block indented and insert:

"(4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision."

and when so amended that said bill do pass.

(Reference is to HB 1568 as introduced.)

SAUNDERS, Chair

Committee Vote: yeas 10, nays 0.

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