

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1001 be amended to read as follows:

- 1 Page 2, between lines 20 and 21, begin a new paragraph and insert:
2 "SECTION 3. IC 5-22-10-13.5 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) This section applies**
5 **to the purchase of supplies by the Indiana stadium and convention**
6 **building authority created by IC 5-1-17-6.**
7 **(b) A purchasing agent may award a contract for supplies and**
8 **for the installation of supplies described in subsection (a) when**
9 **there is only one (1) source for the supplies and the purchasing**
10 **agent determines in writing that:**
11 **(1) the sole source is:**
12 **(A) integral to the design of a project; or**
13 **(B) sufficiently unique or specialized; and**
14 **(2) alternative supplies:**
15 **(A) are not available;**
16 **(B) present design problems;**
17 **(C) present warranty issues; or**
18 **(D) diminish the desired result."**
19 Page 3, between lines 9 and 10, begin a new paragraph and insert:
20 "SECTION 5. IC 6-1.1-3-7 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) Except as**
22 **provided in subsections (b) and (d), and subject to subsection (h), a**
23 **taxpayer shall, on or before the filing date of each year, file a personal**
24 **property return with the assessor of each township in which the**
25 **taxpayer's personal property is subject to assessment.**
26 **(b) The township assessor may grant a taxpayer an extension of not**
27 **more than thirty (30) days to file the taxpayer's return if:**
28 **(1) the taxpayer submits a written application for an extension**
29 **prior to the filing date; and**
30 **(2) the taxpayer is prevented from filing a timely return because**

1 of sickness, absence from the county, or any other good and
2 sufficient reason.

3 (c) If the sum of the assessed values reported by a taxpayer on the
4 business personal property returns which the taxpayer files with the
5 township assessor for a year exceeds one hundred fifty thousand dollars
6 (\$150,000), the taxpayer shall file each of the returns in duplicate.

7 (d) A taxpayer may file a consolidated return with the county
8 assessor if the taxpayer has personal property subject to assessment in
9 more than one (1) township in a county and the total assessed value of
10 the personal property in the county is less than one million five hundred
11 thousand dollars (\$1,500,000). A taxpayer filing a consolidated return
12 shall attach a schedule listing, by township, all the taxpayer's personal
13 property and the property's assessed value. A taxpayer filing a
14 consolidated return is not required to file a personal property return with
15 the assessor of each township. A taxpayer filing a consolidated return
16 shall provide the following:

17 (1) The county assessor with the information necessary for the
18 county assessor to allocate the assessed value of the taxpayer's
19 personal property among the townships listed on the return,
20 including the street address, the township, and the location of the
21 property.

22 (2) A copy of the consolidated return, with attachments, for each
23 township listed on the return.

24 (e) The county assessor shall provide to each affected township
25 assessor in the county all information filed by a taxpayer under
26 subsection (d) that affects the township. The county assessor shall
27 provide the information before:

28 (1) May 25 of each year, for a return filed on or before the filing
29 date for the return; or

30 (2) June 30 of each year, for a return filed after the filing date for
31 the return.

32 (f) The township assessor shall send all required notifications to the
33 taxpayer.

34 (g) The county assessor may refuse to accept a consolidated personal
35 property tax return that does not have attached to it a schedule listing,
36 by township, all the personal property of the taxpayer and the assessed
37 value of the property as required under subsection (d). For purposes of
38 IC 6-1.1-37-7, a consolidated return is filed on the date it is filed with
39 the county assessor with the schedule of personal property and assessed
40 value attached.

41 **(h) A taxpayer that:**
42 **(1) does not have personal property subject to assessment in**
43 **a township; and**
44 **(2) would, if the taxpayer had personal property subject to**
45 **assessment in the township, be required to report information**
46 **under section 9(b) of this chapter in the township;**

1 **shall file a return for the township under subsection (a) for the sole**
 2 **purpose of reporting information under section 9(b) of this**
 3 **chapter.**

4 SECTION 6. IC 6-1.1-3-9 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) In
 6 completing a personal property return for a year, a taxpayer shall make
 7 a complete disclosure of:

8 (1) all information required by the department of local government
 9 finance that is related to the value, nature, or location of personal
 10 property:

11 ~~(1)~~ (A) that the taxpayer owned on the assessment date of that
 12 year; or

13 ~~(2)~~ (B) that the taxpayer held, possessed, or controlled on the
 14 assessment date of that year; **and**

15 (2) the information required under subsection (b) related to
 16 real property.

17 (b) A taxpayer shall:

18 (1) indicate on a personal property return for a year whether
 19 the taxpayer:

20 (A) is a C corporation (as defined in IC 6-1.1-21-2(p)) that
 21 owned; or

22 (B) is indirectly liable (as defined in IC 6-1.1-21-2(q)) for
 23 property taxes with respect to;

24 real property on the assessment date of that year; and

25 (2) identify on the personal property return by parcel number
 26 or key number any real property referred to in subdivision
 27 (1).

28 ~~(b)~~ (c) The taxpayer shall certify to the truth of:

29 (1) all information appearing in a personal property return; and

30 (2) all data accompanying the return.

31 SECTION 7. IC 6-1.1-3-17 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) **Except as**
 33 **provided in subsection (b)**, on or before June 1 of each year, each
 34 township assessor of a county shall deliver to the county assessor:

35 (1) a list ~~which~~ **that** states by taxing district the total of the
 36 personal property assessments as shown on the personal property
 37 returns filed with the assessor on or before the filing date of that
 38 year; and

39 (2) a list by taxpayer of parcel numbers or key numbers
 40 reported on personal property returns for that year under
 41 section 9(b) of this chapter.

42 (b) In a county with a township assessor under IC 36-6-5-1 in every
 43 township the township assessor shall deliver the lists **referred to in**
 44 **subsection (a)** to the county auditor. ~~as prescribed in subsection (b)~~:

45 ~~(b)~~ (c) On or before July 1 of each year, each county assessor shall
 46 certify to the county auditor:

- 1 (1) the ~~assessment~~ **assessed** value of the personal property in
 2 every taxing district; **and**
 3 (2) **the information delivered to the county assessor for that**
 4 **year under subsection (a)(2) for all townships in the county.**
 5 (d) **As soon as practicable after receipt of amended personal**
 6 **property returns filed under section 7.5 of this chapter:**
 7 (1) **each township assessor of a county shall deliver to the**
 8 **county assessor lists of the information required under**
 9 **subsection (a); and**
 10 (2) **each county assessor shall certify to the county auditor the**
 11 **information required under subsection (c);**
 12 **included in the amended returns.**
 13 ~~(c)~~ (e) The department of local government finance shall prescribe
 14 the forms required by this section."
 15 Page 7, line 20, after "acquires" insert "**in an arms length**
 16 **transaction from an entity that is not an affiliate of the deduction**
 17 **applicant**".
 18 Page 8, line 40, after "acquires" insert "**in an arms length**
 19 **transaction from an entity that is not an affiliate of the deduction**
 20 **applicant**".
 21 Page 9, line 25, after "applicant" insert "**acquires in an arms length**
 22 **transaction from an entity that is not an affiliate of the deduction**
 23 **applicant and**".
 24 Page 10, line 2, strike "and".
 25 Page 10, between lines 2 and 3, begin a new line double block
 26 indented and insert:
 27 "**(C) the deduction applicant acquires in an arms length**
 28 **transaction from an entity that is not an affiliate of the**
 29 **deduction applicant; and**".
 30 Page 10, line 3, strike "(C)".
 31 Page 10, line 3, after "was" insert "**(D)**".
 32 Page 10, between lines 7 and 8, begin a new line block indented and
 33 insert:
 34 "**(16) "Affiliate" means an entity that effectively controls or is**
 35 **controlled by a deduction applicant or is associated with a**
 36 **deduction applicant under common ownership or control,**
 37 **whether by shareholdings or other means.**
 38 SECTION 12. IC 6-1.1-18-12, AS AMENDED BY P.L.1-2005,
 39 SECTION 87, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) For purposes of this
 41 section, "maximum rate" refers to the maximum:
 42 (1) property tax rate or rates; or
 43 (2) special benefits tax rate or rates;
 44 referred to in the statutes listed in subsection (d).
 45 (b) The maximum rate for taxes first due and payable after 2003 is
 46 the maximum rate that would have been determined under subsection

- 1 (e) for taxes first due and payable in 2003 if subsection (e) had applied
 2 for taxes first due and payable in 2003.
- 3 (c) The maximum rate must be adjusted:
- 4 (1) each time an annual adjustment of the assessed value of real
 5 property takes effect under IC 6-1.1-4-4.5; and
 6 (2) each time a general reassessment of real property takes effect
 7 under IC 6-1.1-4-4.
- 8 (d) The statutes to which subsection (a) refers are:
- 9 (1) IC 8-10-5-17;
 10 (2) IC 8-22-3-11;
 11 (3) IC 8-22-3-25;
 12 (4) IC 12-29-1-1;
 13 (5) IC 12-29-1-2;
 14 (6) IC 12-29-1-3;
 15 (7) IC 12-29-3-6;
 16 (8) IC 13-21-3-12;
 17 (9) IC 13-21-3-15;
 18 (10) IC 14-27-6-30;
 19 (11) IC 14-33-7-3;
 20 (12) IC 14-33-21-5;
 21 (13) IC 15-1-6-2;
 22 (14) IC 15-1-8-1;
 23 (15) IC 15-1-8-2;
 24 (16) IC 16-20-2-18;
 25 (17) IC 16-20-4-27;
 26 (18) IC 16-20-7-2;
 27 (19) IC 16-23-1-29;
 28 (20) IC 16-23-3-6;
 29 (21) IC 16-23-4-2;
 30 (22) IC 16-23-5-6;
 31 (23) IC 16-23-7-2;
 32 (24) IC 16-23-8-2;
 33 (25) IC 16-23-9-2;
 34 (26) IC 16-41-15-5;
 35 (27) IC 16-41-33-4;
 36 (28) IC 20-26-8-4;
 37 (29) IC 21-1-11-3;
 38 **(30) IC 21-2-15-11;**
 39 ~~(30)~~ **(31)** IC 21-2-17-2;
 40 ~~(31)~~ **(32)** IC 23-13-17-1;
 41 ~~(32)~~ **(33)** IC 23-14-66-2;
 42 ~~(33)~~ **(34)** IC 23-14-67-3;
 43 ~~(34)~~ **(35)** IC 36-7-13-4;
 44 ~~(35)~~ **(36)** IC 36-7-14-28;
 45 ~~(36)~~ **(37)** IC 36-7-15.1-16;
 46 ~~(37)~~ **(38)** IC 36-8-19-8.5;

- 1 ~~(43)~~ ~~(38)~~ **(39)** IC 36-9-6.1-2;
 2 ~~(44)~~ ~~(39)~~ **(40)** IC 36-9-17.5-4;
 3 ~~(45)~~ ~~(40)~~ **(41)** IC 36-9-27-73;
 4 ~~(46)~~ ~~(41)~~ **(42)** IC 36-9-29-31;
 5 ~~(47)~~ ~~(42)~~ **(43)** IC 36-9-29.1-15;
 6 ~~(48)~~ ~~(43)~~ **(44)** IC 36-10-6-2;
 7 ~~(49)~~ ~~(44)~~ **(45)** IC 36-10-7-7;
 8 ~~(50)~~ ~~(45)~~ **(46)** IC 36-10-7-8;
 9 ~~(51)~~ ~~(46)~~ **(47)** IC 36-10-7.5-19;
 10 ~~(47)~~ **(48)** IC 36-10-13-5;
 11 ~~(48)~~ **(49)** IC 36-10-13-7;
 12 ~~(49)~~ **(50)** IC 36-12-7-7;
 13 ~~(50)~~ **(51)** IC 36-12-7-8;
 14 ~~(51)~~ **(52)** IC 36-12-12-10; and
 15 ~~(52)~~ **(53)** any statute enacted after December 31, 2003, that:
 16 (A) establishes a maximum rate for any part of the:
 17 (i) property taxes; or
 18 (ii) special benefits taxes;
 19 imposed by a political subdivision; and
 20 (B) does not exempt the maximum rate from the adjustment
 21 under this section.
 22 (e) The new maximum rate under a statute listed in subsection (d) is
 23 the tax rate determined under STEP SEVEN of the following STEPS:
 24 STEP ONE: Determine the maximum rate for the political
 25 subdivision levying a property tax or special benefits tax under the
 26 statute for the year preceding the year in which the annual
 27 adjustment or general reassessment takes effect.
 28 STEP TWO: Determine the actual percentage increase (rounded
 29 to the nearest one-hundredth percent (0.01%)) in the assessed
 30 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
 31 taxable property from the year preceding the year the annual
 32 adjustment or general reassessment takes effect to the year that the
 33 annual adjustment or general reassessment takes effect.
 34 STEP THREE: Determine the three (3) calendar years that
 35 immediately precede the ensuing calendar year and in which a
 36 statewide general reassessment of real property does not first take
 37 effect.
 38 STEP FOUR: Compute separately, for each of the calendar years
 39 determined in STEP THREE, the actual percentage increase
 40 (rounded to the nearest one-hundredth percent (0.01%)) in the
 41 assessed value (before the adjustment, if any, under
 42 IC 6-1.1-4-4.5) of the taxable property from the preceding year.
 43 STEP FIVE: Divide the sum of the three (3) quotients computed
 44 in STEP FOUR by three (3).
 45 STEP SIX: Determine the greater of the following:
 46 (A) Zero (0).

1 (B) The result of the STEP TWO percentage minus the STEP
2 FIVE percentage.

3 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
4 divided by the sum of one (1) plus the STEP SIX percentage
5 increase.

6 (f) The department of local government finance shall compute the
7 maximum rate allowed under subsection (e) and provide the rate to each
8 political subdivision with authority to levy a tax under a statute listed
9 in subsection (d)."

10 Page 10, line 29, strike "(except as necessary to explain the project
11 to the".

12 Page 10, line 30, strike "public".

13 Page 10, line 38, delete "." and insert ", or otherwise compelling an
14 employee to promote a position on the petition or remonstrance at
15 any time."

16 Page 11, between lines 13 and 14, begin a new paragraph and insert:

17 "(d) A person or an organization that has a contract or
18 arrangement (whether formal or informal) with a school
19 corporation for the use of any of the school corporation's facilities
20 may not spend any money to promote a position on the petition or
21 remonstrance. A person or an organization that violates this
22 subsection commits a Class A infraction.

23 (e) An attorney, an architect, a construction manager, or a
24 financial adviser for professional services provided with respect to
25 a controlled project may not spend any money to promote a
26 position on the petition or remonstrance. A person who violates
27 this subsection:

- 28 (1) commits a Class A infraction; and
29 (2) is barred from performing any services with respect to the
30 controlled project.

31 SECTION 15. IC 6-1.1-20-11 IS ADDED TO THE INDIANA
32 CODE AS A NEW SECTION TO READ AS FOLLOWS
33 [EFFECTIVE JULY 1, 2006]: Sec. 11. (a) This section applies to the
34 determination of the validity of a signature on a document required
35 for a petition and remonstrance procedure under this chapter.

36 (b) If:

- 37 (1) the validity of a signature is uncertain; and
38 (2) this section does not establish a standard to be applied in
39 that case;

40 a reasonable doubt must be resolved in favor of the validity of the
41 signature.

42 (c) Whenever the name of an individual, as printed or signed,
43 contains a minor variation from the name of the individual as set
44 forth in the relevant county records, the signature is considered
45 valid.

46 (d) Whenever the residence address or mailing address of an

1 individual contains a minor variation from the residence address
2 or mailing address as set forth in the relevant county records, the
3 signature is considered valid.

4 (e) Notwithstanding subsection (c) or (d), if the residence
5 address or mailing address of an individual contains a substantial
6 variation from the residence address or mailing address as set
7 forth in the relevant county records, the signature is considered
8 invalid.

9 (f) If the signature of an individual does not substantially
10 conform with the signature of the individual in the relevant county
11 records, the signature is considered invalid. In determining
12 whether a signature substantially conforms with an individual's in
13 the relevant county records, consideration shall be given to
14 whether that lack of conformity may reasonably be attributed to
15 the age, disability, or impairment of the individual."

16 Page 18, line 38, after "is" insert "directly or indirectly".

17 Page 19, line 1, after "is" insert "directly or indirectly".

18 Page 19, line 39, after "is" insert "directly or indirectly".

19 Page 20, line 3, after "is" insert "directly or indirectly".

20 Page 20, between lines 28 and 29, begin a new paragraph and insert:

21 "**(q) "Indirectly liable" means that at least fifty percent (50%)**
22 **of any combination of the book value and control of a taxpayer**
23 **that is liable for property taxes on tangible property is directly or**
24 **indirectly owned or controlled by one (1) or more C corporations.**
25 **However, in determining the ownership of an entity in a chain of**
26 **ownership of a taxpayer, the publicly traded shares or ownership**
27 **units of an entity shall be treated as not owned by a C**
28 **corporation."**

29 Page 30, between lines 1 and 2, begin a new paragraph and insert:

30 "SECTION 29. IC 6-1.1-40-1.5 IS ADDED TO THE INDIANA
31 CODE AS A NEW SECTION TO READ AS FOLLOWS
32 [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 1.5. As**
33 **used in this chapter, "affiliate" means an entity that effectively**
34 **controls or is controlled by an applicant for a deduction under this**
35 **chapter or is associated with an applicant for a deduction under**
36 **this chapter under common ownership or control, whether by**
37 **shareholdings or other means."**

38 Page 30, line 11, after "acquires" insert "in an arms length
39 transaction from an entity that is not an affiliate of the applicant".

40 Page 33, line 4, delete "or under section 9(b) of this chapter".

41 Page 53, delete lines 37 through 42.

42 Page 54, delete lines 1 through 11.

43 Page 54, line 12, delete "(3)" and insert "(2)".

44 Page 54, line 23, delete "(4)" and insert "(3)".

45 Page 54, delete lines 26 through 42.

46 Page 55, delete lines 1 through 6.

1 Page 55, line 7, delete "(7)" and insert "(4)".

2 Page 55, between lines 18 and 19, begin a new paragraph and insert:

3 "SECTION 42. IC 6-3-4-1.5 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. A C corporation (as
6 defined in IC 6-1.1-21-2(p)) shall:**

7 **(1) indicate on a return required under section 1 of this
8 chapter whether the C corporation owned real property on
9 the assessment date (as defined in IC 6-1.1-1-2) in the taxable
10 year for which the return is filed; and**

11 **(2) identify on the return by parcel number or key number
12 any real property referred to in subdivision (1)."**

13 Page 60, delete lines 8 through 42, begin a new paragraph and insert:

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

16 (1) finance, construct, acquire, improve, renovate, or equip:

17 (A) jail facilities;

18 (B) juvenile court, detention, and probation facilities;

19 (C) other criminal justice facilities; and

20 (D) related buildings and parking facilities;

21 located in the county, including costs related to the demolition of
22 existing buildings and the acquisition of land; and

23 (2) repay bonds issued or leases entered into for the purposes
24 described in subdivision (1).

25 **(c) The county council may, by ordinance, determine that
26 additional county adjusted gross income tax revenue is needed in
27 the county to operate or maintain any of the facilities described in
28 subsection (b)(1)(A) through (b)(1)(D) that are located in the
29 county. The county council may make a determination under both
30 this subsection and subsection (b).**

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

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

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

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

37 on the adjusted gross income of county taxpayers if the county council
38 makes ~~the~~ a finding and determination set forth in subsection (b) **or (c).**

39 **The tax rate may not be imposed at a rate greater than is
40 necessary to carry out the purposes described in subsections (b)
41 and (c), as applicable.**

42 **(e) If the county council imposes the tax under this section to
43 pay for the purposes described in both subsections (b) and (c),
44 when:**

45 **(1) the financing, construction, acquisition, improvement,
46 renovation, and equipping described in subsection (b) are**

1 **completed; and**
 2 **(2) all bonds issued or leases entered into to finance the**
 3 **construction, acquisition, improvement, renovation, and**
 4 **equipping described in subsection (b) are fully paid;**
 5 **the county council shall, subject to subsection (d), establish a tax**
 6 **rate under this section by ordinance such that the revenue from the**
 7 **tax does not exceed the costs of operating and maintaining the jail**
 8 **facilities described in subsection (b)(1)(A).**

9 (f) The tax imposed under this section may be imposed only until the
 10 later of the date on which:

11 (1) the financing, construction, acquisition, improvement,
 12 renovation, and equipping described in subsection (b) are
 13 completed; ~~or~~

14 (2) ~~the date on which~~ the last of any bonds issued or leases entered
 15 into to finance the construction, acquisition, improvement,
 16 renovation, and equipping described in subsection (b) are fully
 17 paid; ~~or~~

18 (3) ~~an ordinance adopted under subsection (c) is rescinded.~~

19 (g) The term of the bonds issued (including any refunding bonds) or
 20 a lease entered into under subsection (b)(2) may not exceed twenty (20)
 21 years.

22 ~~(d) If the county council makes a determination under subsection (b);~~
 23 ~~the county council may adopt a tax rate under subsection (c). The tax~~
 24 ~~rate may not be imposed at a rate greater than is necessary to pay the~~
 25 ~~costs of carrying out the purposes described in subsection (b)(1).~~

26 ~~(e)~~ (h) The county treasurer shall establish a criminal justice
 27 facilities revenue fund to be used only for purposes described in this
 28 section. County adjusted gross income tax revenues derived from the
 29 tax rate imposed under this section shall be deposited in the criminal
 30 justice facilities revenue fund before making a certified distribution
 31 under section 11 of this chapter.

32 ~~(f)~~ (i) County adjusted gross income tax revenues derived from the
 33 tax rate imposed under this section:

34 (1) may be used only for the purposes described in this section;
 35 (2) may not be considered by the department of local government
 36 finance in determining the county's maximum permissible property
 37 tax levy limit under IC 6-1.1-18.5; and

38 (3) may be pledged to the repayment of bonds issued or leases
 39 entered into for any or all the purposes described in subsection (b).

40 ~~(g)~~ (j) Notwithstanding any other law, ~~funds accumulated from the~~
 41 ~~county adjusted gross income tax imposed under this section after:~~

42 ~~(1) the completion of the financing, construction, acquisition,~~
 43 ~~improvement, renovation, and equipping described in subsection~~
 44 ~~(b);~~

45 ~~(2) the payment or provision for payment of all the costs for~~
 46 ~~activities described in subdivision (1);~~

1 ~~(3) the redemption of bonds issued; and~~

2 ~~(4) the final payment of lease rentals due under a lease entered into~~
3 ~~under this section;~~

4 **money remaining in the criminal justice facilities revenue fund**
5 **established under subsection (h) after the tax imposed by this**
6 **section is terminated under subsection (f)** shall be transferred to the
7 county highway fund to be used for construction, resurfacing,
8 restoration, and rehabilitation of county highways, roads, and bridges.

9 SECTION 47. IC 6-3.5-1.1-10 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except as
11 provided in subsection (b), one-half (1/2) of each adopting county's
12 certified distribution for a calendar year shall be distributed from its
13 account established under section 8 of this chapter to the appropriate
14 county treasurer on May 1 and the other one-half (1/2) on November 1
15 of that calendar year.

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

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

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

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

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

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

42 (c) Except for:

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

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

46 (A) financing, constructing, acquiring, improving, renovating,

- 1 ~~or~~ equipping, **operating, or maintaining** facilities and
 2 buildings;
 3 (B) debt service on bonds; or
 4 (C) lease rentals;
 5 under section 2.8 of this chapter;
 6 (3) revenue that must be used to pay the costs of construction,
 7 improvement, renovation, or remodeling of a jail and related
 8 buildings and parking structures under section 2.7, 2.9, or 3.3 of
 9 this chapter;
 10 (4) revenue that must be used to pay the costs of operating and
 11 maintaining a jail and justice center under section 3.5(d) of this
 12 chapter; or
 13 (5) revenue that must be used to pay the costs of constructing,
 14 acquiring, improving, renovating, or equipping a county
 15 courthouse under section 3.6 of this chapter;
 16 distributions made to a county treasurer under subsections (a) and (b)
 17 shall be treated as though they were property taxes that were due and
 18 payable during that same calendar year. Except as provided by
 19 subsection (b), the certified distribution shall be distributed and used by
 20 the taxing units and school corporations as provided in sections 11
 21 through 15 of this chapter.
 22 (d) All distributions from an account established under section 8 of
 23 this chapter shall be made by warrants issued by the auditor of the state
 24 to the treasurer of the state ordering the appropriate payments.
 25 SECTION 48. IC 6-3.5-1.1-11 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:
 27 (1) revenue that must be used to pay the costs of operating a jail
 28 and juvenile detention center under section 2.5(d) of this chapter;
 29 (2) revenue that must be used to pay the costs of:
 30 (A) financing, constructing, acquiring, improving, renovating,
 31 ~~or~~ equipping, **operating, or maintaining** facilities and
 32 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
 43 (5) revenue that must be used to pay the costs of constructing,
 44 acquiring, improving, renovating, or equipping a county
 45 courthouse under section 3.6 of this chapter;
 46 the certified distribution received by a county treasurer shall, in the

1 manner prescribed in this section, be allocated, distributed, and used by
 2 the civil taxing units and school corporations of the county as certified
 3 shares and property tax replacement credits.

4 (b) Before August 10 of each calendar year, each county auditor
 5 shall determine the part of the certified distribution for the next
 6 succeeding calendar year that will be allocated as property tax
 7 replacement credits and the part that will be allocated as certified
 8 shares. The percentage of a certified distribution that will be allocated
 9 as property tax replacement credits or as certified shares depends upon
 10 the county adjusted gross income tax rate for resident county taxpayers
 11 in effect on August 1 of the calendar year that precedes the year in
 12 which the certified distribution will be received by two (2) years. The
 13 percentages are set forth in the following table:

COUNTY ADJUSTED GROSS INCOME TAX RATE	PROPERTY TAX REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

14
 15
 16
 17
 18
 19
 20
 21 (c) The part of a certified distribution that constitutes property tax
 22 replacement credits shall be distributed as provided under sections 12,
 23 13, and 14 of this chapter.

24 (d) The part of a certified distribution that constitutes certified shares
 25 shall be distributed as provided by section 15 of this chapter.

26 SECTION 49. IC 6-3.5-6-29 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: **Sec. 29. (a) This section applies**
 29 **only to Scott County. Scott County is a county in which:**

30 **(1) maintaining low property tax rates is essential to economic**
 31 **development; and**

32 **(2) the use of additional county option income tax revenues as**
 33 **provided in this section, rather than the use of property taxes,**
 34 **to fund:**

35 **(A) the financing, construction, acquisition, improvement,**
 36 **renovation, equipping, operation, or maintenance of jail**
 37 **facilities; and**

38 **(B) the repayment of bonds issued or leases entered into**
 39 **for the purposes described in clause (A), except operation**
 40 **or maintenance;**

41 **promotes the purpose of maintaining low property tax rates.**

42 **(b) The county fiscal body may impose the county option income**
 43 **tax on the adjusted gross income of resident county taxpayers at a**
 44 **rate, in addition to the rates permitted by sections 8 and 9 of this**
 45 **chapter, not to exceed twenty-five hundredths percent (0.25%).**
 46 **Section 8(e) of this chapter applies to the application of the**

1 additional rate to nonresident taxpayers.

2 (c) To impose the county option income tax as provided in this
3 section, the county fiscal body must adopt an ordinance finding and
4 determining that additional revenues from the county option
5 income tax are needed in the county to fund:

6 (1) the financing, construction, acquisition, improvement,
7 renovation, equipping, operation, or maintenance of jail
8 facilities; and

9 (2) the repayment of bonds issued or leases entered into for
10 the purposes described in subdivision (1), except operation or
11 maintenance.

12 (d) If the county fiscal body makes a determination under
13 subsection (c), the county fiscal body may adopt an additional tax
14 rate under subsection (b). Subject to the limitations in subsection
15 (b), the county fiscal body may amend an ordinance adopted under
16 this section to increase, decrease, or rescind the additional tax rate
17 imposed under this section. As soon as practicable after the
18 adoption of an ordinance under this section, the county fiscal body
19 shall send a certified copy of the ordinance to the county auditor,
20 the department of local government finance, and the department.
21 An ordinance adopted under this section before April 1 in a year
22 applies to the imposition of county income taxes after June 30 in
23 that year. An ordinance adopted under this section after March 31
24 of a year initially applies to the imposition of county option income
25 taxes after June 30 of the immediately following year.

26 (e) If the county imposes an additional tax rate under this
27 section, the county treasurer shall establish a county jail revenue
28 fund to be used only for the purposes described in this section.
29 County option income tax revenues derived from the tax rate
30 imposed under this section shall be deposited in the county jail
31 revenue fund before making a certified distribution under section
32 18 of this chapter.

33 (f) County option income tax revenues derived from an
34 additional tax rate imposed under this section:

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

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

40 (3) may be pledged for the repayment of bonds issued or
41 leases entered into to fund the purposes described in
42 subsection (c)(1), except operation or maintenance.

43 (g) If the county imposes an additional tax rate under this
44 section, the department, after reviewing the recommendation of the
45 budget agency, shall adjust the certified distribution of the county
46 to provide for an increased distribution of taxes in the immediately

1 following calendar year after the county adopts the increased tax
 2 rate and in each calendar year thereafter. The department shall
 3 provide for a full transition to certification of distributions as
 4 provided in section 17(a)(1) through 17(a)(2) of this chapter in the
 5 manner provided in section 17(c) of this chapter.

6 SECTION 50. IC 6-3.5-7-5, AS AMENDED BY P.L.214-2005,
 7 SECTION 20, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in
 9 subsection (c), the county economic development income tax may be
 10 imposed on the adjusted gross income of county taxpayers. The entity
 11 that may impose the tax is:

- 12 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 13 the county option income tax is in effect on January 1 of the year
- 14 the county economic development income tax is imposed;
- 15 (2) the county council if the county adjusted gross income tax is in
- 16 effect on January 1 of the year the county economic development
- 17 tax is imposed; or
- 18 (3) the county income tax council or the county council, whichever
- 19 acts first, for a county not covered by subdivision (1) or (2).

20 To impose the county economic development income tax, a county
 21 income tax council shall use the procedures set forth in IC 6-3.5-6
 22 concerning the imposition of the county option income tax.

23 (b) Except as provided in subsections (c), (g), (k), (p), and (r) the
 24 county economic development income tax may be imposed at a rate of:

- 25 (1) one-tenth percent (0.1%);
- 26 (2) two-tenths percent (0.2%);
- 27 (3) twenty-five hundredths percent (0.25%);
- 28 (4) three-tenths percent (0.3%);
- 29 (5) thirty-five hundredths percent (0.35%);
- 30 (6) four-tenths percent (0.4%);
- 31 (7) forty-five hundredths percent (0.45%); or
- 32 (8) five-tenths percent (0.5%);

33 on the adjusted gross income of county taxpayers.

34 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),
 35 (p), or (s), the county economic development income tax rate plus the
 36 county adjusted gross income tax rate, if any, that are in effect on
 37 January 1 of a year may not exceed one and twenty-five hundredths
 38 percent (1.25%). Except as provided in subsection (g), (p), (r), ~~or (t), or~~
 39 **(u)**, the county economic development tax rate plus the county option
 40 income tax rate, if any, that are in effect on January 1 of a year may not
 41 exceed one percent (1%).

42 (d) To impose, increase, decrease, or rescind the county economic
 43 development income tax, the appropriate body must, after January 1 but
 44 before April 1 of a year, adopt an ordinance. The ordinance to impose
 45 the tax must substantially state the following:

46 "The _____ County _____ imposes the county economic

1 development income tax on the county taxpayers of _____ County.
2 The county economic development income tax is imposed at a rate of
3 _____ percent (____%) on the county taxpayers of the county.
4 This tax takes effect July 1 of this year."

5 (e) Any ordinance adopted under this chapter takes effect July 1 of
6 the year the ordinance is adopted.

7 (f) The auditor of a county shall record all votes taken on ordinances
8 presented for a vote under the authority of this chapter and shall, not
9 more than ten (10) days after the vote, send a certified copy of the
10 results to the commissioner of the department by certified mail.

11 (g) This subsection applies to a county having a population of more
12 than one hundred forty-eight thousand (148,000) but less than one
13 hundred seventy thousand (170,000). Except as provided in subsection
14 (p), in addition to the rates permitted by subsection (b), the:

15 (1) county economic development income tax may be imposed at
16 a rate of:

- 17 (A) fifteen-hundredths percent (0.15%);
- 18 (B) two-tenths percent (0.2%); or
- 19 (C) twenty-five hundredths percent (0.25%); and

20 (2) county economic development income tax rate plus the county
21 option income tax rate that are in effect on January 1 of a year may
22 equal up to one and twenty-five hundredths percent (1.25%);

23 if the county income tax council makes a determination to impose rates
24 under this subsection and section 22 of this chapter.

25 (h) For a county having a population of more than forty-one
26 thousand (41,000) but less than forty-three thousand (43,000), except
27 as provided in subsection (p), the county economic development income
28 tax rate plus the county adjusted gross income tax rate that are in effect
29 on January 1 of a year may not exceed one and thirty-five hundredths
30 percent (1.35%) if the county has imposed the county adjusted gross
31 income tax at a rate of one and one-tenth percent (1.1%) under
32 IC 6-3.5-1.1-2.5.

33 (i) For a county having a population of more than thirteen thousand
34 five hundred (13,500) but less than fourteen thousand (14,000), except
35 as provided in subsection (p), the county economic development income
36 tax rate plus the county adjusted gross income tax rate that are in effect
37 on January 1 of a year may not exceed one and fifty-five hundredths
38 percent (1.55%).

39 (j) For a county having a population of more than seventy-one
40 thousand (71,000) but less than seventy-one thousand four hundred
41 (71,400), except as provided in subsection (p), the county economic
42 development income tax rate plus the county adjusted gross income tax
43 rate that are in effect on January 1 of a year may not exceed one and
44 five-tenths percent (1.5%).

45 (k) This subsection applies to a county having a population of more
46 than twenty-seven thousand four hundred (27,400) but less than

1 twenty-seven thousand five hundred (27,500). Except as provided in
2 subsection (p), in addition to the rates permitted under subsection (b):

- 3 (1) the county economic development income tax may be imposed
- 4 at a rate of twenty-five hundredths percent (0.25%); and
- 5 (2) the sum of the county economic development income tax rate
- 6 and the county adjusted gross income tax rate that are in effect on
- 7 January 1 of a year may not exceed one and five-tenths percent
- 8 (1.5%);

9 if the county council makes a determination to impose rates under this
10 subsection and section 22.5 of this chapter.

11 (l) For a county having a population of more than twenty-nine
12 thousand (29,000) but less than thirty thousand (30,000), except as
13 provided in subsection (p), the county economic development income
14 tax rate plus the county adjusted gross income tax rate that are in effect
15 on January 1 of a year may not exceed one and five-tenths percent
16 (1.5%).

17 (m) For:

- 18 (1) a county having a population of more than one hundred
 - 19 eighty-two thousand seven hundred ninety (182,790) but less than
 - 20 two hundred thousand (200,000); or
 - 21 (2) a county having a population of more than forty-five thousand
 - 22 (45,000) but less than forty-five thousand nine hundred (45,900);
- 23 except as provided in subsection (p), the county economic development
24 income tax rate plus the county adjusted gross income tax rate that are
25 in effect on January 1 of a year may not exceed one and five-tenths
26 percent (1.5%).

27 (n) For a county having a population of more than six thousand
28 (6,000) but less than eight thousand (8,000), except as provided in
29 subsection (p), the county economic development income tax rate plus
30 the county adjusted gross income tax rate that are in effect on January
31 1 of a year may not exceed one and five-tenths percent (1.5%).

32 (o) This subsection applies to a county having a population of more
33 than thirty-nine thousand (39,000) but less than thirty-nine thousand six
34 hundred (39,600). Except as provided in subsection (p), in addition to
35 the rates permitted under subsection (b):

- 36 (1) the county economic development income tax may be imposed
- 37 at a rate of twenty-five hundredths percent (0.25%); and
- 38 (2) the sum of the county economic development income tax rate
- 39 and:
- 40 (A) the county adjusted gross income tax rate that are in effect
- 41 on January 1 of a year may not exceed one and five-tenths
- 42 percent (1.5%); or
- 43 (B) the county option income tax rate that are in effect on
- 44 January 1 of a year may not exceed one and twenty-five
- 45 hundredths percent (1.25%);

46 if the county council makes a determination to impose rates under this

1 subsection and section 24 of this chapter.

2 (p) In addition:

3 (1) the county economic development income tax may be imposed
4 at a rate that exceeds by not more than twenty-five hundredths
5 percent (0.25%) the maximum rate that would otherwise apply
6 under this section; and

7 (2) the:

8 (A) county economic development income tax; and

9 (B) county option income tax or county adjusted gross income
10 tax;

11 may be imposed at combined rates that exceed by not more than
12 twenty-five hundredths percent (0.25%) the maximum combined
13 rates that would otherwise apply under this section.

14 However, the additional rate imposed under this subsection may not
15 exceed the amount necessary to mitigate the increased ad valorem
16 property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting
17 from the deduction of the assessed value of inventory in the county
18 under IC 6-1.1-12-41 or IC 6-1.1-12-42.

19 (q) If the county economic development income tax is imposed as
20 authorized under subsection (p) at a rate that exceeds the maximum rate
21 that would otherwise apply under this section, the certified distribution
22 must be used for the purpose provided in section 25(e) or 26 of this
23 chapter to the extent that the certified distribution results from the
24 difference between:

25 (1) the actual county economic development tax rate; and

26 (2) the maximum rate that would otherwise apply under this
27 section.

28 (r) This subsection applies only to a county described in section 27
29 of this chapter. Except as provided in subsection (p), in addition to the
30 rates permitted by subsection (b), the:

31 (1) county economic development income tax may be imposed at
32 a rate of twenty-five hundredths percent (0.25%); and

33 (2) county economic development income tax rate plus the county
34 option income tax rate that are in effect on January 1 of a year may
35 equal up to one and twenty-five hundredths percent (1.25%);

36 if the county council makes a determination to impose rates under this
37 subsection and section 27 of this chapter.

38 (s) Except as provided in subsection (p), the county economic
39 development income tax rate plus the county adjusted gross income tax
40 rate that are in effect on January 1 of a year may not exceed one and
41 five-tenths percent (1.5%) if the county has imposed the county
42 adjusted gross income tax under IC 6-3.5-1.1-3.3.

43 (t) This subsection applies to Howard County. Except as provided
44 in subsection (p), the sum of the county economic development income
45 tax rate and the county option income tax rate that are in effect on
46 January 1 of a year may not exceed one and twenty-five hundredths

1 percent (1.25%).

2 **(u) This subsection applies to Scott County. Except as provided**
3 **in subsection (p), the sum of the county economic development**
4 **income tax rate and the county option income tax rate that are in**
5 **effect on January 1 of a year may not exceed one and five-tenths**
6 **percent (1.5%)."**

7 Page 61, delete lines 1 through 33.

8 Page 62, between lines 22 and 23, begin a new paragraph and insert:

9 "SECTION 51. IC 6-8.1-7-1 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This
11 subsection does not apply to the disclosure of information concerning
12 a conviction on a tax evasion charge. Unless in accordance with a
13 judicial order or as otherwise provided in this chapter, the department,
14 its employees, former employees, counsel, agents, or any other person
15 may not divulge the amount of tax paid by any taxpayer, terms of a
16 settlement agreement executed between a taxpayer and the department,
17 investigation records, investigation reports, or any other information
18 disclosed by the reports filed under the provisions of the law relating to
19 any of the listed taxes, including required information derived from a
20 federal return, except to:

- 21 (1) members and employees of the department;
- 22 (2) the governor;
- 23 (3) the attorney general or any other legal representative of the
24 state in any action in respect to the amount of tax due under the
25 provisions of the law relating to any of the listed taxes; or
- 26 (4) any authorized officers of the United States;

27 when it is agreed that the information is to be confidential and to be
28 used solely for official purposes.

29 (b) The information described in subsection (a) may be revealed
30 upon the receipt of a certified request of any designated officer of the
31 state tax department of any other state, district, territory, or possession
32 of the United States when:

- 33 (1) the state, district, territory, or possession permits the exchange
34 of like information with the taxing officials of the state; and
- 35 (2) it is agreed that the information is to be confidential and to be
36 used solely for tax collection purposes.

37 (c) The information described in subsection (a) relating to a person
38 on public welfare or a person who has made application for public
39 welfare may be revealed to the director of the division of family and
40 children, and to any county director of family and children located in
41 Indiana, upon receipt of a written request from either director for the
42 information. The information shall be treated as confidential by the
43 directors. In addition, the information described in subsection (a)
44 relating to a person who has been designated as an absent parent by the
45 state Title IV-D agency shall be made available to the state Title IV-D
46 agency upon request. The information shall be subject to the

1 information safeguarding provisions of the state and federal Title IV-D
2 programs.

3 (d) The name, address, Social Security number, and place of
4 employment relating to any individual who is delinquent in paying
5 educational loans owed to an institution of higher education may be
6 revealed to that institution if it provides proof to the department that the
7 individual is delinquent in paying for educational loans. This
8 information shall be provided free of charge to approved institutions of
9 higher learning (as defined by IC 20-12-21-3(2)). The department shall
10 establish fees that all other institutions must pay to the department to
11 obtain information under this subsection. However, these fees may not
12 exceed the department's administrative costs in providing the
13 information to the institution.

14 (e) The information described in subsection (a) relating to reports
15 submitted under IC 6-6-1.1-502 concerning the number of gallons of
16 gasoline sold by a distributor, and IC 6-6-2.5 concerning the number of
17 gallons of special fuel sold by a supplier and the number of gallons of
18 special fuel exported by a licensed exporter or imported by a licensed
19 transporter may be released by the commissioner upon receipt of a
20 written request for the information.

21 (f) The information described in subsection (a) may be revealed upon
22 the receipt of a written request from the administrative head of a state
23 agency of Indiana when:

24 (1) the state agency shows an official need for the information;
25 and

26 (2) the administrative head of the state agency agrees that any
27 information released will be kept confidential and will be used
28 solely for official purposes.

29 (g) The name and address of retail merchants, including township,
30 as specified in IC 6-2.5-8-1(h) may be released solely for tax collection
31 purposes to township assessors.

32 (h) The department shall notify the appropriate innkeepers' tax
33 board, bureau, or commission that a taxpayer is delinquent in remitting
34 innkeepers' taxes under IC 6-9.

35 (i) All information relating to the delinquency or evasion of the
36 motor vehicle excise tax may be disclosed to the bureau of motor
37 vehicles in Indiana and may be disclosed to another state, if the
38 information is disclosed for the purpose of the enforcement and
39 collection of the taxes imposed by IC 6-6-5.

40 (j) All information relating to the delinquency or evasion of
41 commercial vehicle excise taxes payable to the bureau of motor vehicles
42 in Indiana may be disclosed to the bureau and may be disclosed to
43 another state, if the information is disclosed for the purpose of the
44 enforcement and collection of the taxes imposed by IC 6-6-5.5.

45 (k) All information relating to the delinquency or evasion of
46 commercial vehicle excise taxes payable under the International

1 Registration Plan may be disclosed to another state, if the information
 2 is disclosed for the purpose of the enforcement and collection of the
 3 taxes imposed by IC 6-6-5.5.

4 (l) This section does not apply to:

- 5 (1) the beer excise tax (IC 7.1-4-2);
- 6 (2) the liquor excise tax (IC 7.1-4-3);
- 7 (3) the wine excise tax (IC 7.1-4-4);
- 8 (4) the hard cider excise tax (IC 7.1-4-4.5);
- 9 (5) the malt excise tax (IC 7.1-4-5);
- 10 (6) the motor vehicle excise tax (IC 6-6-5);
- 11 (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- 12 (8) the fees under IC 13-23.

13 (m) The name and business address of retail merchants within each
 14 county that sell tobacco products may be released to the division of
 15 mental health and addiction and the alcohol and tobacco commission
 16 solely for the purpose of the list prepared under IC 6-2.5-6-14.

17 **(n) Information included in a return under IC 6-3-4-1.5 may be**
 18 **released to the county auditor of the county in which the real**
 19 **property referred to in that section is located."**

20 Page 188, between lines 40 and 41, begin a new paragraph and
 21 insert:

22 "SECTION 69. IC 21-2-15-11, AS AMENDED BY P.L.246-2005,
 23 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JANUARY 1, 2007]: Sec. 11. (a) Except as provided in
 25 **IC 6-1.1-18-12 and** subsection ~~(c)~~, **(b)**, to provide for the capital
 26 projects fund, the governing body may, for each year in which a plan
 27 adopted under section 5 of this chapter is in effect, impose a property
 28 tax rate that does not exceed forty-one and sixty-seven hundredths cents
 29 (\$0.4167) on each one hundred dollars (\$100) of assessed valuation of
 30 the school corporation. This actual rate must be advertised in the same
 31 manner as other property tax rates.

32 ~~(b)~~ **(b)** The maximum property tax rate levied by each school
 33 corporation must be adjusted each time a general reassessment of
 34 property takes effect. The adjusted property tax rate becomes the new
 35 maximum property tax rate for the levy for property taxes first due and
 36 payable in each year:

- 37 (1) after the general reassessment for which the adjustment was
- 38 made takes effect; and
- 39 (2) before the next general reassessment takes effect.

40 ~~(c)~~ **(c)** The new maximum rate under this section is the tax rate
 41 determined under STEP SEVEN of the following formula:

42 STEP ONE: Determine the maximum rate for the school
 43 corporation for the year preceding the year in which the general
 44 reassessment takes effect:

45 STEP TWO: Determine the actual percentage increase (rounded
 46 to the nearest one-hundredth percent (0.01%)) in the assessed

- 1 value of the taxable property from the year preceding the year the
 2 general reassessment takes effect to the year that the general
 3 reassessment is effective.
- 4 ~~STEP THREE: Determine the three (3) calendar years that~~
 5 ~~immediately precede the ensuing calendar year and in which a~~
 6 ~~statewide general reassessment of real property does not first~~
 7 ~~become effective.~~
- 8 ~~STEP FOUR: Compute separately, for each of the calendar years~~
 9 ~~determined in STEP THREE, the actual percentage increase~~
 10 ~~(rounded to the nearest one-hundredth percent (0.01%)) in the~~
 11 ~~assessed value of the taxable property from the preceding year.~~
- 12 ~~STEP FIVE: Divide the sum of the three (3) quotients computed~~
 13 ~~in STEP FOUR by three (3).~~
- 14 ~~STEP SIX: Determine the greater of the following:~~
- 15 ~~(A) Zero (0).~~
- 16 ~~(B) The result of the STEP TWO percentage minus the STEP~~
 17 ~~FIVE percentage.~~
- 18 ~~STEP SEVEN: Determine the quotient of the STEP ONE tax rate~~
 19 ~~divided by the sum of one (1) plus the STEP SIX percentage~~
 20 ~~increase.~~
- 21 (d) The department of local government finance shall compute the
 22 maximum rate allowed under subsection (c) and provide the rate to each
 23 school corporation:
- 24 (e) (b) For a year in which a school corporation uses money from the
 25 school corporation's capital projects fund to pay for costs described in
 26 section 4(l) of this chapter, the school corporation may impose a
 27 property tax rate that exceeds the rate described in subsection (a). The
 28 amount by which the property tax rate may exceed the rate described in
 29 subsection (a) equals the amount determined under STEP THREE of
 30 the following formula:
- 31 STEP ONE: Determine the school corporation's expenditures
 32 under section 4(l) of this chapter for the calendar year.
- 33 STEP TWO: Determine the quotient of:
- 34 (A) the STEP ONE amount; divided by
 35 (B) the school corporation's assessed valuation for the year.
- 36 STEP THREE: Determine the product of:
- 37 (A) the STEP TWO amount; multiplied by
 38 (B) one hundred (100).".
- 39 Page 190, between lines 36 and 37, begin a new paragraph and
 40 insert:
- 41 "SECTION 71. IC 21-3-1.7-7, AS AMENDED BY P.L.246-2005,
 42 SECTION 198, IS AMENDED TO READ AS FOLLOWS
 43 [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) If a computation under this
 44 chapter results in a fraction and a rounding rule is not specified, the
 45 fraction shall be rounded as follows:
- 46 (1) All tax rates shall be computed by rounding the rate to the

- 1 nearest one-hundredth of a cent (\$0.0001).
 2 (2) All tax levies shall be computed by rounding the levy to the
 3 nearest dollar amount (\$1).
 4 (3) All tuition support distributions shall be computed by rounding
 5 the tuition support distribution to the nearest cent (\$0.01).
 6 (4) If a calculation is not covered by subdivision (1), (2), or (3),
 7 the result of the calculation shall be rounded to the nearest
 8 ten-thousandth (.0001).

9 **(b) The department of local government finance, after**
 10 **consulting with the department of education, shall adjust the**
 11 **following each time an annual adjustment of the assessed value of**
 12 **real property takes effect under IC 6-1.1-4-4.5 and each time a**
 13 **general reassessment of real property takes effect under**
 14 **IC 6-1.1-4-4 to eliminate the effects of the annual adjustment or**
 15 **general reassessment:**

- 16 (1) Each school corporation's target general fund property
 17 tax rate determined under section 6.8 of this chapter.
 18 (2) Each school corporation's previous year general fund
 19 property tax rate imposed for the school corporation's tuition
 20 support levy.
 21 (3) The maximum permissible general fund property tax rate
 22 computed under IC 6-1.1-19-1.5 for each school corporation.
 23 **The adjusted rates shall be used in determining state tuition**
 24 **support and general fund levies in each year beginning with the**
 25 **year in which the adjustment first applies."**

26 Page 192, between lines 25 and 26, begin a new paragraph and
 27 insert:

28 "SECTION 74. IC 33-26-7-1 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. ~~The office of~~
 30 **Subject to the approval of the attorney general, shall represent a**
 31 **township assessor, a county assessor, a county auditor, a member of a**
 32 **county property tax assessment board of appeals, or a county property**
 33 **tax assessment board of appeals that:**

- 34 (1) made an original determination that is the subject of a judicial
 35 proceeding in the tax court; and
 36 (2) is a defendant in a judicial proceeding in the tax court;
 37 **may elect to be represented in the judicial proceeding by an**
 38 **attorney selected and paid by the defendant, the township, or the**
 39 **county."**

40 Page 196, between lines 41 and 42, begin a new paragraph and
 41 insert:

42 "SECTION 80. IC 36-1-12-3.3 IS ADDED TO THE INDIANA
 43 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 44 [EFFECTIVE UPON PASSAGE]: **Sec. 3.3. (a) This section applies**
 45 **to a public works project constructed by, for, or on behalf of the**
 46 **Indiana stadium and convention building authority created by**

1 **IC 5-1-17-6.**

2 **(b) Notwithstanding section 3 of this chapter, the board may**
 3 **purchase supplies and may enter into a contract for the installation**
 4 **of supplies in the manner provided in IC 5-22-10-13.5, when the**
 5 **board awarding the contract for the public work determines in**
 6 **writing that proceeding under this section is in the best interest of**
 7 **the project.**

8 SECTION 81. IC 36-1-12-13.1 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.1. (a) **Except**
 10 **as provided in subsection (f)**, this section applies to contracts for
 11 public work only if the cost of the public work is estimated to be more
 12 than one hundred thousand dollars (\$100,000).

13 (b) The contractor shall execute a payment bond to the appropriate
 14 political subdivision or agency, approved by and for the benefit of the
 15 political subdivision or agency, in an amount equal to the contract price.
 16 The payment bond is binding on the contractor, the subcontractor, and
 17 their successors and assigns for the payment of all indebtedness to a
 18 person for labor and service performed, material furnished, or services
 19 rendered. The payment bond must state that it is for the benefit of the
 20 subcontractors, laborers, material suppliers, and those performing
 21 services.

22 (c) The payment bond shall be deposited with the board. The
 23 payment bond must specify that:

- 24 (1) a modification, omission, or addition to the terms and
 25 conditions of the public work contract, plans, specifications,
 26 drawings, or profile;
 27 (2) a defect in the public work contract; or
 28 (3) a defect in the proceedings preliminary to the letting and
 29 awarding of the public work contract;

30 does not discharge the surety. The surety of the payment bond may not
 31 be released until one (1) year after the board's final settlement with the
 32 contractor.

33 (d) A person to whom money is due for labor performed, material
 34 furnished, or services provided shall, within sixty (60) days after the
 35 completion of the labor or service, or within sixty (60) days after the
 36 last item of material has been furnished, file with the board signed
 37 duplicate statements of the amount due. The board shall forward to the
 38 surety of the payment bond one (1) of the signed duplicate statements.
 39 However, failure of the board to forward a signed duplicate statement
 40 does not affect the rights of a person to whom money is due. In addition,
 41 a failure to forward the statement does not operate as a defense for the
 42 surety.

43 (e) An action may not be brought against the surety until thirty (30)
 44 days after the filing of the signed duplicate statements with the board.
 45 If the indebtedness is not paid in full at the end of that thirty (30) day
 46 period the person may bring an action in court. The court action must

1 be brought within sixty (60) days after the date of the final completion
2 and acceptance of the public work.

3 **(f) This subsection applies to contracts for a public work**
4 **entered into by, for, or on behalf of the Indiana stadium and**
5 **convention building authority created by IC 5-1-17-6. The board**
6 **awarding the contract for the public works project may waive the**
7 **payment bond requirements of this section if the board, after**
8 **public notice and hearing, determines:**

9 **(1) that:**

10 **(A) an otherwise responsive and responsible bidder is**
11 **unable to provide the payment bond required by this**
12 **section; or**

13 **(B) the cost or coverage of the payment bond is not in the**
14 **best interest of the project; and**

15 **(2) that an adequate alternative is provided through a letter**
16 **of credit, additional retainage, or other sufficient protective**
17 **mechanism.**

18 SECTION 82. IC 36-1-12-14 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section
20 applies to public work contracts in excess of one hundred thousand
21 dollars (\$100,000) for projects other than highways, roads, streets,
22 alleys, bridges, and appurtenant structures situated on streets, alleys,
23 and dedicated highway rights-of-way. This section also applies to a
24 lessor corporation qualifying under IC 21-5-11 or IC 21-5-12 or any
25 other lease-back arrangement containing an option to purchase,
26 notwithstanding the statutory provisions governing those leases.

27 (b) A board that enters into a contract for public work, and a
28 contractor who subcontracts parts of that contract, shall include in their
29 respective contracts provisions for the retainage of portions of payments
30 by the board to contractors, by contractors to subcontractors, and for the
31 payment of subcontractors. At the discretion of the contractor, the
32 retainage shall be held by the board or shall be placed in an escrow
33 account with a bank, savings and loan institution, or the state as the
34 escrow agent. The escrow agent shall be selected by mutual agreement
35 between board and contractor or contractor and subcontractor under a
36 written agreement among the bank or savings and loan institution and:

37 (1) the board and the contractor; or

38 (2) the subcontractor and the contractor.

39 The board shall not be required to pay interest on the amounts of
40 retainage that it holds under this section.

41 (c) To determine the amount of retainage to be withheld, the board
42 shall:

43 (1) withhold no more than ten percent (10%) of the dollar value of
44 all work satisfactorily completed until the public work is fifty
45 percent (50%) completed, and nothing further after that; or

46 (2) withhold no more than five percent (5%) of the dollar value of

1 all work satisfactorily completed until the public work is
2 substantially completed.

3 If upon substantial completion of the public work minor items remain
4 uncompleted, an amount computed under subsection (f) of this section
5 shall be withheld until those items are completed.

6 (d) The escrow agreement must contain the following provisions:

7 (1) The escrow agent shall invest all escrowed principal in
8 obligations selected by the escrow agent.

9 (2) The escrow agent shall hold the escrowed principal and income
10 until receipt of notice from the board and the contractor, or the
11 contractor and the subcontractor, specifying the part of the
12 escrowed principal to be released from the escrow and the person
13 to whom that portion is to be released. After receipt of the notice,
14 the escrow agent shall remit the designated part of escrowed
15 principal and the same proportion of then escrowed income to the
16 person specified in the notice.

17 (3) The escrow agent shall be compensated for the agent's
18 services. The parties may agree on a reasonable fee comparable
19 with fees being charged for the handling of escrow accounts of
20 similar size and duration. The fee shall be paid from the escrowed
21 income.

22 The escrow agreement may include other terms and conditions
23 consistent with this subsection, including provisions authorizing the
24 escrow agent to commingle the escrowed funds with funds held in other
25 escrow accounts and limiting the liability of the escrow agent.

26 (e) **Except as provided by subsection (i)**, the contractor shall
27 furnish the board with a performance bond equal to the contract price.
28 If acceptable to the board, the performance bond may provide for
29 incremental bonding in the form of multiple or chronological bonds that,
30 when taken as a whole, equal the contract price. The surety on the
31 performance bond may not be released until one (1) year after the date
32 of the board's final settlement with the contractor. The performance
33 bond must specify that:

34 (1) a modification, omission, or addition to the terms and
35 conditions of the public work contract, plans, specifications,
36 drawings, or profile;

37 (2) a defect in the public work contract; or

38 (3) a defect in the proceedings preliminary to the letting and
39 awarding of the public work contract;

40 does not discharge the surety.

41 (f) The board or escrow agent shall pay the contractor within
42 sixty-one (61) days after the date of substantial completion, subject to
43 sections 11 and 12 of this chapter. Payment by the escrow agent shall
44 include all escrowed principal and escrowed income. If within sixty-one
45 (61) days after the date of substantial completion there remain
46 uncompleted minor items, an amount equal to two hundred percent

1 (200%) of the value of each item as determined by the
 2 architect-engineer shall be withheld until the item is completed.
 3 Required warranties begin not later than the date of substantial
 4 completion.

5 (g) Actions against a surety on a performance bond must be brought
 6 within one (1) year after the date of the board's final settlement with the
 7 contractor.

8 (h) This subsection applies to public work contracts of less than two
 9 hundred fifty thousand dollars (\$250,000). The board may waive the
 10 performance bond requirement of subsection (e) and accept from a
 11 contractor an irrevocable letter of credit for an equivalent amount from
 12 an Indiana financial institution approved by the department of financial
 13 institutions instead of a performance bond. Subsections (e) through (g)
 14 apply to a letter of credit submitted under this subsection.

15 **(i) This subsection applies to the Indiana stadium and**
 16 **convention building authority created by IC 5-1-17-6. The board**
 17 **awarding the contract for the public works project may waive the**
 18 **performance bond requirement of subsection (e) if the board, after**
 19 **public notice and hearing, determines:**

20 **(1) that:**

21 **(A) an otherwise responsive and responsible bidder is**
 22 **unable to provide the performance bond required by**
 23 **subsection (e); or**

24 **(B) the cost or coverage of the performance bond is not in**
 25 **the best interest of the project; and**

26 **(2) that an adequate alternative is provided through a letter**
 27 **of credit, additional retainage, or other sufficient protective**
 28 **mechanism."**

29 Page 208, line 38, after "the" insert "**financing, construction,**
 30 **acquisition, improvement, renovation, equipping,"**.

31 Page 208, line 38, after "operation" insert ",".

32 Page 208, line 39, delete "option" and insert "**adjusted gross**".

33 Page 208, line 41, after "the" insert "**financing, construction,**
 34 **acquisition, improvement, renovation, equipping,"**.

35 Page 208, line 41, after "operation" insert ",".

36 Page 209, line 1, delete "option" and insert "**adjusted gross**".

37 Page 214, line 27, delete "expressed as a percentage".

38 Page 214, line 34, delete "hundred fifty percent (150%)." and insert
 39 "**and one-half (1.5)."**

40 Page 216, between lines 23 and 24, begin a new paragraph and
 41 insert:

42 "SECTION 118. [EFFECTIVE JANUARY 1, 2006
 43 (RETROACTIVE)] **(a) As used in this SECTION:**

44 **(1) "department" refers to the department of local**
 45 **government finance;**

46 **(2) "maximum levy" means the maximum permissible ad**

1 valorem property tax levy under IC 6-1.1-18.5-3;

2 (3) "municipal growth rate" means the rate of population
3 growth of a municipality, which equals the quotient expressed
4 as a percentage of:

5 (A) the remainder of:

6 (i) the estimated 2006 population of the municipality as
7 determined by the municipality; minus

8 (ii) the population of the municipality as determined in
9 the 2000 federal decennial census; divided by

10 (B) the population of the municipality as determined in the
11 2000 federal decennial census; and

12 (4) "municipality" has the meaning set forth in IC 36-1-2-11.

13 (b) For purposes of this SECTION, the statewide growth rate
14 is two and six-tenths percent (2.6%).

15 (c) This SECTION applies to a municipality:

16 (1) for which the municipal growth rate is more than twice the
17 statewide growth rate;

18 (2) that experienced a reduction of at least forty-four percent
19 (44%) in its maximum levy for property taxes first due and
20 payable in 2004 as compared to its maximum levy for
21 property taxes first due and payable in 2003;

22 (3) that did not appeal in 2004 to the department for an excess
23 levy for property taxes first due and payable in 2005;

24 (4) that appealed before September 20, 2005, to the
25 department for an excess levy for property taxes first due and
26 payable in 2006 in accordance with IC 6-1.1-18.5-14;

27 (5) that received a favorable recommendation from the local
28 government tax control board, following a public hearing,
29 with respect to the appeal referred to in subdivision (4); and

30 (6) that received from the department on December 7, 2005,
31 a denial of the appeal referred to in subdivision (4).

32 (d) Notwithstanding IC 6-1.1-18.5-3, the maximum levy for
33 property taxes first due and payable in 2007 for a municipality
34 described in subsection (c) is equal to the sum of:

35 (1) the ad valorem property tax levy approved by the
36 department for the municipality for property taxes first due
37 and payable in 2006; plus

38 (2) two million five hundred thousand dollars (\$2,500,000).

39 (e) This SECTION expires January 1, 2008.

40 SECTION 119. [EFFECTIVE UPON PASSAGE] (a) With respect
41 to personal property returns for the assessment date in 2006, the
42 department of local government finance shall:

43 (1) notify county assessors and township assessors of the
44 requirements of IC 6-1.1-3-9(b), as added by this act; and

45 (2) by the means the department determines to be
46 appropriate, disseminate information to the public

- 1 **concerning:**
- 2 **(A) those requirements; and**
- 3 **(B) the requirement under subsection (b).**
- 4 **(b) A taxpayer that fails to include on the taxpayer's:**
- 5 **(1) personal property return under IC 6-1.1-3-7(a);**
- 6 **(2) extended personal property return under IC 6-1.1-3-7(b);**
- 7 **or**
- 8 **(3) consolidated personal property return under**
- 9 **IC 6-1.1-3-7(d);**
- 10 **for the assessment date in 2006 the information required under**
- 11 **IC 6-1.1-3-9(b), as added by this act, shall file an amended return**
- 12 **under IC 6-1.1-3-7.5 to include that information.**
- 13 **(c) This SECTION expires January 1, 2008.**
- 14 SECTION 120. [EFFECTIVE UPON PASSAGE] **(a) This**
- 15 **SECTION applies to a taxpayer that:**
- 16 **(1) is an entity that was established for the purpose of**
- 17 **providing youths with the opportunity to play supervised and**
- 18 **organized baseball against other youths;**
- 19 **(2) before 2002 qualified as a nonprofit corporation under**
- 20 **Indiana law;**
- 21 **(3) during 2002, 2003, 2004, and 2005 did not maintain its**
- 22 **status as a nonprofit corporation under Indiana law due to**
- 23 **the failure to make certain filings;**
- 24 **(4) regained its status as a nonprofit corporation beginning in**
- 25 **2006; and**
- 26 **(5) was assessed by the department of state revenue for**
- 27 **delinquent state gross retail taxes owed for 2002, 2003, 2004,**
- 28 **and 2005 and has paid those assessments.**
- 29 **(b) A taxpayer described in subsection (a) is entitled to a refund**
- 30 **of the payments described in subsection (a)(5) to the extent that the**
- 31 **state gross retail taxes for which the assessments were made would**
- 32 **not have been owed if the taxpayer had maintained its status as a**
- 33 **nonprofit corporation during the years for which the assessments**
- 34 **were made.**
- 35 **(c) A taxpayer that is entitled to a refund under this SECTION**
- 36 **shall claim the refund under IC 6-8.1-9 in the manner prescribed**
- 37 **by the department of state revenue.**
- 38 **(d) This SECTION expires July 1, 2008."**
- 39 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1001 as printed February 24, 2006.)

