
HOUSE BILL No. 1012

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-24-7-4; IC 5-10; IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.5; IC 6-8.1; IC 11-10-2-3; IC 11-12-2-9; IC 12-7-2; IC 12-13; IC 12-19; IC 12-24-13-6; IC 12-29-2-2; IC 16-33-4-17.5; IC 16-35; IC 20-26-11; IC 20-33-2-29; IC 20-40; IC 20-43; IC 20-45; IC 20-46; IC 20-48-1-2; IC 20-49-4; IC 31-9-2-17.7; IC 31-25-2; IC 31-26; IC 31-27; IC 31-31-8; IC 31-32-16-9; IC 31-34-24; IC 31-37-24; IC 31-40; IC 33-38-9-8.

Synopsis: Property tax relief. Increases the state sales tax by 1% and requires the additional revenue to be deposited in the state general fund. Requires the state to assume the obligation to pay expenses formerly paid from: (1) the medical assistance to wards property tax levy; (2) the family and children's property tax levy; (3) the children's psychiatric residential treatment services property tax; (4) the children with special health care needs property tax levy; (5) the part of the county general fund levy used to pay the costs of committing juvenile delinquent offenders to the department of correction; (6) the school bus replacement fund levy; (7) the racial balance levy; and (8) the capital projects fund levy. Grants an additional circuit breaker property tax
(Continued next page)

Effective: Upon passage; July 1, 2007 (retroactive); January 1, 2008 (retroactive); April 1, 2008; May 1, 2008; July 1, 2008; January 1, 2009.

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January 8, 2008, read first time and referred to Committee on Ways and Means.

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Digest Continued

credit to low and middle income homeowners. Reduces the property tax replacement credits available to business property. Requires \$300,000,000 to be annually transferred from the property tax replacement fund to the property tax reduction trust fund. Increases the state adjusted gross income tax by 1% and requires the increased revenue to be deposited in the property tax reduction trust fund. Provides an additional property tax credit for homesteads and residential rental property from the property tax reduction trust fund. Expands the grounds on which a county board of tax and capital projects review may reduce a proposed levy, extends the period in which the county board may review budgets in counties outside Marion County, requires published notice of meetings, and requires the county board to meet in a room that is adequate for the public to attend meetings. Repeals: (1) county property tax levies for costs assumed by the state; (2) the additional county adjusted gross income tax or county option income tax rate imposed in a county to replace an increase in property tax levies in the county; (3) the municipal option income tax; the (4) county employment tax; and (5) the power of a county to terminate review of tax levies, rates, and budgets by county board of tax and capital projects review. Makes other related changes. Makes an appropriation.

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Introduced

Second Regular Session 115th General Assembly (2008)

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 2007 Regular Session of the General Assembly.

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HOUSE BILL No. 1012

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 4-24-7-4, AS AMENDED BY P.L.246-2005,
2 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 4. ~~(a)~~ Accounts of state
4 institutions described in ~~sections 1 and 3~~ of this chapter shall be paid
5 as follows:

- 6 (1) All such accounts shall be signed by the superintendent of
- 7 such institution, attested to by the seal of the institution, and
- 8 forwarded to the auditor of the county for payment from which
- 9 county the inmate or patient was admitted.
- 10 (2) All accounts accruing between January 1 and June 30 of each
- 11 year shall be forwarded to the county auditor on or before October
- 12 1 of such year.
- 13 (3) All accounts accruing between July 1 and December 31 of
- 14 each year shall be forwarded to the county auditor on or before
- 15 April 1 of the following year.



1 (4) Upon receipt of any such account, the county auditor shall
2 draw a warrant on the treasurer of the county for the payment of
3 the account, and the same shall be paid out of the funds of the
4 county appropriated therefor.

5 (5) The county council of each county of the state shall annually
6 appropriate sufficient funds to pay such accounts.

7 (b) All accounts of state institutions described in section 2 of this
8 chapter shall be paid as follows:

9 (1) All such accounts shall be signed by the superintendent of the
10 institution, attested to by the seal of the institution, and forwarded
11 to the auditor of the county for payment from the county from
12 which the inmate was admitted:

13 (2) All accounts accruing after December 31 and before April 1
14 of each year shall be forwarded to the county auditor on or before
15 May 15 of that year.

16 (3) All accounts accruing after March 31 and before July 1 of
17 each year shall be forwarded to the county auditor on or before
18 August 15 of that year.

19 (4) All accounts accruing after June 30 and before October 1 of
20 each year shall be forwarded to the county auditor on or before
21 November 15 of that year.

22 (5) All accounts accruing after September 30 and before January
23 1 of each year, and any reconciliations for previous periods, shall
24 be forwarded to the county auditor on or before March 15 of the
25 following year.

26 (6) Upon receipt of an account, the county auditor shall draw a
27 warrant on the treasurer of the county for the payment of the
28 account, which shall be paid from the funds of the county that
29 were appropriated for the payment:

30 (7) The county council of each county shall annually appropriate
31 sufficient funds to pay these accounts:

32 If a county has not paid an account within six (6) months after the
33 account is forwarded under this subsection, the auditor of state shall,
34 notwithstanding anything to the contrary in IC 6-1.1-21, reduce the
35 next distribution of property tax replacement credits under IC 6-1.1-21
36 to the county and withhold the amount owed on the account. The
37 auditor of state shall credit the withheld amount to the state general
38 fund for the purpose of curing the default. The account is then
39 considered paid. A county that has the county's distribution reduced
40 under this subsection shall apply the withheld amount only to the
41 county unit's share of the distribution and may not reduce a distribution
42 to any other civil taxing unit or school corporation within the county.

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1 SECTION 2. IC 5-10-13-4 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
3 Sec. 4. As used in this chapter, "political subdivision" ~~has the meaning~~
4 ~~set forth in IC 6-3.5-2-1.~~ **means a county, township, town, city,**
5 **separate municipal corporation, special taxing district, or public**
6 **school corporation.**

7 SECTION 3. IC 5-10-15-7, AS ADDED BY P.L.62-2006,
8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 7. As used in this
10 chapter, "political subdivision" ~~has the meaning set forth in~~
11 ~~IC 6-3.5-2-1.~~ **means a county, township, town, city, separate**
12 **municipal corporation, special taxing district, or public school**
13 **corporation.**

14 SECTION 4. IC 6-1.1-1-3, AS AMENDED BY P.L.2-2006,
15 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3. (a) Except as provided
17 in subsection (b), "assessed value" or "assessed valuation" means an
18 amount equal to:

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

23 (b) For purposes of calculating a budget, rate, or levy under
24 IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-20, ~~IC 20-45-3, and~~
25 ~~IC 20-46-4, IC 20-46-5, and IC 20-46-6,~~ "assessed value" or "assessed
26 valuation" does not include the assessed value of tangible property
27 excluded and kept separately on a tax duplicate by a county auditor
28 under IC 6-1.1-17-0.5.

29 SECTION 5. IC 6-1.1-17-3, AS AMENDED BY P.L.219-2007,
30 SECTION 49, AND AS AMENDED BY P.L.224-2007, SECTION 5,
31 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3. (a) The
33 proper officers of a political subdivision shall formulate its estimated
34 budget and its proposed tax rate and tax levy on the form prescribed by
35 the department of local government finance and approved by the state
36 board of accounts. The political subdivision shall give notice by
37 publication to taxpayers of:

- 38 (1) the estimated budget;
- 39 (2) the estimated maximum permissible levy;
- 40 (3) the current and proposed tax levies of each fund; and
- 41 (4) the amounts of excessive levy appeals to be requested.

42 In the notice, the political subdivision shall also state the time and

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1 place at which a public hearing will be held on these items. The notice
 2 shall be published twice in accordance with IC 5-3-1 with the first
 3 publication at least ten (10) days before the date fixed for the public
 4 hearing. Beginning in 2009, the duties required by this subsection must
 5 be completed before August 10 of the calendar year. A political
 6 subdivision shall provide the estimated budget and levy information
 7 required for the notice under subsection (b) to the county auditor on the
 8 schedule determined by the department of local government finance.

9 (b) Beginning in 2009, before August 10 of a calendar year, the
 10 county auditor shall mail to the last known address of each person
 11 liable for any property taxes, as shown on the tax duplicate, or to the
 12 last known address of the most recent owner shown in the transfer
 13 book, a statement that includes:

14 (1) the assessed valuation as of the assessment date in the current
 15 calendar year of tangible property on which the person will be
 16 liable for property taxes first due and payable in the immediately
 17 succeeding calendar year and notice to the person of the
 18 opportunity to appeal the assessed valuation under
 19 ~~IC 6-1.1-15-1(b)~~; IC 6-1.1-15-1(c);

20 (2) the amount of property taxes for which the person will be
 21 liable to each political subdivision on the tangible property for
 22 taxes first due and payable in the immediately succeeding
 23 calendar year, taking into account all factors that affect that
 24 liability, including:

25 (A) the estimated budget and proposed tax rate and tax levy
 26 formulated by the political subdivision under subsection (a);

27 (B) any deductions or exemptions that apply to the assessed
 28 valuation of the tangible property;

29 (C) any credits that apply in the determination of the tax
 30 liability; and

31 (D) the county auditor's best estimate of the effects on the tax
 32 liability that might result from actions of:

33 (i) the county board of tax adjustment (*before January 1,*
 34 *2009) or the county board of tax and capital projects review*
 35 *(after December 31, 2008); or*

36 (ii) the department of local government finance;

37 (3) a prominently displayed notation that:

38 (A) the estimate under subdivision (2) is based on the best
 39 information available at the time the statement is mailed; and

40 (B) based on various factors, including potential actions by:

41 (i) the county board of tax adjustment (*before January 1,*
 42 *2009) or the county board of tax and capital projects review*

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1 *(after December 31, 2008); or*
2 *(ii) the department of local government finance;*
3 it is possible that the tax liability as finally determined will
4 differ substantially from the estimate;
5 (4) comparative information showing the amount of property
6 taxes for which the person is liable to each political subdivision
7 on the tangible property for taxes first due and payable in the
8 current year; and
9 (5) the date, time, and place at which the political subdivision will
10 hold a public hearing on the political subdivision's estimated
11 budget and proposed tax rate and tax levy as required under
12 subsection (a).
13 (c) The department of local government finance shall:
14 (1) prescribe a form for; and
15 (2) provide assistance to county auditors in preparing;
16 statements under subsection (b). Mailing the statement described in
17 subsection (b) to a mortgagee maintaining an escrow account for a
18 person who is liable for any property taxes shall not be construed as
19 compliance with subsection (b).
20 (d) The board of directors of a solid waste management district
21 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
22 conduct the public hearing required under subsection (a):
23 (1) in any county of the solid waste management district; and
24 (2) in accordance with the annual notice of meetings published
25 under IC 13-21-5-2.
26 (e) The trustee of each township in the county shall estimate the
27 amount necessary to meet the cost of township assistance in the
28 township for the ensuing calendar year. The township board shall adopt
29 with the township budget a tax rate sufficient to meet the estimated cost
30 of township assistance. The taxes collected as a result of the tax rate
31 adopted under this subsection are credited to the township assistance
32 fund.
33 ~~(f) A county shall adopt with the county budget and the department~~
34 ~~of local government finance shall certify under section 16 of this~~
35 ~~chapter a tax rate sufficient to raise the levy necessary to pay the~~
36 ~~following:~~
37 ~~(1) The cost of child services (as defined in IC 12-19-7-1) of the~~
38 ~~county payable from the family and children's fund;~~
39 ~~(2) The cost of children's psychiatric residential treatment~~
40 ~~services (as defined in IC 12-19-7.5-1) of the county payable from~~
41 ~~the children's psychiatric residential treatment services fund.~~
42 ~~A budget, tax rate, or tax levy adopted by a county fiscal body or~~

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1 approved or modified by a county board of tax adjustment that is less
2 than the levy necessary to pay the costs described in subdivision (1) or
3 (2) shall not be treated as a final budget, tax rate, or tax levy under
4 section 11 of this chapter.

5 SECTION 6. IC 6-1.1-17-6, AS AMENDED BY P.L.224-2007,
6 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 6. (a) The county board
8 of tax adjustment (before January 1, 2009) or the county board of tax
9 and capital projects review (after December 31, 2008) shall review the
10 budget, tax rate, and tax levy of each political subdivision filed with the
11 county auditor under section 5 or 5.6 of this chapter. The board shall
12 revise or reduce, but not increase, any budget, tax rate, or tax levy in
13 order **to do any combination of the following:**

- 14 (1) ~~to~~ Limit the tax rate to the maximum amount **or rate**
- 15 permitted under IC 6-1.1-18, **IC 6-1.1-18.5, or another law; and**
- 16 (2) ~~to~~ Limit the budget to the amount of revenue to be available
- 17 in the ensuing budget year for the political subdivision.
- 18 **(3) Limit tax levies, tax rates, and budgets to avoid, in the**
- 19 **aggregate, unreasonably excessive increases in the tax liability**
- 20 **of taxpayers in one (1) or more taxing districts.**

21 **A county board of tax adjustment (before January 1, 2009) or the**
22 **county board of tax and capital projects review (after December**
23 **31, 2008) may not take an action under this section that adversely**
24 **affects owners of the outstanding bonds, notes, or other evidences**
25 **of indebtedness or payment of any lease rentals that are due or that**
26 **substantially impairs the capacity of a taxing unit to carry out its**
27 **public health and safety functions.**

28 (b) The county board of tax adjustment (before January 1, 2009) or
29 the county board of tax and capital projects review (after December 31,
30 2008) shall make a revision or reduction in a political subdivision's
31 budget only with respect to the total amounts budgeted for each office
32 or department within each of the major budget classifications
33 prescribed by the state board of accounts.

34 (c) When the county board of tax adjustment (before January 1,
35 2009) or the county board of tax and capital projects review (after
36 December 31, 2008) makes a revision or reduction in a budget, tax rate,
37 or tax levy, it shall file with the county auditor a written order which
38 indicates the action taken. If the board reduces the budget, it shall also
39 indicate the reason for the reduction in the order. The chairman of the
40 county board shall sign the order.

41 SECTION 7. IC 6-1.1-17-9, AS AMENDED BY P.L.224-2007,
42 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 200]: Sec. 9. (a) The county board of tax adjustment
2 (before January 1, 2009) or the county board of tax and capital projects
3 review (after December 31, 2008) shall complete the duties assigned
4 to it under this chapter on or before ~~October 1st of each year, except~~
5 ~~that in a consolidated city and county and in a county containing a~~
6 ~~second class city, the duties of this board need not be completed until~~
7 November 1 of each year.

8 (b) If the county board of tax adjustment (before January 1, 2009)
9 or the county board of tax and capital projects review (after December
10 31, 2008) fails to complete the duties assigned to it within the time
11 prescribed in this section or to reduce aggregate tax rates so that they
12 do not exceed the maximum rates permitted under IC 6-1.1-18, the
13 county auditor shall calculate and fix the tax rate within each political
14 subdivision of the county so that the maximum rate permitted under
15 IC 6-1.1-18, **IC 6-1.1-18.5, and other laws** is not exceeded.

16 (c) When the county auditor calculates and fixes tax rates, the
17 county auditor shall send a certificate notice of those rates to each
18 political subdivision of the county. The county auditor shall send these
19 notices within five (5) days after publication of the notice required by
20 section 12 of this chapter.

21 (d) When the county auditor calculates and fixes tax rates, that
22 action shall be treated as if it were the action of the county board of tax
23 adjustment (before January 1, 2009) or the county board of tax and
24 capital projects review (after December 31, 2008).

25 SECTION 8. IC 6-1.1-17-14, AS AMENDED BY P.L.224-2007,
26 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 14. The county auditor
28 shall initiate an appeal to the department of local government finance
29 if the county fiscal body, the county board of tax adjustment (before
30 January 1, 2009), or the county board of tax and capital projects review
31 (after December 31, 2008) reduces

32 (1) a township assistance tax rate below the rate necessary to meet
33 the estimated cost of township assistance.

34 (2) a family and children's fund tax rate below the rate necessary
35 to collect the levy recommended by the department of child
36 services; or

37 (3) a children's psychiatric residential treatment services fund tax
38 rate below the rate necessary to collect the levy recommended by
39 the department of child services.

40 SECTION 9. IC 6-1.1-18-3, AS AMENDED BY P.L.224-2007,
41 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JANUARY 1, 200]: Sec. 3. (a) Except as provided in subsection (b),

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1 the sum of all tax rates for all political subdivisions imposed on
2 tangible property within a political subdivision may not exceed:

3 (1) forty-one and sixty-seven hundredths cents (\$0.4167) on each
4 one hundred dollars (\$100) of assessed valuation in territory
5 outside the corporate limits of a city or town; or

6 (2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each
7 one hundred dollars (\$100) of assessed valuation in territory
8 inside the corporate limits of a city or town.

9 (b) The proper officers of a political subdivision shall fix tax rates
10 which are sufficient to provide funds for the purposes itemized in this
11 subsection. The portion of a tax rate fixed by a political subdivision
12 shall not be considered in computing the tax rate limits prescribed in
13 subsection (a) if that portion is to be used for one (1) of the following
14 purposes:

15 (1) To pay the principal or interest on a funding, refunding, or
16 judgment funding obligation of the political subdivision.

17 (2) To pay the principal or interest on an outstanding obligation
18 issued by the political subdivision if notice of the sale of the
19 obligation was published before March 9, 1937.

20 (3) To pay the principal or interest upon:

21 (A) an obligation issued by the political subdivision to meet an
22 emergency which results from a flood, fire, pestilence, war, or
23 any other major disaster; or

24 (B) a note issued under IC 36-2-6-18, IC 36-3-4-22,
25 IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county
26 to acquire necessary equipment or facilities for municipal or
27 county government.

28 (4) To pay the principal or interest upon an obligation issued in
29 the manner provided in IC 6-1.1-20-3 (before its repeal) or
30 IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

31 (5) To pay a judgment rendered against the political subdivision.

32 ~~(6) To meet the requirements of the family and children's fund for~~
33 ~~child services (as defined in IC 12-19-7-1):~~

34 ~~(7) (6) To meet the requirements of the county hospital care for~~
35 ~~the indigent fund.~~

36 ~~(8) To meet the requirements of the children's psychiatric~~
37 ~~residential treatment services fund for children's psychiatric~~
38 ~~residential treatment services (as defined in IC 12-19-7.5-1):~~

39 (c) Except as otherwise provided in IC 6-1.1-19, IC 6-1.1-18.5,
40 IC 20-45, or IC 20-46, a county board of tax adjustment (before
41 January 1, 2009), a county board of tax and capital projects review
42 (after December 31, 2008), a county auditor, or the department of local

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1 government finance may review the portion of a tax rate described in
2 subsection (b) only to determine if it exceeds the portion actually
3 needed to provide for one (1) of the purposes itemized in that
4 subsection.

5 SECTION 10. IC 6-1.1-18-12, AS AMENDED BY P.L.219-2007,
6 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 12. (a) For purposes of
8 this section, "maximum rate" refers to the maximum:

- 9 (1) property tax rate or rates; or
- 10 (2) special benefits tax rate or rates;
- 11 referred to in the statutes listed in subsection (d).

12 (b) The maximum rate for taxes first due and payable after 2003 is
13 the maximum rate that would have been determined under subsection
14 (e) for taxes first due and payable in 2003 if subsection (e) had applied
15 for taxes first due and payable in 2003.

16 (c) The maximum rate must be adjusted each year to account for the
17 change in assessed value of real property that results from:

- 18 (1) an annual adjustment of the assessed value of real property
19 under IC 6-1.1-4-4.5; or
- 20 (2) a general reassessment of real property under IC 6-1.1-4-4.

21 (d) The statutes to which subsection (a) refers are:

- 22 (1) IC 8-10-5-17;
- 23 (2) IC 8-22-3-11;
- 24 (3) IC 8-22-3-25;
- 25 (4) IC 12-29-1-1;
- 26 (5) IC 12-29-1-2;
- 27 (6) IC 12-29-1-3;
- 28 (7) IC 12-29-3-6;
- 29 (8) IC 13-21-3-12;
- 30 (9) IC 13-21-3-15;
- 31 (10) IC 14-27-6-30;
- 32 (11) IC 14-33-7-3;
- 33 (12) IC 14-33-21-5;
- 34 (13) IC 15-1-6-2;
- 35 (14) IC 15-1-8-1;
- 36 (15) IC 15-1-8-2;
- 37 (16) IC 16-20-2-18;
- 38 (17) IC 16-20-4-27;
- 39 (18) IC 16-20-7-2;
- 40 (19) IC 16-22-14;
- 41 (20) IC 16-23-1-29;
- 42 (21) IC 16-23-3-6;

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- 1 (22) IC 16-23-4-2;
- 2 (23) IC 16-23-5-6;
- 3 (24) IC 16-23-7-2;
- 4 (25) IC 16-23-8-2;
- 5 (26) IC 16-23-9-2;
- 6 (27) IC 16-41-15-5;
- 7 (28) IC 16-41-33-4;
- 8 (29) IC 20-46-2-3;
- 9 ~~(30) IC 20-46-6-5;~~
- 10 ~~(31)~~ **(30)** IC 20-49-2-10;
- 11 ~~(32)~~ **(31)** IC 36-1-19-1;
- 12 ~~(33)~~ **(32)** IC 23-14-66-2;
- 13 ~~(34)~~ **(33)** IC 23-14-67-3;
- 14 ~~(35)~~ **(34)** IC 36-7-13-4;
- 15 ~~(36)~~ **(35)** IC 36-7-14-28;
- 16 ~~(37)~~ **(36)** IC 36-7-15.1-16;
- 17 ~~(38)~~ **(37)** IC 36-8-19-8.5;
- 18 ~~(39)~~ **(38)** IC 36-9-6.1-2;
- 19 ~~(40)~~ **(39)** IC 36-9-17.5-4;
- 20 ~~(41)~~ **(40)** IC 36-9-27-73;
- 21 ~~(42)~~ **(41)** IC 36-9-29-31;
- 22 ~~(43)~~ **(42)** IC 36-9-29.1-15;
- 23 ~~(44)~~ **(43)** IC 36-10-6-2;
- 24 ~~(45)~~ **(44)** IC 36-10-7-7;
- 25 ~~(46)~~ **(45)** IC 36-10-7-8;
- 26 ~~(47)~~ **(46)** IC 36-10-7.5-19;
- 27 ~~(48)~~ **(47)** IC 36-10-13-5;
- 28 ~~(49)~~ **(48)** IC 36-10-13-7;
- 29 ~~(50)~~ **(49)** IC 36-10-14-4;
- 30 ~~(51)~~ **(50)** IC 36-12-7-7;
- 31 ~~(52)~~ **(51)** IC 36-12-7-8;
- 32 ~~(53)~~ **(52)** IC 36-12-12-10; and
- 33 ~~(54)~~ **(53)** any statute enacted after December 31, 2003, that:
 - 34 (A) establishes a maximum rate for any part of the:
 - 35 (i) property taxes; or
 - 36 (ii) special benefits taxes;
 - 37 imposed by a political subdivision; and
 - 38 (B) does not exempt the maximum rate from the adjustment
 - 39 under this section.
- 40 (e) The new maximum rate under a statute listed in subsection (d)
- 41 is the tax rate determined under STEP SEVEN of the following STEPS:
- 42 STEP ONE: Determine the maximum rate for the political

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1 subdivision levying a property tax or special benefits tax under
 2 the statute for the year preceding the year in which the annual
 3 adjustment or general reassessment takes effect.
 4 STEP TWO: Determine the actual percentage increase (rounded
 5 to the nearest one-hundredth percent (0.01%)) in the assessed
 6 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
 7 taxable property from the year preceding the year the annual
 8 adjustment or general reassessment takes effect to the year that
 9 the annual adjustment or general reassessment takes effect.
 10 STEP THREE: Determine the three (3) calendar years that
 11 immediately precede the ensuing calendar year and in which a
 12 statewide general reassessment of real property does not first take
 13 effect.
 14 STEP FOUR: Compute separately, for each of the calendar years
 15 determined in STEP THREE, the actual percentage increase
 16 (rounded to the nearest one-hundredth percent (0.01%)) in the
 17 assessed value (before the adjustment, if any, under
 18 IC 6-1.1-4-4.5) of the taxable property from the preceding year.
 19 STEP FIVE: Divide the sum of the three (3) quotients computed
 20 in STEP FOUR by three (3).
 21 STEP SIX: Determine the greater of the following:
 22 (A) Zero (0).
 23 (B) The result of the STEP TWO percentage minus the STEP
 24 FIVE percentage.
 25 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 26 divided by the sum of one (1) plus the STEP SIX percentage
 27 increase.
 28 (f) The department of local government finance shall compute the
 29 maximum rate allowed under subsection (e) and provide the rate to
 30 each political subdivision with authority to levy a tax under a statute
 31 listed in subsection (d).
 32 SECTION 11. IC 6-1.1-18.5-2, AS AMENDED BY P.L.224-2007,
 33 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2. (a) As used in this
 35 section, "Indiana nonfarm personal income" means the estimate of total
 36 nonfarm personal income for Indiana in a calendar year as computed
 37 by the federal Bureau of Economic Analysis using any actual data for
 38 the calendar year and any estimated data determined appropriate by the
 39 federal Bureau of Economic Analysis.
 40 (b) ~~Subject to subsection (c), for purposes of determining A civil~~
 41 ~~taxing unit's maximum permissible ad valorem property tax levy for an~~
 42 ~~ensuing calendar year, the civil taxing unit shall use the assessed value~~

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1 growth quotient **for a year is the result** determined in the last STEP
2 of the following STEPS:

3 STEP ONE: For each of the six (6) calendar years immediately
4 preceding the year in which a budget is adopted under
5 IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana
6 nonfarm personal income for the calendar year by the Indiana
7 nonfarm personal income for the calendar year immediately
8 preceding that calendar year, rounding to the nearest
9 one-thousandth (0.001).

10 STEP TWO: Determine the sum of the STEP ONE results.

11 STEP THREE: Divide the STEP TWO result by six (6), rounding
12 to the nearest one-thousandth (0.001).

13 STEP FOUR: Determine the lesser of the following:

14 (A) The STEP THREE quotient.

15 (B) One and six-hundredths (1.06).

16 (c) This subsection applies only to civil taxing units in Lake County.
17 Notwithstanding any other provision, for property taxes first due and
18 payable after December 31, 2007, the assessed value growth quotient
19 used to determine a civil taxing unit's maximum permissible ad
20 valorem property tax levy under this chapter for a particular calendar
21 year is zero (0) unless a tax rate of one percent (1%) will be in effect
22 under IC 6-3.5-1.1-26 or IC 6-3.5-6-32 in Lake County for that
23 calendar year.

24 SECTION 12. IC 6-1.1-18.5-3, AS AMENDED BY P.L.224-2007,
25 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3. (a) ~~Except as~~
27 ~~otherwise provided in this chapter and IC 6-3.5-8-12,~~ A civil taxing
28 unit that is treated as not being located in an adopting county under
29 section 4 of this chapter may not impose an ad valorem property tax
30 levy for an ensuing calendar year that exceeds the amount determined
31 in the last STEP of the following STEPS:

32 STEP ONE: Add the civil taxing unit's maximum permissible ad
33 valorem property tax levy for the preceding calendar year to the
34 part of the civil taxing unit's certified share, if any, that was used
35 to reduce the civil taxing unit's ad valorem property tax levy under
36 STEP EIGHT of **this** subsection (b) for that preceding calendar
37 year.

38 STEP TWO: Multiply the amount determined in STEP ONE by
39 the amount determined in the last STEP of section 2(b) of this
40 chapter.

41 STEP THREE: Determine the lesser of one and fifteen hundredths
42 (1.15) or the quotient (rounded to the nearest ten-thousandth

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1 (0.0001)) of the assessed value of all taxable property subject to
 2 the civil taxing unit's ad valorem property tax levy for the ensuing
 3 calendar year, divided by the assessed value of all taxable
 4 property that is subject to the civil taxing unit's ad valorem
 5 property tax levy for the ensuing calendar year and that is
 6 contained within the geographic area that was subject to the civil
 7 taxing unit's ad valorem property tax levy in the preceding
 8 calendar year.
 9 STEP FOUR: Determine the greater of the amount determined in
 10 STEP THREE or one (1).
 11 STEP FIVE: Multiply the amount determined in STEP TWO by
 12 the amount determined in STEP FOUR.
 13 STEP SIX: Add the amount determined under STEP TWO to the
 14 amount determined under subsection (c).
 15 STEP SEVEN: Determine the greater of the amount determined
 16 under STEP FIVE or the amount determined under STEP SIX.
 17 (b) ~~Except as otherwise provided in this chapter and IC 6-3.5-8-12,~~
 18 A civil taxing unit that is treated as being located in an adopting county
 19 under section 4 of this chapter may not impose an ad valorem property
 20 tax levy for an ensuing calendar year that exceeds the amount
 21 determined in the last STEP of the following STEPS:
 22 STEP ONE: Add the civil taxing unit's maximum permissible ad
 23 valorem property tax levy for the preceding calendar year to the
 24 part of the civil taxing unit's certified share, if any, used to reduce
 25 the civil taxing unit's ad valorem property tax levy under STEP
 26 EIGHT of this subsection for that preceding calendar year.
 27 STEP TWO: Multiply the amount determined in STEP ONE by
 28 the amount determined in the last STEP of section 2(b) of this
 29 chapter.
 30 STEP THREE: Determine the lesser of one and fifteen hundredths
 31 (1.15) or the quotient of the assessed value of all taxable property
 32 subject to the civil taxing unit's ad valorem property tax levy for
 33 the ensuing calendar year divided by the assessed value of all
 34 taxable property that is subject to the civil taxing unit's ad
 35 valorem property tax levy for the ensuing calendar year and that
 36 is contained within the geographic area that was subject to the
 37 civil taxing unit's ad valorem property tax levy in the preceding
 38 calendar year.
 39 STEP FOUR: Determine the greater of the amount determined in
 40 STEP THREE or one (1).
 41 STEP FIVE: Multiply the amount determined in STEP TWO by
 42 the amount determined in STEP FOUR.

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1 STEP SIX: Add the amount determined under STEP TWO to the
 2 amount determined under subsection (c).
 3 STEP SEVEN: Determine the greater of the amount determined
 4 under STEP FIVE or the amount determined under STEP SIX.
 5 STEP EIGHT: Subtract the amount determined under STEP FIVE
 6 of subsection (e) from the amount determined under STEP
 7 SEVEN of this subsection.

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

19 (d) This subsection applies only to civil taxing units located in a
 20 county having a county adjusted gross income tax rate for resident
 21 county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as
 22 of January 1 of the ensuing calendar year, **excluding any part of the**
 23 **rate imposed under a provision of IC 6-3.5-1.1 other than**
 24 **IC 6-3.5-1.1-2, 6-3.5-1.1-3, or 6-3.5-1.1-3.1.** For each civil taxing unit,
 25 the amount to be added to the amount determined in subsection (e),
 26 STEP FOUR, is determined using the following formula:
 27 STEP ONE: Multiply the civil taxing unit's maximum permissible
 28 ad valorem property tax levy for the preceding calendar year by
 29 two percent (2%).
 30 STEP TWO: For the determination year, the amount to be used as
 31 the STEP TWO amount is the amount determined in subsection
 32 (f) for the civil taxing unit. For each year following the
 33 determination year the STEP TWO amount is the lesser of:
 34 (A) the amount determined in STEP ONE; or
 35 (B) the amount determined in subsection (f) for the civil taxing
 36 unit.
 37 STEP THREE: Determine the greater of:
 38 (A) zero (0); or
 39 (B) the civil taxing unit's certified share for the ensuing
 40 calendar year minus the greater of:
 41 (i) the civil taxing unit's certified share for the calendar year
 42 that immediately precedes the ensuing calendar year; or

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1 (ii) the civil taxing unit's base year certified share.
 2 STEP FOUR: Determine the greater of:
 3 (A) zero (0); or
 4 (B) the amount determined in STEP TWO minus the amount
 5 determined in STEP THREE.
 6 Add the amount determined in STEP FOUR to the amount determined
 7 in subsection (e), STEP THREE, as provided in subsection (e), STEP
 8 FOUR.
 9 (e) For each civil taxing unit, the amount to be subtracted under
 10 subsection (b), STEP EIGHT, is determined using the following
 11 formula:
 12 STEP ONE: Determine the lesser of the civil taxing unit's base
 13 year certified share for the ensuing calendar year, as determined
 14 under section 5 of this chapter, or the civil taxing unit's certified
 15 share for the ensuing calendar year.
 16 STEP TWO: Determine the greater of:
 17 (A) zero (0); or
 18 (B) the remainder of:
 19 (i) the amount of federal revenue sharing money that was
 20 received by the civil taxing unit in 1985; minus
 21 (ii) the amount of federal revenue sharing money that will be
 22 received by the civil taxing unit in the year preceding the
 23 ensuing calendar year.
 24 STEP THREE: Determine the lesser of:
 25 (A) the amount determined in STEP TWO; or
 26 (B) the amount determined in subsection (f) for the civil taxing
 27 unit.
 28 STEP FOUR: Add the amount determined in subsection (d),
 29 STEP FOUR, to the amount determined in STEP THREE.
 30 STEP FIVE: Subtract the amount determined in STEP FOUR
 31 from the amount determined in STEP ONE.
 32 (f) As used in this section, a taxing unit's "determination year"
 33 means the latest of:
 34 (1) calendar year 1987, if the taxing unit is treated as being
 35 located in an adopting county for calendar year 1987 under
 36 section 4 of this chapter;
 37 (2) the taxing unit's base year, as defined in section 5 of this
 38 chapter, if the taxing unit is treated as not being located in an
 39 adopting county for calendar year 1987 under section 4 of this
 40 chapter; or
 41 (3) the ensuing calendar year following the first year that the
 42 taxing unit is located in a county that has a county adjusted gross

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1 income tax rate of more than one-half percent (0.5%) on July 1 of
2 that year.

3 The amount to be used in subsections (d) and (e) for a taxing unit
4 depends upon the taxing unit's certified share for the ensuing calendar
5 year, the taxing unit's determination year, and the county adjusted gross
6 income tax rate for resident county taxpayers (as defined in
7 IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of
8 the year preceding the ensuing calendar year. For the determination
9 year and the ensuing calendar years following the taxing unit's
10 determination year, the amount is the taxing unit's certified share for
11 the ensuing calendar year multiplied by the appropriate factor
12 prescribed in the following table:

13 COUNTIES WITH A TAX RATE OF 1/2%

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

18 COUNTIES WITH A TAX RATE OF 3/4%

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

23 COUNTIES WITH A TAX RATE OF 1.0%

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

32 (g) This subsection applies only to property taxes first due and
33 payable after December 31, 2007. This subsection applies only to a
34 civil taxing unit that is located in a county for which a county adjusted
35 gross income tax rate is first imposed or is increased in a particular
36 year under IC 6-3.5-1.1-24 or a county option income tax rate is first
37 imposed or is increased in a particular year under IC 6-3.5-6-30.
38 Notwithstanding any provision in this section or any other section of
39 this chapter and except as provided in subsection (h), the maximum
40 permissible ad valorem property tax levy calculated under this section
41 for the ensuing calendar year for a civil taxing unit subject to this
42 section is equal to the civil taxing unit's maximum permissible ad

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1 ad valorem property tax levy for the current calendar year.

2 (h) This subsection applies only to property taxes first due and
3 payable after December 31, 2007. In the case of a civil taxing unit that:

4 (1) is partially located in a county for which a county adjusted
5 gross income tax rate is first imposed or is increased in a
6 particular year under IC 6-3.5-1.1-24 or a county option income
7 tax rate is first imposed or is increased in a particular year under
8 IC 6-3.5-6-30; and

9 (2) is partially located in a county that is not described in
10 subdivision (1);

11 the department of local government finance shall, notwithstanding
12 subsection (g), adjust the portion of the civil taxing unit's maximum
13 permissible ad valorem property tax levy that is attributable (as
14 determined by the department of local government finance) to the
15 county or counties described in subdivision (2). The department of
16 local government finance shall adjust this portion of the civil taxing
17 unit's maximum permissible ad valorem property tax levy so that,
18 notwithstanding subsection (g), this portion is allowed to increase as
19 otherwise provided in this section. If the department of local
20 government finance increases the civil taxing unit's maximum
21 permissible ad valorem property tax levy under this subsection, any
22 additional property taxes imposed by the civil taxing unit under the
23 adjustment shall be paid only by the taxpayers in the county or counties
24 described in subdivision (2).

25 SECTION 13. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
27 Sec. 9.7. (a) The ad valorem property tax levy limits imposed by
28 section 3 of this chapter do not apply to ad valorem property taxes
29 imposed under any of the following:

30 (1) IC 12-16, except IC 12-16-1.

31 ~~(2) IC 12-19-5.~~

32 ~~(3) IC 12-19-7.~~

33 ~~(4) IC 12-19-7.5.~~

34 ~~(5)~~ (2) IC 12-20-24.

35 (b) For purposes of computing the ad valorem property tax levy
36 limits imposed under section 3 of this chapter, a county's or township's
37 ad valorem property tax levy for a particular calendar year does not
38 include that part of the levy imposed under the citations listed in
39 subsection (a).

40 (c) Section 8(b) of this chapter does not apply to bonded
41 indebtedness that will be repaid through property taxes imposed under
42 IC 12-19.

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1 SECTION 14. IC 6-1.1-20.6-3, AS ADDED BY P.L.246-2005,
 2 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3. As used in this
 4 chapter, "property tax liability" means liability for the tax imposed on
 5 property under this article, **as** determined after application of all credits
 6 and deductions under this article (except the credit under this chapter
 7 **and IC 6-1.1-21.1), IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7. but The**
 8 **term** does not include any interest or penalty imposed under this article
 9 **or any special assessment.**

10 SECTION 15. IC 6-1.1-20.9-2, AS AMENDED BY P.L.224-2007,
 11 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2.(a) Except as otherwise
 13 provided in section 5 of this chapter, an individual who on March 1 of
 14 a particular year either owns or is buying a homestead under a contract
 15 that provides the individual is to pay the property taxes on the
 16 homestead is entitled each calendar year to a credit against the property
 17 taxes which the individual pays on the individual's homestead.
 18 However, only one (1) individual may receive a credit under this
 19 chapter for a particular homestead in a particular year.

20 (b) The amount of the credit to which the individual is entitled
 21 equals the product of:

- 22 (1) the percentage prescribed in subsection (d); multiplied by
- 23 (2) the amount of the individual's property tax liability, as that
 24 term is defined in IC 6-1.1-21-5, which is:
 - 25 (A) attributable to the homestead during the particular
 26 calendar year; and
 - 27 (B) determined after the application of the property tax
 28 replacement credit under IC 6-1.1-21 **and the residential**
 29 **property tax credit under IC 6-1.1-46.**

30 (c) For purposes of determining that part of an individual's property
 31 tax liability that is attributable to the individual's homestead, all
 32 deductions from assessed valuation which the individual claims under
 33 IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's
 34 homestead is located must be applied first against the assessed value
 35 of the individual's homestead before those deductions are applied
 36 against any other property.

37 (d) The percentage of the credit referred to in subsection (b)(1) is as
 38 follows:

39 YEAR	PERCENTAGE
40	OF THE CREDIT
41 1996	8%
42 1997	6%

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1	1998 through 2002	10%
2	2003 through 2005	20%
3	2006	28%
4	2007 and thereafter	20%

5 However, the percentage credit allowed in a particular county for a
6 particular year shall be increased if on January 1 of a year an ordinance
7 adopted by a county income tax council was in effect in the county
8 which increased the homestead credit. The amount of the increase
9 equals the amount designated in the ordinance.

10 (e) Before October 1 of each year, the assessor shall furnish to the
11 county auditor the amount of the assessed valuation of each homestead
12 for which a homestead credit has been properly filed under this chapter.

13 (f) The county auditor shall apply the credit equally to each
14 installment of taxes that the individual pays for the property.

15 (g) Notwithstanding the provisions of this chapter, a taxpayer other
16 than an individual is entitled to the credit provided by this chapter if:

- 17 (1) an individual uses the residence as the individual's principal
- 18 place of residence;
- 19 (2) the residence is located in Indiana;
- 20 (3) the individual has a beneficial interest in the taxpayer;
- 21 (4) the taxpayer either owns the residence or is buying it under a
- 22 contract, recorded in the county recorder's office, that provides
- 23 that the individual is to pay the property taxes on the residence;
- 24 and
- 25 (5) the residence consists of a single-family dwelling and the real
- 26 estate, not exceeding one (1) acre, that immediately surrounds
- 27 that dwelling.

28 SECTION 16. IC 6-1.1-21-2, AS AMENDED BY P.L.1-2007,
29 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2. As used in this
31 chapter:

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

34 (b) "Taxes" means property taxes payable in respect to property
35 assessed under this article. The term does not include special
36 assessments, penalties, or interest, but does include any special charges
37 which a county treasurer combines with all other taxes in the
38 preparation and delivery of the tax statements required under
39 IC 6-1.1-22-8(a).

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

41 (d) "Auditor's abstract" means the annual report prepared by each
42 county auditor which under IC 6-1.1-22-5 is to be filed each year with

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1 the auditor of state.

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

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

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

9 (1) the remainder of:

10 (A) the aggregate levy of all taxes for all taxing units in a
11 county which are to be paid in the county for a stated
12 assessment year as reflected by the auditor's abstract for the
13 assessment year, adjusted, however, for any postabstract
14 adjustments which change the amount of the aggregate levy;
15 minus

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

18 (i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after
19 December 31, 1982; plus

20 (ii) the sum of any increases in property tax levies of taxing
21 units of the county that result from any other appeals
22 described in IC 6-1.1-18.5-13 filed after December 31,
23 1983; plus

24 (iii) IC 6-1.1-18.6-3 (children in need of services and
25 delinquent children who are wards of the county) (before its
26 repeal); minus

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

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

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

35 (ii) is not debt that is issued under IC 5-1-5 to refund debt
36 incurred before January 1, 1984; and

37 (iii) does not constitute debt entered into for the purpose of
38 building, repairing, or altering school buildings for which
39 the requirements of IC 20-5-52 (repealed) were satisfied
40 prior to January 1, 1984; minus

41 (E) the amount of property taxes imposed in the county for the
42 stated assessment year under the authority of IC 21-2-6

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1 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
 2 cumulative building fund whose property tax rate was initially
 3 established or reestablished for a stated assessment year that
 4 succeeds the 1983 stated assessment year; minus

5 (F) the remainder of:

6 (i) the total property taxes imposed in the county for the
 7 stated assessment year under authority of IC 21-2-6
 8 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
 9 cumulative building fund whose property tax rate was not
 10 initially established or reestablished for a stated assessment
 11 year that succeeds the 1983 stated assessment year; minus

12 (ii) the total property taxes imposed in the county for the
 13 1984 stated assessment year under the authority of IC 21-2-6
 14 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
 15 cumulative building fund whose property tax rate was not
 16 initially established or reestablished for a stated assessment
 17 year that succeeds the 1983 stated assessment year; minus

18 (G) the amount of property taxes imposed in the county for the
 19 stated assessment year under:

20 (i) IC 21-2-15 (before its repeal) or IC 20-46-6 (**before its**
 21 **repeal**) for a capital projects fund; plus

22 (ii) IC 6-1.1-19-10 (before its repeal) or IC 20-46-3 (**before**
 23 **its repeal**) for a racial balance fund; plus

24 (iii) IC 36-12-12 for a library capital projects fund; plus

25 (iv) IC 36-10-13-7 for an art association fund; plus

26 (v) IC 21-2-17 (before its repeal) or IC 20-46-2 for a special
 27 education preschool fund; plus

28 (vi) IC 21-2-11.6 (before its repeal) or IC 20-46-1 for a
 29 referendum tax levy fund; plus

30 (vii) an appeal filed under IC 6-1.1-19-5.1 (before its repeal)
 31 or IC 20-45-6-8 for an increase in a school corporation's
 32 maximum permissible tuition support levy for certain
 33 transfer tuition costs; plus

34 (viii) an appeal filed under IC 6-1.1-19-5.4 (before its
 35 repeal) or IC 20-46-4-10 for an increase in a school
 36 corporation's maximum permissible transportation fund levy
 37 for transportation operating costs; minus

38 (H) the amount of property taxes imposed by a school
 39 corporation that is attributable to the passage, after 1983, of a
 40 referendum for an excessive tax levy under IC 6-1.1-19-4.5
 41 (before its repeal), including any increases in these property
 42 taxes that are attributable to the adjustment set forth in

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1 IC 6-1.1-19-1.5 (before its repeal), IC 20-45-3, or any other
 2 law; minus
 3 (I) for each township in the county, the lesser of:
 4 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
 5 STEP THREE (as effective January 1, 1990) or
 6 IC 6-1.1-18.5-19(b) STEP THREE (as effective January 1,
 7 1990), whichever is applicable, plus the part, if any, of the
 8 township's ad valorem property tax levy for calendar year
 9 1989 that represents increases in that levy that resulted from
 10 an appeal described in IC 6-1.1-18.5-13(4) (as effective
 11 before January 1, 1989), filed after December 31, 1982; or
 12 (ii) the amount of property taxes imposed in the township for
 13 the stated assessment year under the authority of
 14 IC 36-8-13-4; minus
 15 (J) for each participating unit in a fire protection territory
 16 established under IC 36-8-19-1, the amount of property taxes
 17 levied by each participating unit under IC 36-8-19-8 and
 18 IC 36-8-19-8.5 less the maximum levy limit for each of the
 19 participating units that would have otherwise been available
 20 for fire protection services under IC 6-1.1-18.5-3 and
 21 IC 6-1.1-18.5-19 for that same year; minus
 22 (K) for each county, the sum of:
 23 (i) the amount of property taxes imposed in the county for
 24 the repayment of loans under IC 12-19-5-6 (repealed) that is
 25 included in the amount determined under IC 12-19-7-4(a)
 26 STEP SEVEN (as effective January 1, 1995) for property
 27 taxes payable in 1995, or for property taxes payable in each
 28 year after 1995, the amount determined under
 29 IC 12-19-7-4(b) (as effective before March 16, 2004) and
 30 IC 12-19-7-4 (as effective after March 15, 2004); and
 31 (ii) the amount of property taxes imposed in the county
 32 attributable to appeals granted under IC 6-1.1-18.6-3 (before
 33 its repeal) that is included in the amount determined under
 34 IC 12-19-7-4(a) STEP SEVEN (as effective January 1,
 35 1995) for property taxes payable in 1995, or the amount
 36 determined under IC 12-19-7-4(b) (as effective before
 37 March 16, 2004) and IC 12-19-7-4 (as effective after March
 38 15, 2004) for property taxes payable in each year after 1995;
 39 plus
 40 (2) all taxes to be paid in the county in respect to mobile home
 41 assessments currently assessed for the year in which the taxes
 42 stated in the abstract are to be paid; plus

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- 1 (3) the amounts, if any, of county adjusted gross income taxes that
 2 were applied by the taxing units in the county as property tax
 3 replacement credits to reduce the individual levies of the taxing
 4 units for the assessment year, as provided in IC 6-3.5-1.1; plus
 5 (4) the amounts, if any, by which the maximum permissible ad
 6 valorem property tax levies of the taxing units of the county were
 7 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
 8 assessment year; plus
 9 (5) the difference between:
 10 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
 11 minus
 12 (B) the amount the civil taxing units' levies were increased
 13 because of the reduction in the civil taxing units' base year
 14 certified shares under IC 6-1.1-18.5-3(e).
- 15 (h) "December settlement sheet" means the certificate of settlement
 16 filed by the county auditor with the auditor of state, as required under
 17 IC 6-1.1-27-3.
- 18 (i) "Tax duplicate" means the roll of property taxes that each county
 19 auditor is required to prepare each year under IC 6-1.1-22-3.
- 20 (j) "Eligible property tax replacement amount" is, except as
 21 otherwise provided by law, equal to the sum of the following:
 22 (1) Sixty percent (60%) of the total county tax levy imposed by
 23 each school corporation in a county for its general fund **imposed**
 24 **on tangible property, excluding business personal property**
 25 **and business real property**, for a stated assessment year.
 26 (2) Twenty percent (20%) of the total county tax levy (less sixty
 27 percent (60%) of the levy for the general fund of a school
 28 corporation that is part of the total county tax levy) imposed in a
 29 county on real property, **excluding business real property**, for a
 30 stated assessment year.
 31 **(3) Thirty-one and ninety-five hundredths percent (31.95%)**
 32 **of the total county tax levy imposed by each school**
 33 **corporation in a county for its general fund imposed on**
 34 **business personal property and business real property for a**
 35 **stated assessment year.**
 36 **(4) Ten and sixty-five hundredths percent (10.65%) of the**
 37 **total county tax levy (less thirty-one and ninety-five**
 38 **hundredths percent (31.95%) of the levy for the general fund**
 39 **of a school corporation that is part of the total county tax**
 40 **levy) imposed in a county on business real property for a**
 41 **stated assessment year.**
 42 ~~(5)~~ **(5) Twenty percent (20%) of the total county tax levy (less**

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1 sixty percent (60%) of the levy for the general fund of a school
 2 corporation that is part of the total county tax levy) imposed in a
 3 county on tangible personal property, excluding business personal
 4 property, for an assessment year.
 5 (k) "Business personal property" means tangible personal property
 6 (other than real property) that is being:
 7 (1) held for sale in the ordinary course of a trade or business; or
 8 (2) held, used, or consumed in connection with the production of
 9 income.
 10 (l) "Taxpayer's property tax replacement credit amount" means,
 11 except as otherwise provided by law, the sum of the following:
 12 (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar
 13 year for taxes imposed by a school corporation for its general fund
 14 **imposed on tangible property, excluding business personal**
 15 **property and business real property**, for a stated assessment
 16 year.
 17 (2) Twenty percent (20%) of a taxpayer's tax liability for a stated
 18 assessment year for a total county tax levy (less sixty percent
 19 (60%) of the levy for the general fund of a school corporation that
 20 is part of the total county tax levy) on real property, **excluding**
 21 **business real property**.
 22 (3) **Thirty-one and ninety-five hundredths percent (31.95%)**
 23 **of a taxpayer's tax liability in a calendar year for taxes**
 24 **imposed by a school corporation for its general fund imposed**
 25 **on business personal property and business real property for**
 26 **a stated assessment year**.
 27 (4) **Ten and sixty-five hundredths percent (10.65%) of a**
 28 **taxpayer's tax liability for a stated assessment year for a total**
 29 **county tax levy (less thirty-one and ninety-five hundredths**
 30 **percent (31.95%) of the levy for the general fund of a school**
 31 **corporation that is part of the total county tax levy) on**
 32 **business real property**.
 33 (5) Twenty percent (20%) of a taxpayer's tax liability for a
 34 stated assessment year for a total county tax levy (less sixty
 35 percent (60%) of the levy for the general fund of a school
 36 corporation that is part of the total county tax levy) on tangible
 37 personal property other than business personal property.
 38 (m) "Tax liability" means tax liability as described in section 5 of
 39 this chapter.
 40 (n) "General school operating levy" means the ad valorem property
 41 tax levy of a school corporation in a county for the school corporation's
 42 general fund.

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1 (o) "Board" refers to the property tax replacement fund board
2 established under section 10 of this chapter.

3 (p) "Business real property" means real property that is:

- 4 (1) held for sale in the ordinary course of a trade or business;
5 (2) held, used, or consumed (including extracted) in
6 connection with the production of income; or
7 (3) held for investment purposes.

8 The term does not include residential rental property.

9 (q) "Residential rental property" means real property
10 improvements or a mobile or manufactured home that is regularly
11 rented or furnished for periods of more than thirty (30) days for
12 use as a principal residence of one (1) or more individuals,
13 regardless of whether the property is subject to assessment under
14 rules of the department of local government finance that apply to
15 residential property or commercial property. The term includes
16 granting a right to use outbuildings and common areas in
17 connection with the use of a principal residence.

18 SECTION 17. IC 6-1.1-21-13 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE APRIL 1, 2008]: Sec. 13. (a) The auditor of state shall
21 annually transfer the following from the property tax replacement
22 fund to the property tax reduction trust fund:

- 23 (1) On January 1, one hundred fifty million dollars
24 (\$150,000,000).
25 (2) On July 1, one hundred fifty million dollars
26 (\$150,000,000).

27 However, in 2008, the transfer required by subdivision (1) shall be
28 made on April 1, 2008, or as soon after April 1, 2008, as possible.

29 (b) The transfer required under this section may not be
30 considered in determining the amount appropriated and available
31 for:

- 32 (1) eligible property tax replacement amounts described in
33 section 2(j) of this chapter or homestead credit replacement
34 amounts; or
35 (2) a taxpayer's property tax replacement credit amounts
36 described in section 2(l) of this chapter or homestead credits.

37 (c) If insufficient money is available in the property tax
38 replacement fund to make the transfer required under this section,
39 the deficiency shall be transferred from the state general fund,
40 subject to the repayment provisions contained in section 4(d) of
41 this chapter.

42 SECTION 18. IC 6-1.1-21.1 IS ADDED TO THE INDIANA CODE

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1 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]:

3 **Chapter 21.1. Low and Middle Income Circuit Breaker**

4 **Sec. 1. As used in this chapter, "adjusted gross income" has the**
5 **meaning set forth in Section 62 of the Internal Revenue Code.**

6 **Sec. 2. As used in this chapter, "application" refers to an**
7 **application for a credit.**

8 **Sec. 3. As used in this chapter, "combined adjusted gross**
9 **income attributable to a homestead" means, with respect to a**
10 **particular homestead, the sum of the adjusted gross income of the**
11 **resident of the homestead and each individual associated with the**
12 **homestead, as determined for each individual's last taxable year**
13 **ending not later than December 31 in the year:**

14 (1) immediately preceding the assessment date for any part of
15 a homestead that consists of real property; or

16 (2) preceding the assessment date by two (2) years for any
17 part of a homestead that is a mobile home assessed as
18 personal property.

19 The term includes the adjusted gross income of a partner,
20 shareholder, or member that directly or indirectly has an
21 ownership or beneficial interest in the owner of a homestead to the
22 extent required under rules adopted by the department of local
23 government finance.

24 **Sec. 4. As used in this chapter, "credit" refers to a credit**
25 **granted under this chapter against property tax liability.**

26 **Sec. 5. As used in this chapter, "homestead" refers to tangible**
27 **property that is eligible under IC 6-1.1-20.9 for a homestead credit**
28 **against property taxes imposed for a particular assessment date.**

29 **Sec. 6. As used in this chapter, "individual associated with a**
30 **homestead" means the following:**

31 (1) A resident's spouse.

32 (2) Each individual with whom a resident on an assessment
33 date:

34 (A) shares ownership of a homestead; or

35 (B) is purchasing a homestead under a contract;

36 as joint tenants or tenants in common.

37 (3) Each individual who on an assessment date has a beneficial
38 interest in a trust that:

39 (A) owns a homestead where a resident resides; or

40 (B) is purchasing a homestead where a resident resides
41 under a contract.

42 **Sec. 7. As used in this chapter, "property tax liability" means**

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1 liability for ad valorem property taxes imposed under this article
2 on a homestead for a particular assessment date, as determined
3 after application of all credits and deductions under this article
4 (except the credit under this chapter), IC 6-3.5-1.1, IC 6-3.5-6, and
5 IC 6-3.5-7. The term does not include any interest or penalty
6 imposed under this article or any special assessment.

7 Sec. 8. As used in this chapter, "resident" means one (1) or more
8 individuals whose use of tangible property as a principal residence
9 qualifies the tangible property for a homestead credit under
10 IC 6-1.1-20.9.

11 Sec. 9. The owners of a homestead are entitled to a credit under
12 this chapter against the property tax liability imposed on the
13 homestead for a particular assessment date, if:

- 14 (1) the combined adjusted gross income of individuals
15 associated with the homestead for that assessment date is not
16 more than seventy thousand dollars (\$70,000); and
- 17 (2) the combined net worth (excluding the net worth of the
18 homestead and any qualified plan or account described in
19 Sections 401 through 420 of the Internal Revenue Code) of the
20 individuals associated with the homestead for that assessment
21 date is not more than two hundred thousand dollars
22 (\$200,000).

23 Only one (1) credit is available for a homestead regardless of the
24 number of owners or the number of individuals who reside at the
25 homestead.

26 Sec. 10. The amount of the credit for a particular assessment
27 date is the balance of the property tax liability imposed for the
28 assessment date that exceeds the product of the combined adjusted
29 gross income attributable to the homestead for that assessment
30 date multiplied by the following applicable percentage:

31 Combined adjusted gross income	Percentage
32 Not more than \$10,000	1%
33 More than \$10,000 but not more than \$ 15,000	2%
34 More than \$15,000 but not more than \$ 20,000	3%
35 More than \$20,000 but not more than \$ 30,000	4%
36 More than \$30,000 but not more than \$ 40,000	5%
37 More than \$40,000 but not more than \$ 50,000	5.5%
38 More than \$50,000 but not more than \$ 70,000	6%

39 Sec. 11. To qualify for a credit, an owner of a homestead or an
40 agent of the owner must file an application for the credit with the
41 auditor of the county in which the homestead is located in the form
42 and in the manner specified under this chapter.

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Sec. 12. The application must be filed on the forms prescribed by the department of local government finance.

Sec. 13. The application must include the following information:

(1) The description specified by the department of local government finance for the tangible property to which the credit will apply.

(2) The full name and complete residential address of the applicant, the resident, and each individual associated with the homestead on the first assessment date to which the applicant desires the credit to apply.

(3) The part of the combined adjusted gross income attributable to the homestead for the resident and each individual associated with the homestead, as determined for the first assessment date to which the applicant desires the credit to apply.

(4) The tax identification number used by each resident and each individual associated with the homestead in filing federal and state adjusted gross income tax returns.

(5) Any additional information that the department of local government finance requires.

Information described in subdivisions (3) and (4) shall be treated as confidential.

Sec. 14. An application must be signed by the applicant under penalties of perjury.

Sec. 15. In order to substantiate an application, the applicant must submit for inspection by the county auditor a copy of the federal adjusted gross income tax return of the resident and each individual associated with the homestead for the taxable year for which the combined adjusted gross income is computed. If the resident or an associated individual was not required to file a federal income tax return, the applicant shall subscribe to that fact in the application.

Sec. 16. An application must be filed before the latest of:

(1) June 11 following the first assessment date to which the applicant desires the credit to apply, if the homestead consists only of real property;

(2) March 31 following the first assessment date to which the applicant desires the credit to apply if any part of the homestead consists of a mobile home assessed as personal property; or

(3) the date prescribed by the department of local government finance.

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1 **Sec. 17. The county auditor shall approve an application for a**
2 **credit at the appropriate percentage specified by this chapter if the**
3 **applicant and the homestead meet the requirements specified**
4 **under this chapter.**

5 **Sec. 18. (a) Except as provided in subsection (b), approval of an**
6 **application grants a credit only for the property tax liability**
7 **imposed for the first assessment date to which the applicant desires**
8 **the credit to apply.**

9 **(b) An owner of a homestead is not required to reapply for a**
10 **credit for a subsequent year if there is no change in the**
11 **information listed in the latest application or the only changes are**
12 **some combination of the following:**

13 **(1) A change in the combined adjusted gross income of the**
14 **homestead's resident and individuals associated with the**
15 **homestead that would not affect the percentage credit granted**
16 **for the homestead.**

17 **(2) The removal of an individual as an owner of a homestead**
18 **or a beneficiary of a trust that owns a homestead if at least**
19 **one (1) other individual listed in the latest application as an**
20 **individual associated with the homestead continues to be an**
21 **owner of the homestead or a beneficiary of the owner of the**
22 **homestead.**

23 **(3) The removal of an individual as a resident of a homestead**
24 **if at least one (1) other individual listed in the latest**
25 **application as a resident continues to be a resident of the**
26 **homestead.**

27 **(4) A change exempted from the application requirement in a**
28 **rule adopted by the department of local government finance.**

29 **Sec. 19. If a credit is granted, an owner or a resident of a**
30 **homestead shall notify the county auditor of any change that**
31 **disqualifies the homestead for part or all of a credit granted under**
32 **this chapter. An owner or a resident must file a certified statement**
33 **with the auditor of the county, notifying the auditor of the change**
34 **of use within sixty (60) days after the date of that change. If an**
35 **owner or a resident does not comply with this section, each owner**
36 **that received the benefit of a credit is jointly and severally liable**
37 **for an amount equal to the credit to which the owners were not**
38 **entitled.**

39 **Sec. 20. The county auditor for a county shall, in a particular**
40 **year, apply the same percentage credit to a homestead that**
41 **received a credit in the preceding year unless the county auditor**
42 **determines that the homestead is no longer eligible for the credit**

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or the credit percentage.

Sec. 21. (a) The application of the credit under this chapter results in a reduction of the property tax collections of each taxing unit that levies a property tax in a taxing district to which the credit is applied. A taxing unit may not increase its property tax levy to make up for that reduction.

(b) The county auditor shall in each calendar year notify each taxing unit that levies a property tax in a taxing district to which the credit under this chapter is applied of the reduction of property tax collections referred to in subsection (a) for the taxing unit for that year.

(c) A taxing unit may not borrow money to compensate the taxing unit or any other taxing unit for the reduction of property tax collections referred to in subsection (a).

(d) Taxing units are required by law to fully fund the payment of debt service or lease rentals in an amount sufficient to pay any debt service or lease rentals on outstanding obligations, regardless of any reduction in collections due to the application of tax credits granted under this chapter. Any reduction in collections must be applied to the other funds of the taxing unit after debt service or lease rentals have been fully funded.

(e) The department of local government finance shall enforce this section.

SECTION 19. IC 6-1.1-29-4, AS AMENDED BY P.L.224-2007, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) Except as provided in subsection (b), each county board of tax adjustment (before January 1, 2009) or county board of tax and capital projects review (after December 31, 2008), except the board for a consolidated city and county and for a county containing a second class city, shall hold its first meeting of each year for the purpose of reviewing budgets, tax rates, and levies on September 22 or on the first business day after September 22, if September 22 is not a business day. The board for a consolidated city and county and for a county containing a second class city shall hold its first meeting of each year for the purpose of reviewing budgets, tax rates, and levies on the first Wednesday following the adoption of city and county budget, tax rate, and tax levy ordinances. ~~The board shall hold the meeting at the office of the county auditor~~ **shall publish notice of board meetings under IC 5-3-1 and shall provide adequate space for meetings that permit the public to attend.** At the first meeting of each year, the board shall elect a chairman and a vice-chairman. After this meeting, the board shall continue to meet

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1 from day to day at any convenient place until its business is completed.
2 However, the board must, except as provided in subsection (b),
3 complete its duties on or before the date prescribed in IC 6-1.1-17-9(a).

4 (b) This section does not limit the ability of the county board of tax
5 and capital projects review to meet ~~after December 31, 2008~~, at any
6 time during a year to carry out its duties under IC 6-1.1-29.5.

7 SECTION 20. IC 6-1.1-46 IS ADDED TO THE INDIANA CODE
8 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2008 (RETROACTIVE)]:

10 **Chapter 46. Residential Property Tax Credit**

11 **Sec. 1. As used in this chapter, "board" refers to the property**
12 **tax replacement fund board.**

13 **Sec. 2. As used in this chapter, "credit" refers to the credit**
14 **granted by this chapter.**

15 **Sec. 3. As used in this chapter, "department" refers to the**
16 **department of state revenue.**

17 **Sec. 4. As used in this chapter, "fund", for the purposes of:**

- 18 (1) **this chapter, except section 20 of this chapter, refers to the**
- 19 **property tax reduction trust fund established by IC 4-35-8-2;**
- 20 **and**

- 21 (2) **section 20 of this chapter, refers to a fund of a taxing unit.**

22 **Sec. 5. As used in this chapter, "homestead" means:**

- 23 (1) **real property improvements or a mobile or manufactured**
- 24 **home that is owned (or being purchased on contract) and used**
- 25 **by an individual as the individual's principal residence,**
- 26 **including a garage, outbuildings, and common areas used in**
- 27 **connection with the improvements, mobile home, or**
- 28 **manufactured home; and**

- 29 (2) **the land immediately surrounding the improvements,**
- 30 **mobile home, or manufactured home that is used for**
- 31 **residential purposes, not exceeding one (1) acre.**

32 **The term includes property that is owned (or being purchased on**
33 **contract) by a trust in which the individual has a beneficial**
34 **interest.**

35 **Sec. 6. As used in this chapter, "residential rental property"**
36 **means:**

- 37 (1) **real property improvements or a mobile or manufactured**
- 38 **home that is regularly rented or furnished for periods of more**
- 39 **than thirty (30) days for use as a principal residence of one (1)**
- 40 **or more individuals, regardless of whether the property is**
- 41 **assessed under rules of the department of local government**
- 42 **finance that apply to residential property or commercial**

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property; and
(2) the land immediately surrounding the improvements, mobile home, or manufactured home that is used for residential purposes, not exceeding one (1) acre.

The term includes granting a right to use a garage, outbuildings, and common areas in connection with the use of a principal residence.

Sec. 7. The owner of property that qualifies as a homestead or residential rental property on an assessment date is entitled to a credit against the total tax liability imposed against the property for the assessment date.

Sec. 8. The amount of the credit is equal to the result of multiplying thirty and eight-tenths percent (30.8%) by the total tax liability imposed on the property after the application of:

- (1) all deductions against the assessed value of the property; and
- (2) the property tax replacement credit granted by IC 6-1.1-21-5.

Sec. 9. Property that qualifies for a homestead credit under IC 6-1.1-20.9 qualifies for a residential property tax credit under this chapter without the filing of any additional application.

Sec. 10. (a) This section applies to property that is not described in section 9 of this chapter.

(b) A owner that desires to claim the credit must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The statement must include the parcel number, key number, or other identifying number for the property and the name of the city, town, or township in which the property is located. With respect to real property, the statement must be filed during the twelve (12) months before June 11 of the year before the first year for which the individual wishes to obtain the deduction provided by this section. With respect to a mobile home or manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of the first year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the credit is allowed.

(c) An owner that fails to file a certified statement within the time prescribed by subsection (c) shall be treated as having filed

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1 the statement within that time if the person files a certified
2 statement otherwise meeting the requirements of this section by the
3 latest of:

4 (1) for an assessment date after February 28, 2007, and before
5 January 16, 2008, September 10, 2008;

6 (2) for all assessment dates after January 15, 2008, and before
7 January 16, 2009, September 10, 2008; or

8 (3) for all assessment dates after January 15, 2009, the later
9 of:

10 (A) September 10 of the first year for which the person
11 wishes to obtain the deduction provided by this section; or

12 (B) thirty (30) days after the date of the statement mailed
13 by the county auditor to the person under IC 6-1.1-17-3(b).

14 Sec. 11. If an owner that receives the credit changes the use of
15 the property granted a credit so that part or all of the property no
16 longer qualifies for the credit, the owner must file a certified
17 statement with the auditor of the county, notifying the auditor of
18 the change of use within sixty (60) days after the date of that
19 change. An owner that changes the use of the property and fails to
20 file the statement required by this section is liable for the amount
21 of the property taxes that would otherwise have been imposed on
22 that property.

23 Sec. 12. An owner that receives a credit for property that is
24 jointly held with another owner in a particular year and remains
25 eligible for the credit in the following year is not required to file a
26 statement to reapply for the credit following the removal of the
27 joint owner if:

28 (1) the individual is the sole owner of the property following
29 the death of the owner's spouse;

30 (2) the owner is the sole owner of the property following the
31 death of a joint owner that was not the owner's spouse; or

32 (3) the owner is awarded sole ownership of property in a
33 divorce decree.

34 Sec. 13. The department, on behalf of the board, shall distribute
35 to taxing units the amount necessary to replace the revenue lost
36 from the granting of credits in the taxing unit. The distribution for
37 all taxing units in a county shall be made to the county auditor for
38 the county. To the extent possible, the distribution shall be made on
39 the same schedule that distributions from the property tax
40 replacement fund are made under IC 6-1.1-21-10.

41 Sec. 14. The department of local government finance shall
42 certify to the department an estimate of the amount of credits

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1 granted in a county under this chapter. A county auditor shall
2 submit the information required by the department of local
3 government finance to comply with this section on the schedule and
4 in the manner prescribed by the department of local government
5 finance.

6 Sec. 15. The department shall use the estimate certified by the
7 department of local government finance as the basis of making an
8 estimated distribution under this chapter to civil taxing units on
9 the schedule specified in IC 6-1.1-21-10.

10 Sec. 16. All distributions provided for in this chapter shall be
11 made on warrants issued by the auditor of state drawn on the
12 treasurer of state.

13 Sec. 17. If the amounts allocated by the department from the
14 fund exceed in the aggregate the balance of money in the fund, the
15 auditor of state shall transfer the amount of the deficiency from the
16 state general fund to the fund. Notwithstanding IC 4-35-8-2, any
17 amount transferred under this section from the general fund to the
18 fund shall, as soon as funds are available in the fund, be
19 retransferred from the fund to the state general fund.

20 Sec. 18. The department and a county auditor shall settle
21 differences between the estimated distribution distributed under
22 this chapter and the amount to which the taxing units in the county
23 are entitled in the manner prescribed by the department.

24 Sec. 19. The amount distributed under this chapter shall be
25 treated as property taxes for all purposes. A county auditor shall
26 allocate the amount received under this chapter among the taxing
27 units in the county at the same time as other property tax
28 distributions are made.

29 Sec. 20. Money distributed to a taxing unit under this chapter
30 may be used only for the purposes for which property tax levies
31 being replaced may be used. The taxing unit shall allocate the
32 amount of its distribution under this chapter among the taxing
33 unit's funds in proportion to the property tax levies being replaced
34 from each fund.

35 SECTION 21. IC 6-2.5-2-2 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE APRIL 1, 2008]: Sec. 2. (a) The state gross
37 retail tax is measured by the gross retail income received by a retail
38 merchant in a retail unitary transaction and is imposed at the following
39 rates:

40	STATE	GROSS RETAIL INCOME
41	GROSS	FROM THE
42	RETAIL	RETAIL UNITARY

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TAX	TRANSACTION	
\$ 0		less than \$0.09
\$ 0.01	at least \$ 0.09	but less than \$0.25
\$ 0.02	at least \$ 0.25	but less than \$0.42
\$ 0.03	at least \$ 0.42	but less than \$0.59
\$ 0.04	at least \$ 0.59	but less than \$0.75
\$ 0.05	at least \$ 0.75	but less than \$0.92
\$ 0.06	at least \$ 0.92	but less than \$1.09
\$ 0		less than \$0.07
\$ 0.01	at least \$ 0.01	but less than \$0.21
\$ 0.02	at least \$ 0.21	but less than \$0.36
\$ 0.03	at least \$ 0.36	but less than \$0.50
\$ 0.04	at least \$ 0.50	but less than \$0.64
\$ 0.05	at least \$ 0.64	but less than \$0.78
\$ 0.06	at least \$ 0.78	but less than \$0.93
\$ 0.07	at least \$ 0.93	but less than \$1.08

On a retail unitary transaction in which the gross retail income received by the retail merchant is one dollar and ~~nine eight cents (\$1.09)~~ **(\$1.08)** or more, the state gross retail tax is ~~six seven percent (6%)~~ **(7%)** of that gross retail income.

(b) If the tax, computed under subsection (a), results in a fraction of one-half cent (\$0.005) or more, the amount of the tax shall be rounded to the next additional cent.

SECTION 22. IC 6-2.5-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2008]: Sec. 7. Except as otherwise provided in IC 6-2.5-7 or in this chapter, a retail merchant shall pay to the department, for a particular reporting period, an amount equal to the product of:

- (1) ~~six seven percent (6%);~~ **(7%)**; multiplied by
- (2) the retail merchant's total gross retail income from taxable transactions made during the reporting period.

The amount determined under this section is the retail merchant's state gross retail and use tax liability regardless of the amount of tax he actually collects.

SECTION 23. IC 6-2.5-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2008]: Sec. 8. (a) For purposes of determining the amount of state gross retail and use taxes which he must remit under section 7 of this chapter, a retail merchant may exclude from his gross retail income from retail transactions made during a particular reporting period, an amount equal to the product of:

- (1) the amount of that gross retail income; multiplied by
- (2) the retail merchant's "income exclusion ratio" for the tax year

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1 which contains the reporting period.

2 (b) A retail merchant's "income exclusion ratio" for a particular tax
3 year equals a fraction, the numerator of which is the retail merchant's
4 estimated total gross retail income for the tax year from unitary retail
5 transactions which produce gross retail income of less than ~~nine~~ **eight**
6 cents (~~\$0.09~~) (**\$0.08**) each, and the denominator of which is the retail
7 merchant's estimated total gross retail income for the tax year from all
8 retail transactions.

9 (c) In order to minimize a retail merchant's recordkeeping
10 requirements, the department shall prescribe a procedure for
11 determining the retail merchant's income exclusion ratio for a tax year,
12 based on a period of time, not to exceed fifteen (15) consecutive days,
13 during the first quarter of the retail merchant's tax year. However, the
14 period of time may be changed if the change is requested by the retail
15 merchant because of his peculiar accounting procedures or marketing
16 factors. In addition, if a retail merchant has multiple sales locations or
17 diverse types of sales, the department shall permit the retail merchant
18 to determine the ratio on the basis of a representative sampling of the
19 locations and types of sales.

20 SECTION 24. IC 6-2.5-6-10, AS AMENDED BY P.L.211-2007,
21 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 APRIL 1, 2008]: Sec. 10. (a) In order to compensate retail merchants
23 for collecting and timely remitting the state gross retail tax and the state
24 use tax, every retail merchant, except a retail merchant referred to in
25 subsection (c), is entitled to deduct and retain from the amount of those
26 taxes otherwise required to be remitted under IC 6-2.5-7-5 or under this
27 chapter, if timely remitted, a retail merchant's collection allowance.

28 (b) The allowance equals a percentage of the retail merchant's state
29 gross retail and use tax liability accrued during a calendar year,
30 specified as follows:

31 (1) ~~Eighty-three~~ **Seventy-one** hundredths percent (~~0.83%~~);
32 **(0.71%)**, if the retail merchant's state gross retail and use tax
33 liability accrued during the state fiscal year ending on June 30 of
34 the immediately preceding calendar year did not exceed sixty
35 thousand dollars (\$60,000).

36 (2) ~~Six-tenths~~ **Fifty-two hundredths** percent (~~0.6%~~); **(0.52%)**, if
37 the retail merchant's state gross retail and use tax liability accrued
38 during the state fiscal year ending on June 30 of the immediately
39 preceding calendar year:

- 40 (A) was greater than sixty thousand dollars (\$60,000); and
- 41 (B) did not exceed six hundred thousand dollars (\$600,000).
- 42 (3) ~~Three-tenths~~ **Twenty-six hundredths** percent (~~0.3%~~);

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1 (0.26%), if the retail merchant's state gross retail and use tax
2 liability accrued during the state fiscal year ending on June 30 of
3 the immediately preceding calendar year was greater than six
4 hundred thousand dollars (\$600,000).

5 (c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not
6 entitled to the allowance provided by this section.

7 SECTION 25. IC 6-2.5-7-3 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE APRIL 1, 2008]: Sec. 3. (a) With respect to
9 the sale of gasoline which is dispensed from a metered pump, a retail
10 merchant shall collect, for each unit of gasoline sold, state gross retail
11 tax in an amount equal to the product, rounded to the nearest one-tenth
12 of one cent (\$0.001), of:

13 (1) the price per unit before the addition of state and federal taxes;
14 multiplied by

15 (2) ~~six seven percent (6%)~~: (7%).
16 The retail merchant shall collect the state gross retail tax prescribed in
17 this section even if the transaction is exempt from taxation under
18 IC 6-2.5-5.

19 (b) With respect to the sale of special fuel or kerosene which is
20 dispensed from a metered pump, unless the purchaser provides an
21 exemption certificate in accordance with IC 6-2.5-8-8, a retail merchant
22 shall collect, for each unit of special fuel or kerosene sold, state gross
23 retail tax in an amount equal to the product, rounded to the nearest
24 one-tenth of one cent (\$0.001), of:

25 (1) the price per unit before the addition of state and federal taxes;
26 multiplied by

27 (2) ~~six seven percent (6%)~~: (7%).
28 Unless the exemption certificate is provided, the retail merchant shall
29 collect the state gross retail tax prescribed in this section even if the
30 transaction is exempt from taxation under IC 6-2.5-5.

31 SECTION 26. IC 6-2.5-7-5, AS AMENDED BY P.L.182-2007,
32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 APRIL 1, 2008]: Sec. 5. (a) Each retail merchant who dispenses
34 gasoline or special fuel from a metered pump shall, in the manner
35 prescribed in IC 6-2.5-6, report to the department the following
36 information:

37 (1) The total number of gallons of gasoline sold from a metered
38 pump during the period covered by the report.

39 (2) The total amount of money received from the sale of gasoline
40 described in subdivision (1) during the period covered by the
41 report.

42 (3) That portion of the amount described in subdivision (2) which

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1 represents state and federal taxes imposed under this article,
 2 IC 6-6-1.1, or Section 4081 of the Internal Revenue Code.
 3 (4) The total number of gallons of special fuel sold from a
 4 metered pump during the period covered by the report.
 5 (5) The total amount of money received from the sale of special
 6 fuel during the period covered by the report.
 7 (6) That portion of the amount described in subdivision (5) that
 8 represents state and federal taxes imposed under this article,
 9 IC 6-6-2.5, or Section 4041 of the Internal Revenue Code.
 10 (7) The total number of gallons of E85 sold from a metered pump
 11 during the period covered by the report.
 12 (b) Concurrently with filing the report, the retail merchant shall
 13 remit the state gross retail tax in an amount which equals ~~five six~~ and
 14 ~~sixty-six~~ **fifty-four** hundredths percent (~~5.66%~~) (**6.54%**) of the gross
 15 receipts, including state gross retail taxes but excluding Indiana and
 16 federal gasoline and special fuel taxes, received by the retail merchant
 17 from the sale of the gasoline and special fuel that is covered by the
 18 report and on which the retail merchant was required to collect state
 19 gross retail tax. The retail merchant shall remit that amount regardless
 20 of the amount of state gross retail tax which ~~he~~ **the merchant** has
 21 actually collected under this chapter. However, the retail merchant is
 22 entitled to deduct and retain the amounts prescribed in subsection (c),
 23 IC 6-2.5-6-10, and IC 6-2.5-6-11.
 24 (c) A retail merchant is entitled to deduct from the amount of state
 25 gross retail tax required to be remitted under subsection (b) the amount
 26 determined under STEP THREE of the following formula:
 27 STEP ONE: Determine:
 28 (A) the sum of the prepayment amounts made during the
 29 period covered by the retail merchant's report; minus
 30 (B) the sum of prepayment amounts collected by the retail
 31 merchant, in the merchant's capacity as a qualified distributor,
 32 during the period covered by the retail merchant's report.
 33 STEP TWO: Subject to subsection (d), for reporting periods
 34 ending before July 1, 2020, determine the product of:
 35 (A) eighteen cents (\$0.18); multiplied by
 36 (B) the number of gallons of E85 sold at retail by the retail
 37 merchant during the period covered by the retail merchant's
 38 report.
 39 STEP THREE: Add the amounts determined under STEPS ONE
 40 and TWO.
 41 For purposes of this section, a prepayment of the gross retail tax is
 42 presumed to occur on the date on which it is invoiced.

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1 (d) The total amount of deductions allowed under subsection (c)
2 STEP TWO may not exceed one million dollars (\$1,000,000) for all
3 retail merchants in all reporting periods. A retail merchant is not
4 required to apply for an allocation of deductions under subsection (c)
5 STEP TWO. If the department determines that the sum of:

6 (1) the deductions that would otherwise be reported under
7 subsection (c) STEP TWO for a reporting period; plus

8 (2) the total amount of deductions granted under subsection (c)
9 STEP TWO in all preceding reporting periods;

10 will exceed one million dollars (\$1,000,000), the department shall
11 publish in the Indiana Register a notice that the deduction program
12 under subsection (c) STEP TWO is terminated after the date specified
13 in the notice and that no additional deductions will be granted for retail
14 transactions occurring after the date specified in the notice.

15 SECTION 27. IC 6-2.5-10-1, AS AMENDED BY P.L.234-2007,
16 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 APRIL 1, 2008]: Sec. 1. (a) The department shall account for all state
18 gross retail and use taxes that it collects.

19 (b) The department shall deposit those collections in the following
20 manner:

21 (1) ~~Fifty~~ **Fifty-six and one hundred sixty thousandths** percent
22 ~~(50%)~~ **(56.160%)** of the collections shall be paid into the property
23 tax replacement fund established under IC 6-1.1-21.

24 (2) ~~Forty-nine~~ **Forty-two** and ~~sixty-seven thousandths~~ **two**
25 **hundred thirty-three thousandths** percent ~~(49.067%)~~
26 **(42.233%)** of the collections shall be paid into the state general
27 fund.

28 (3) ~~Seventy-six hundredths~~ **Six hundred fifty-four thousandths**
29 of one percent ~~(0.76%)~~ **(0.654%)** of the collections shall be paid
30 into the public mass transportation fund established by
31 IC 8-23-3-8.

32 (4) ~~Thirty-three~~ **Twenty-eight** thousandths of one percent
33 ~~(0.033%)~~ **(0.028%)** of the collections shall be deposited into the
34 industrial rail service fund established under IC 8-3-1.7-2.

35 (5) ~~Fourteen-hundredths~~ **One hundred twenty-one thousandths**
36 of one percent ~~(0.14%)~~ **(0.121%)** of the collections shall be
37 deposited into the commuter rail service fund established under
38 IC 8-3-1.5-20.5.

39 SECTION 28. IC 6-3-2-1 IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 1. (a) Each
41 taxable year, a tax at the rate of ~~three~~ **four** and four-tenths percent
42 ~~(3.4%)~~ **(4.4%)** of adjusted gross income is imposed upon the adjusted

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1 gross income of every resident person, and on that part of the adjusted
2 gross income derived from sources within Indiana of every nonresident
3 person.

4 (b) Except as provided in section 1.5 of this chapter, each taxable
5 year, a tax at the rate of eight and five-tenths percent (8.5%) of adjusted
6 gross income is imposed on that part of the adjusted gross income
7 derived from sources within Indiana of every corporation.

8 SECTION 29. IC 6-3-7-3 IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE MAY 1, 2008]: Sec. 3. (a) ~~At~~ **The** revenues derived
10 from collection of the adjusted gross income tax imposed on
11 corporations shall be deposited in the state general fund.

12 (b) All revenues derived from collection of the adjusted gross
13 income tax imposed on persons shall be deposited as follows:

- 14 (1) ~~Eighty-six~~ **Sixty-six and four hundred fifty-five**
15 **thousandths** percent (~~86%~~) (**66.455%**) in the state general fund.
- 16 (2) ~~Fourteen~~ **Ten and eight hundred eighteen thousandths**
17 **percent** (~~14%~~) (**10.818%**) in the property tax replacement fund.
- 18 (3) **Twenty-two and seven hundred twenty-seven thousandths**
19 **percent** (**22.727%**) **in the property tax reduction trust fund.**

20 SECTION 30. IC 6-3.5-1.1-2, AS AMENDED BY P.L.224-2007,
21 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2. (a) The county council
23 of any county in which the county option income tax will not be in
24 effect on October 1 of a year under an ordinance adopted during a
25 previous calendar year may impose the county adjusted gross income
26 tax on the adjusted gross income of county taxpayers of its county
27 effective July 1 of that year.

28 (b) Except as provided in section 2.3, 2.5, 2.6, 2.7, 2.8, 2.9, 3.3, 3.5,
29 3.6, ~~24~~, 25, or 26 of this chapter, the county adjusted gross income tax
30 may be imposed at a rate of one-half of one percent (0.5%),
31 three-fourths of one percent (0.75%), or one percent (1%) on the
32 adjusted gross income of resident county taxpayers of the county. Any
33 county imposing the county adjusted gross income tax must impose the
34 tax on the nonresident county taxpayers at a rate of one-fourth of one
35 percent (0.25%) on their adjusted gross income. If the county council
36 elects to decrease the county adjusted gross income tax, the county
37 council may decrease the county adjusted gross income tax rate in
38 increments of one-tenth of one percent (0.1%).

39 (c) To impose the county adjusted gross income tax, the county
40 council must, after March 31 but before August 1 of a year, adopt an
41 ordinance. The ordinance must substantially state the following:

42 "The _____ County Council imposes the county adjusted

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1 gross income tax on the county taxpayers of _____ County.
2 The county adjusted gross income tax is imposed at a rate of
3 _____ percent (_____%) on the resident county taxpayers of the
4 county and one-fourth of one percent (0.25%) on the nonresident
5 county taxpayers of the county. This tax takes effect October 1 of
6 this year."

7 (d) Any ordinance adopted under this section takes effect October
8 1 of the year the ordinance is adopted.

9 (e) The auditor of a county shall record all votes taken on
10 ordinances presented for a vote under the authority of this section and
11 immediately send a certified copy of the results to the department by
12 certified mail.

13 (f) If the county adjusted gross income tax had previously been
14 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
15 1983) and that tax was in effect at the time of the enactment of this
16 chapter, then the county adjusted gross income tax continues in that
17 county at the rates in effect at the time of enactment until the rates are
18 modified or the tax is rescinded in the manner prescribed by this
19 chapter. If a county's adjusted gross income tax is continued under this
20 subsection, then the tax shall be treated as if it had been imposed under
21 this chapter and is subject to rescission or reduction as authorized in
22 this chapter.

23 SECTION 31. IC 6-3.5-1.1-9, AS AMENDED BY P.L.224-2007,
24 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 9. (a) Revenue derived
26 from the imposition of the county adjusted gross income tax shall, in
27 the manner prescribed by this section, be distributed to the county that
28 imposed it. The amount to be distributed to a county during an ensuing
29 calendar year equals the amount of county adjusted gross income tax
30 revenue that the department, after reviewing the recommendation of the
31 budget agency, determines has been:

- 32 (1) received from that county for a taxable year ending before the
33 calendar year in which the determination is made; and
- 34 (2) reported on an annual return or amended return processed by
35 the department in the state fiscal year ending before July 1 of the
36 calendar year in which the determination is made;

37 as adjusted (as determined after review of the recommendation of the
38 budget agency) for refunds of county adjusted gross income tax made
39 in the state fiscal year.

40 (b) Before August 2 of each calendar year, the department, after
41 reviewing the recommendation of the budget agency, shall certify to the
42 county auditor of each adopting county the amount determined under

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1 subsection (a) plus the amount of interest in the county's account that
 2 has accrued and has not been included in a certification made in a
 3 preceding year. The amount certified is the county's "certified
 4 distribution" for the immediately succeeding calendar year. The amount
 5 certified shall be adjusted under subsections (c), (d), (e), (f), **and** (g).
 6 ~~and (h)~~. The department shall provide with the certification an
 7 informative summary of the calculations used to determine the certified
 8 distribution. The department shall also certify information concerning
 9 the part of the certified distribution that is attributable to a tax rate
 10 under section ~~24~~, 25 or 26 of this chapter. This information must be
 11 certified to the county auditor and to the department of local
 12 government finance not later than September 1 of each calendar year.
 13 The part of the certified distribution that is attributable to a tax rate
 14 under section ~~24~~, 25 or 26 of this chapter may be used only as specified
 15 in those provisions.

16 (c) The department shall certify an amount less than the amount
 17 determined under subsection (b) if the department, after reviewing the
 18 recommendation of the budget agency, determines that the reduced
 19 distribution is necessary to offset overpayments made in a calendar
 20 year before the calendar year of the distribution. The department, after
 21 reviewing the recommendation of the budget agency, may reduce the
 22 amount of the certified distribution over several calendar years so that
 23 any overpayments are offset over several years rather than in one (1)
 24 lump sum.

25 (d) The department, after reviewing the recommendation of the
 26 budget agency, shall adjust the certified distribution of a county to
 27 correct for any clerical or mathematical errors made in any previous
 28 certification under this section. The department, after reviewing the
 29 recommendation of the budget agency, may reduce the amount of the
 30 certified distribution over several calendar years so that any adjustment
 31 under this subsection is offset over several years rather than in one (1)
 32 lump sum.

33 (e) The department, after reviewing the recommendation of the
 34 budget agency, shall adjust the certified distribution of a county to
 35 provide the county with the distribution required under section 10(b)
 36 of this chapter.

37 (f) This subsection applies to a county that:
 38 (1) initially imposes the county adjusted gross income tax; or
 39 (2) increases the county adjusted income tax rate;
 40 under this chapter in the same calendar year in which the department
 41 makes a certification under this section. The department, after
 42 reviewing the recommendation of the budget agency, shall adjust the

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1 certified distribution of a county to provide for a distribution in the
2 immediately following calendar year and in each calendar year
3 thereafter. The department shall provide for a full transition to
4 certification of distributions as provided in subsection (a)(1) through
5 (a)(2) in the manner provided in subsection (c).

6 (g) The department, after reviewing the recommendation of the
7 budget agency, shall adjust the certified distribution of a county to
8 provide the county with the distribution required under section 3.3 of
9 this chapter beginning not later than the tenth month after the month in
10 which additional revenue from the tax authorized under section 3.3 of
11 this chapter is initially collected.

12 (h) ~~This subsection applies in the year in which a county initially~~
13 ~~imposes a tax rate under section 24 of this chapter. Notwithstanding~~
14 ~~any other provision, the department shall adjust the part of the county's~~
15 ~~certified distribution that is attributable to the tax rate under section 24~~
16 ~~of this chapter to provide for a distribution in the immediately~~
17 ~~following calendar year equal to the result of:~~

- 18 (1) ~~the sum of the amounts determined under STEP ONE through~~
19 ~~STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county~~
20 ~~initially imposes a tax rate under section 24 of this chapter;~~
21 ~~multiplied by~~
- 22 (2) ~~two (2).~~

23 SECTION 32. IC 6-3.5-1.1-10, AS AMENDED BY P.L.224-2007,
24 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 10. (a) Except as
26 provided in subsection (b), one-half (1/2) of each adopting county's
27 certified distribution for a calendar year shall be distributed from its
28 account established under section 8 of this chapter to the appropriate
29 county treasurer on May 1 and the other one-half (1/2) on November
30 1 of that calendar year.

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

- 40 (1) One-fourth (1/4) on October 1 of the calendar year in which
41 the ordinance was adopted.
- 42 (2) One-fourth (1/4) on January 1 of the calendar year following

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1 the year in which the ordinance was adopted.
 2 (3) One-fourth (1/4) on May 1 of the calendar year following the
 3 year in which the ordinance was adopted.
 4 (4) One-fourth (1/4) on November 1 of the calendar year
 5 following the year in which the ordinance was adopted.
 6 Notwithstanding section 11 of this chapter, the part of the certified
 7 distribution received under subdivision (1) that would otherwise be
 8 allocated to a civil taxing unit or school corporation as property tax
 9 replacement credits under section 11 of this chapter shall be set aside
 10 and treated for the calendar year when received by the civil taxing unit
 11 or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or
 12 IC 20-44-3. Certified distributions made to the county treasurer for
 13 calendar years following the eighteen (18) month period described in
 14 this subsection shall be made as provided in subsection (a).
 15 (c) Except for:
 16 (1) revenue that must be used to pay the costs of:
 17 (A) financing, constructing, acquiring, improving, renovating,
 18 equipping, operating, or maintaining facilities and buildings;
 19 (B) debt service on bonds; or
 20 (C) lease rentals;
 21 under section 2.3 of this chapter;
 22 (2) revenue that must be used to pay the costs of operating a jail
 23 and juvenile detention center under section 2.5(d) of this chapter;
 24 (3) revenue that must be used to pay the costs of:
 25 (A) financing, constructing, acquiring, improving, renovating,
 26 equipping, operating, or maintaining facilities and buildings;
 27 (B) debt service on bonds; or
 28 (C) lease rentals;
 29 under section 2.8 of this chapter;
 30 (4) revenue that must be used to pay the costs of construction,
 31 improvement, renovation, or remodeling of a jail and related
 32 buildings and parking structures under section 2.7, 2.9, or 3.3 of
 33 this chapter;
 34 (5) revenue that must be used to pay the costs of operating and
 35 maintaining a jail and justice center under section 3.5(d) of this
 36 chapter;
 37 (6) revenue that must be used to pay the costs of constructing,
 38 acquiring, improving, renovating, or equipping a county
 39 courthouse under section 3.6 of this chapter;
 40 (7) revenue under section 2.6 of this chapter; or
 41 (8) revenue attributable to a tax rate under section ~~24~~, 25 or 26 of
 42 this chapter;

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1 distributions made to a county treasurer under subsections (a) and (b)
 2 shall be treated as though they were property taxes that were due and
 3 payable during that same calendar year. Except as provided by
 4 subsection (b) and sections ~~24~~, 25 and 26 of this chapter, the certified
 5 distribution shall be distributed and used by the taxing units and school
 6 corporations as provided in sections 11 through 15 of this chapter.

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

10 SECTION 33. IC 6-3.5-1.1-11, AS AMENDED BY P.L.224-2007,
 11 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 11. (a) Except for:

13 (1) revenue that must be used to pay the costs of:

14 (A) financing, constructing, acquiring, improving, renovating,
 15 equipping, operating, or maintaining facilities and buildings;

16 (B) debt service on bonds; or

17 (C) lease rentals;

18 under section 2.3 of this chapter;

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

21 (3) revenue that must be used to pay the costs of:

22 (A) financing, constructing, acquiring, improving, renovating,
 23 equipping, operating, or maintaining facilities and buildings;

24 (B) debt service on bonds; or

25 (C) lease rentals;

26 under section 2.8 of this chapter;

27 (4) revenue that must be used to pay the costs of construction,
 28 improvement, renovation, or remodeling of a jail and related
 29 buildings and parking structures under section 2.7, 2.9, or 3.3 of
 30 this chapter;

31 (5) revenue that must be used to pay the costs of operating and
 32 maintaining a jail and justice center under section 3.5(d) of this
 33 chapter;

34 (6) revenue that must be used to pay the costs of constructing,
 35 acquiring, improving, renovating, or equipping a county
 36 courthouse under section 3.6 of this chapter; or

37 (7) revenue attributable to a tax rate under section ~~24~~, 25 or 26 of
 38 this chapter;

39 the certified distribution received by a county treasurer shall, in the
 40 manner prescribed in this section, be allocated, distributed, and used
 41 by the civil taxing units and school corporations of the county as
 42 certified shares and property tax replacement credits.

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

11	PROPERTY		
12	COUNTY	TAX	
13	ADJUSTED GROSS	REPLACEMENT	CERTIFIED
14	INCOME TAX RATE	CREDITS	SHARES
15	0.5%	50%	50%
16	0.75%	33 1/3%	66 2/3%
17	1%	25%	75%

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

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

23 SECTION 34. IC 6-3.5-1.1-23, AS AMENDED BY P.L.224-2007,
 24 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 23. (a) A pledge of
 26 county adjusted gross income tax revenues under this chapter (other
 27 than tax revenue attributable to a tax rate under section ~~24~~, 25 or 26 of
 28 this chapter) is enforceable in accordance with IC 5-1-14.

29 (b) With respect to obligations for which a pledge has been made
 30 under this chapter, the general assembly covenants with the county and
 31 the purchasers or owners of those obligations that this chapter will not
 32 be repealed or amended in any manner that will adversely affect the
 33 collection of the tax imposed under this chapter as long as the principal
 34 of or interest on those obligations is unpaid.

35 SECTION 35. IC 6-3.5-1.1-25, AS ADDED BY P.L.224-2007,
 36 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 25. (a) As used in this
 38 section, "public safety" refers to the following:

- 39 (1) A police and law enforcement system to preserve public peace
 40 and order.
- 41 (2) A firefighting and fire prevention system.
- 42 (3) Emergency ambulance services (as defined in

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- 1 IC 16-18-2-107).
- 2 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 3 (5) Emergency action (as defined in IC 13-11-2-65).
- 4 (6) A probation department of a court.
- 5 (7) Confinement, supervision, services under a community
- 6 corrections program (as defined in IC 35-38-2.6-2), or other
- 7 correctional services for a person who has been:
- 8 (A) diverted before a final hearing or trial under an agreement
- 9 that is between the county prosecuting attorney and the person
- 10 or the person's custodian, guardian, or parent and that provides
- 11 for confinement, supervision, community corrections services,
- 12 or other correctional services instead of a final action
- 13 described in clause (B) or (C);
- 14 (B) convicted of a crime; or
- 15 (C) adjudicated as a delinquent child or a child in need of
- 16 services.
- 17 (8) A juvenile detention facility under IC 31-31-8.
- 18 (9) A juvenile detention center under IC 31-31-9.
- 19 (10) A county jail.
- 20 (11) A communications system (as defined in IC 36-8-15-3) or an
- 21 enhanced emergency telephone system (as defined in
- 22 IC 36-8-16-2).
- 23 (12) Medical and health expenses for jail inmates and other
- 24 confined persons.
- 25 (13) Pension payments for any of the following:
- 26 (A) A member of the fire department (as defined in
- 27 IC 36-8-1-8) or any other employee of a fire department.
- 28 (B) A member of the police department (as defined in
- 29 IC 36-8-1-9), a police chief hired under a waiver under
- 30 IC 36-8-4-6.5, or any other employee hired by a police
- 31 department.
- 32 (C) A county sheriff or any other member of the office of the
- 33 county sheriff.
- 34 (D) Other personnel employed to provide a service described
- 35 in this section.
- 36 (b) If a county council ~~has imposed a tax rate under section 24 of~~
- 37 ~~this chapter and~~ has imposed a tax rate under section 26 of this chapter,
- 38 the county council may also adopt an ordinance to impose an additional
- 39 tax rate under this section to provide funding for public safety.
- 40 (c) A tax rate under this section may not exceed the lesser of:
- 41 (A) twenty-five hundredths of one percent (0.25%); or
- 42 (B) the tax rate imposed under section 26 of this chapter.

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1 (d) If a county council adopts an ordinance to impose a tax rate
2 under this section, the county auditor shall send a certified copy of the
3 ordinance to the department and the department of local government
4 finance by certified mail.

5 (e) A tax rate under this section is in addition to any other tax rates
6 imposed under this chapter and does not affect the purposes for which
7 other tax revenue under this chapter may be used.

8 (f) The county auditor shall distribute the portion of the certified
9 distribution that is attributable to a tax rate under this section to the
10 county and to each municipality in the county. The amount that shall
11 be distributed to the county or municipality is equal to the result of:

12 (1) the portion of the certified distribution that is attributable to a
13 tax rate under this section; multiplied by

14 (2) a fraction equal to:

15 (A) the attributed allocation amount (as defined in
16 IC 6-3.5-1.1-15) of the county or municipality for the calendar
17 year; divided by

18 (B) the sum of the attributed allocation amounts of the county
19 and each municipality in the county for the calendar year.

20 The county auditor shall make the distributions required by this
21 subsection not more than thirty (30) days after receiving the portion of
22 the certified distribution that is attributable to a tax rate under this
23 section. Tax revenue distributed to a county or municipality under this
24 subsection must be deposited into a separate account or fund and may
25 be appropriated by the county or municipality only for public safety
26 purposes.

27 (g) The department of local government finance may not require a
28 county or municipality receiving tax revenue under this section to
29 reduce the county's or municipality's property tax levy for a particular
30 year on account of the county's or municipality's receipt of the tax
31 revenue.

32 (h) The tax rate under this section and the tax revenue attributable
33 to the tax rate under this section shall not be considered for purposes
34 of computing:

35 (1) the maximum income tax rate that may be imposed in a county
36 under section 2 of this chapter or any other provision of this
37 chapter;

38 (2) the maximum permissible property tax levy under STEP
39 EIGHT of IC 6-1.1-18.5-3(b); or

40 (3) the total county tax levy under IC 6-1.1-21-2(g)(3),
41 IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

42 (i) The tax rate under this section may be imposed or rescinded at

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1 the same time and in the same manner that ~~the~~ a county may impose or
 2 increase a tax rate ~~other tax rates~~ under ~~section 24~~ of this chapter.

3 (j) The department of local government finance and the department
 4 of state revenue may take any actions necessary to carry out the
 5 purposes of this section.

6 SECTION 36. IC 6-3.5-1.1-26, AS ADDED BY P.L.224-2007,
 7 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 26. (a) A county council
 9 may impose a tax rate under this section to provide property tax relief
 10 to political subdivisions in the county. A county council is not required
 11 to impose any other tax before imposing a tax rate under this section.

12 (b) A tax rate under this section may be imposed in increments of
 13 five hundredths of one percent (0.05%) determined by the county
 14 council. A tax rate under this section may not exceed one percent (1%).

15 (c) A tax rate under this section is in addition to any other tax rates
 16 imposed under this chapter and does not affect the purposes for which
 17 other tax revenue under this chapter may be used.

18 (d) If a county council adopts an ordinance to impose or increase a
 19 tax rate under this section, the county auditor shall send a certified
 20 copy of the ordinance to the department and the department of local
 21 government finance by certified mail.

22 (e) A tax rate under this section may be imposed, increased,
 23 decreased, or rescinded by a county council at the same time and in the
 24 same manner that the county council may impose or increase a ~~tax~~ **other**
 25 **tax rate rates** under ~~section 24~~ of this chapter.

26 (f) Tax revenue attributable to a tax rate under this section may be
 27 used for any combination of the following purposes, as specified by
 28 ordinance of the county council:

29 (1) The tax revenue may be used to provide local property tax
 30 replacement credits at a uniform rate to all taxpayers in the
 31 county. Any tax revenue that is attributable to the tax rate under
 32 this section and that is used to provide local property tax
 33 replacement credits under this subdivision shall be distributed to
 34 civil taxing units and school corporations in the county in the
 35 same manner that certified distributions are allocated as property
 36 tax replacement credits under section 12 of this chapter. The
 37 department of local government finance shall provide each county
 38 auditor with the amount of property tax replacement credits that
 39 each civil taxing unit and school corporation in the auditor's
 40 county is entitled to receive under this subdivision. The county
 41 auditor shall then certify to each civil taxing unit and school
 42 corporation the amount of property tax replacement credits the

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1 civil taxing unit or school corporation is entitled to receive under
 2 this subdivision during that calendar year.

3 (2) The tax revenue may be used to uniformly increase the
 4 homestead credit percentage in the county. The additional
 5 homestead credits shall be treated for all purposes as property tax
 6 levies. The additional homestead credits do not reduce the basis
 7 for determining the state homestead credit under IC 6-1.1-20.9.
 8 The additional homestead credits shall be applied to the net
 9 property taxes due on the homestead after the application of all
 10 other assessed value deductions or property tax deductions and
 11 credits that apply to the amount owed under IC 6-1.1. The
 12 department of local government finance shall determine the
 13 additional homestead credit percentage for a particular year based
 14 on the amount of tax revenue that will be used under this
 15 subdivision to provide additional homestead credits in that year.

16 (3) The tax revenue may be used to provide local property tax
 17 replacement credits at a uniform rate for all qualified residential
 18 property (as defined in IC 6-1.1-20.6-4) in the county. Any tax
 19 revenue that is attributable to the tax rate under this section and
 20 that is used to provide local property tax replacement credits
 21 under this subdivision shall be distributed to civil taxing units and
 22 school corporations in the county in the same manner that
 23 certified distributions are allocated as property tax replacement
 24 credits under section 12 of this chapter. The department of local
 25 government finance shall provide each county auditor with the
 26 amount of property tax replacement credits that each civil taxing
 27 unit and school corporation in the auditor's county is entitled to
 28 receive under this subdivision. The county auditor shall then
 29 certify to each civil taxing unit and school corporation the amount
 30 of property tax replacement credits the civil taxing unit or school
 31 corporation is entitled to receive under this subdivision during
 32 that calendar year.

33 (g) The tax rate under this section and the tax revenue attributable
 34 to the tax rate under this section shall not be considered for purposes
 35 of computing:

36 (1) the maximum income tax rate that may be imposed in a county
 37 under section 2 of this chapter or any other provision of this
 38 chapter;

39 (2) the maximum permissible property tax levy under STEP
 40 EIGHT of IC 6-1.1-18.5-3(b); or

41 (3) the total county tax levy under IC 6-1.1-21-2(g)(3),
 42 IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

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1 (h) Tax revenue under this section shall be treated as a part of the
2 receiving civil taxing unit's or school corporation's property tax levy for
3 that year for purposes of fixing the budget of the civil taxing unit or
4 school corporation and for determining the distribution of taxes that are
5 distributed on the basis of property tax levies.

6 (i) The department of local government finance and the department
7 of state revenue may take any actions necessary to carry out the
8 purposes of this section.

9 SECTION 37. IC 6-3.5-6-8, AS AMENDED BY P.L.224-2007,
10 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 8. (a) The county income
12 tax council of any county in which the county adjusted gross income
13 tax will not be in effect on October 1 of a year under an ordinance
14 adopted during a previous calendar year may impose the county option
15 income tax on the adjusted gross income of county taxpayers of its
16 county effective October 1 of that same year.

17 (b) Except as provided in sections ~~30~~; 31 and 32 of this chapter, the
18 county option income tax may initially be imposed at a rate of
19 two-tenths of one percent (0.2%) on the resident county taxpayers of
20 the county and at a rate of five hundredths of one percent (0.05%) for
21 all other county taxpayers.

22 (c) To impose the county option income tax, a county income tax
23 council must, after March 31 but before August 1 of the year, pass an
24 ordinance. The ordinance must substantially state the following:

25 "The _____ County Income Tax Council imposes the
26 county option income tax on the county taxpayers of
27 _____ County. The county option income tax is
28 imposed at a rate of two-tenths of one percent (0.2%) on the
29 resident county taxpayers of the county and at a rate of five
30 hundredths of one percent (0.05%) on all other county taxpayers.

31 This tax takes effect October 1 of this year."

32 (d) Except as provided in sections ~~30~~; 31 and 32 of this chapter, if
33 the county option income tax is imposed on the county taxpayers of a
34 county, then the county option income tax rate that is in effect for
35 resident county taxpayers of that county increases by one-tenth of one
36 percent (0.1%) on each succeeding October 1 until the rate equals
37 six-tenths of one percent (0.6%).

38 (e) The county option income tax rate in effect for the county
39 taxpayers of a county who are not resident county taxpayers of that
40 county is at all times one-fourth (1/4) of the tax rate imposed upon
41 resident county taxpayers.

42 (f) The auditor of a county shall record all votes taken on ordinances

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1 presented for a vote under this section and immediately send a certified
2 copy of the results to the department by certified mail.

3 SECTION 38. IC 6-3.5-6-9, AS AMENDED BY P.L.224-2007,
4 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 9. (a) If on March 31 of
6 a calendar year the county option income tax rate in effect for resident
7 county taxpayers equals six tenths of one percent (0.6%), excluding a
8 tax rate imposed under section ~~30~~, 31 or 32 of this chapter, the county
9 income tax council of that county may after March 31 and before
10 August 1 of that year pass an ordinance to increase its tax rate for
11 resident county taxpayers. If a county income tax council passes an
12 ordinance under this section, its county option income tax rate for
13 resident county taxpayers increases by one tenth of one percent (0.1%)
14 each succeeding October 1 until its rate reaches a maximum of one
15 percent (1%), excluding a tax rate imposed under section ~~30~~, 31 or 32
16 of this chapter.

17 (b) The auditor of the county shall record any vote taken on an
18 ordinance proposed under the authority of this section and immediately
19 send a certified copy of the results to the department by certified mail.

20 SECTION 39. IC 6-3.5-6-11, AS AMENDED BY P.L.224-2007,
21 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 11. (a) This section does
23 not apply to a tax rate imposed under section ~~30~~ **31 or 32** of this
24 chapter.

25 (b) The county income tax council of any county may adopt an
26 ordinance to permanently freeze the county option income tax rates at
27 the rate in effect for its county on March 31 of a year.

28 (c) To freeze the county option income tax rates, a county income
29 tax council must, after March 31 but before August 1 of a year, adopt
30 an ordinance. The ordinance must substantially state the following:

31 "The _____ County Income Tax Council permanently
32 freezes the county option income tax rates at the rate in effect on
33 March 31 of the current year."

34 (d) An ordinance adopted under the authority of this section remains
35 in effect until rescinded. The county income tax council may rescind
36 such an ordinance after March 31 but before August 1 of any calendar
37 year. Such an ordinance shall take effect October 1 of that same
38 calendar year.

39 (e) If a county income tax council rescinds an ordinance as adopted
40 under this section, the county option income tax rate shall
41 automatically increase by one-tenth of one percent (0.01%) until:

42 (1) the tax rate is again frozen under another ordinance adopted

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1 under this section; or
 2 (2) the tax rate equals six tenths of one percent (0.6%) (if the
 3 frozen tax rate equaled an amount less than six tenths of one
 4 percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled
 5 an amount in excess of six tenths of one percent (0.6%)).

6 (f) The county auditor shall record any vote taken on an ordinance
 7 proposed under the authority of this section and immediately send a
 8 certified copy of the results to the department by certified mail.

9 SECTION 40. IC 6-3.5-6-17, AS AMENDED BY P.L.224-2007,
 10 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 17. (a) Revenue derived
 12 from the imposition of the county option income tax shall, in the
 13 manner prescribed by this section, be distributed to the county that
 14 imposed it. The amount that is to be distributed to a county during an
 15 ensuing calendar year equals the amount of county option income tax
 16 revenue that the department, after reviewing the recommendation of the
 17 budget agency, determines has been:

18 (1) received from that county for a taxable year ending in a
 19 calendar year preceding the calendar year in which the
 20 determination is made; and

21 (2) reported on an annual return or amended return processed by
 22 the department in the state fiscal year ending before July 1 of the
 23 calendar year in which the determination is made;

24 as adjusted (as determined after review of the recommendation of the
 25 budget agency) for refunds of county option income tax made in the
 26 state fiscal year.

27 (b) Before August 2 of each calendar year, the department, after
 28 reviewing the recommendation of the budget agency, shall certify to the
 29 county auditor of each adopting county the amount determined under
 30 subsection (a) plus the amount of interest in the county's account that
 31 has accrued and has not been included in a certification made in a
 32 preceding year. The amount certified is the county's "certified
 33 distribution" for the immediately succeeding calendar year. The amount
 34 certified shall be adjusted, as necessary, under subsections (c), (d), (e),
 35 and (f). The department shall provide with the certification an
 36 informative summary of the calculations used to determine the certified
 37 distribution. The department shall also certify information concerning
 38 the part of the certified distribution that is attributable to a tax rate
 39 under section ~~30~~; 31 or 32 of this chapter. This information must be
 40 certified to the county auditor and to the department of local
 41 government finance not later than September 1 of each calendar year.
 42 The part of the certified distribution that is attributable to a tax rate

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1 under section ~~30~~, 31 or 32 of this chapter may be used only as specified
2 in those provisions.

3 (c) The department shall certify an amount less than the amount
4 determined under subsection (b) if the department, after reviewing the
5 recommendation of the budget agency, determines that the reduced
6 distribution is necessary to offset overpayments made in a calendar
7 year before the calendar year of the distribution. The department, after
8 reviewing the recommendation of the budget agency, may reduce the
9 amount of the certified distribution over several calendar years so that
10 any overpayments are offset over several years rather than in one (1)
11 lump sum.

12 (d) The department, after reviewing the recommendation of the
13 budget agency, shall adjust the certified distribution of a county to
14 correct for any clerical or mathematical errors made in any previous
15 certification under this section. The department, after reviewing the
16 recommendation of the budget agency, may reduce the amount of the
17 certified distribution over several calendar years so that any adjustment
18 under this subsection is offset over several years rather than in one (1)
19 lump sum.

20 (e) This subsection applies to a county that:

- 21 (1) initially imposed the county option income tax; or
- 22 (2) increases the county option income tax rate;

23 under this chapter in the same calendar year in which the department
24 makes a certification under this section. The department, after
25 reviewing the recommendation of the budget agency, shall adjust the
26 certified distribution of a county to provide for a distribution in the
27 immediately following calendar year and in each calendar year
28 thereafter. The department shall provide for a full transition to
29 certification of distributions as provided in subsection (a)(1) through
30 (a)(2) in the manner provided in subsection (c).

31 (f) This subsection applies in the year a county initially imposes a
32 tax rate under section 30 of this chapter. Notwithstanding any other
33 provision, the department shall adjust the part of the county's certified
34 distribution that is attributable to the tax rate under section 30 of this
35 chapter to provide for a distribution in the immediately following
36 calendar year equal to the result of:

- 37 (1) the sum of the amounts determined under STEP ONE through
- 38 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county
- 39 initially imposes a tax rate under section 30 of this chapter;
- 40 multiplied by

41 (2) the following:

- 42 (A) In a county containing a consolidated city, one and

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1 ~~five-tenths (1.5).~~
2 ~~(B) In a county other than a county containing a consolidated~~
3 ~~city, two (2).~~
4 ~~(g)~~ (f) One-twelfth (1/12) of each adopting county's certified
5 distribution for a calendar year shall be distributed from its account
6 established under section 16 of this chapter to the appropriate county
7 treasurer on the first day of each month of that calendar year.
8 ~~(h)~~ (g) Upon receipt, each monthly payment of a county's certified
9 distribution shall be allocated among, distributed to, and used by the
10 civil taxing units of the county as provided in sections 18 and 19 of this
11 chapter.
12 ~~(i)~~ (h) All distributions from an account established under section
13 16 of this chapter shall be made by warrants issued by the auditor of
14 state to the treasurer of state ordering the appropriate payments.
15 SECTION 41. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007,
16 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 18. (a) The revenue a
18 county auditor receives under this chapter shall be used to:
19 (1) replace the amount, if any, of property tax revenue lost due to
20 the allowance of an increased homestead credit within the county;
21 (2) fund the operation of a public communications system and
22 computer facilities district as provided in an election, if any, made
23 by the county fiscal body under IC 36-8-15-19(b);
24 (3) fund the operation of a public transportation corporation as
25 provided in an election, if any, made by the county fiscal body
26 under IC 36-9-4-42;
27 (4) make payments permitted under IC 36-7-15.1-17.5;
28 (5) make payments permitted under subsection (i);
29 (6) make distributions of distributive shares to the civil taxing
30 units of a county; and
31 (7) make the distributions permitted under sections 27, 28, 29, ~~30,~~
32 31, 32, and 33 of this chapter.
33 (b) The county auditor shall retain from the payments of the county's
34 certified distribution an amount equal to the revenue lost, if any, due to
35 the increase of the homestead credit within the county. This money
36 shall be distributed to the civil taxing units and school corporations of
37 the county as though they were property tax collections and in such a
38 manner that no civil taxing unit or school corporation shall suffer a net
39 revenue loss due to the allowance of an increased homestead credit.
40 (c) The county auditor shall retain:
41 (1) the amount, if any, specified by the county fiscal body for a
42 particular calendar year under subsection (i), IC 36-7-15.1-17.5,

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1 IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified
 2 distribution for that same calendar year; and
 3 (2) the amount of an additional tax rate imposed under section 27,
 4 28, 29, ~~30~~, 31, 32, or 33 of this chapter.

5 The county auditor shall distribute amounts retained under this
 6 subsection to the county.

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

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

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

15 (2) A fraction. The numerator of the fraction equals the allocation
 16 amount for the civil taxing unit for the calendar year in which the
 17 month falls. The denominator of the fraction equals the sum of the
 18 allocation amounts of all the civil taxing units of the county for
 19 the calendar year in which the month falls.

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

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

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

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

38 (h) If for a calendar year a civil taxing unit is allocated a part of a
 39 county's distributive shares by subsection (g), then the formula used in
 40 subsection (e) to determine all other civil taxing units' distributive
 41 shares shall be changed each month for that same year by reducing the
 42 amount to be distributed as distributive shares under subsection (e) by

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1 the amount of distributive shares allocated under subsection (g) for that
 2 same month. The department of local government finance shall make
 3 any adjustments required by this subsection and provide them to the
 4 appropriate county auditors.

5 (i) Notwithstanding any other law, a county fiscal body may pledge
 6 revenues received under this chapter (other than revenues attributable
 7 to a tax rate imposed under section ~~30~~; 31 or 32 of this chapter) to the
 8 payment of bonds or lease rentals to finance a qualified economic
 9 development tax project under IC 36-7-27 in that county or in any other
 10 county if the county fiscal body determines that the project will
 11 promote significant opportunities for the gainful employment or
 12 retention of employment of the county's residents.

13 SECTION 42. IC 6-3.5-6-18.5, AS AMENDED BY P.L.234-2005,
 14 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 18.5. (a) This section
 16 applies to a county containing a consolidated city.

17 (b) Notwithstanding section 18(e) of this chapter, the distributive
 18 shares that each civil taxing unit in a county containing a consolidated
 19 city is entitled to receive during a month equals the following:

20 (1) For the calendar year beginning January 1, 1995, calculate the
 21 total amount of revenues that are to be distributed as distributive
 22 shares during that month multiplied by the following factor:

23	Center Township	.0251
24	Decatur Township	.00217
25	Franklin Township	.0023
26	Lawrence Township	.01177
27	Perry Township	.01130
28	Pike Township	.01865
29	Warren Township	.01359
30	Washington Township	.01346
31	Wayne Township	.01307
32	Lawrence-City	.00858
33	Beech Grove	.00845
34	Southport	.00025
35	Speedway	.00722
36	Indianapolis/Marion County	.86409

37 (2) Notwithstanding subdivision (1), for the calendar year
 38 beginning January 1, 1995, the distributive shares for each civil
 39 taxing unit in a county containing a consolidated city shall be not
 40 less than the following:

41	Center Township	\$1,898,145
42	Decatur Township	\$164,103

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1	Franklin Township	\$173,934
2	Lawrence Township	\$890,086
3	Perry Township	\$854,544
4	Pike Township	\$1,410,375
5	Warren Township	\$1,027,721
6	Washington Township	\$1,017,890
7	Wayne Township	\$988,397
8	Lawrence-City	\$648,848
9	Beech Grove	\$639,017
10	Southport	\$18,906
11	Speedway	\$546,000

(3) For each year after 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month as follows:

STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.

STEP TWO: Determine the total amount of revenue that the department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 ~~IC 12-19-7~~, and ~~IC 12-19-7.5~~ for each civil taxing unit for the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~IC 12-19-7~~, and ~~IC 12-19-7.5~~ for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

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1 STEP SEVEN: For each taxing unit, determine the STEP FIVE
 2 ratio multiplied by the STEP TWO amount.
 3 STEP EIGHT: For each civil taxing unit, determine the
 4 difference between the STEP SEVEN amount minus the
 5 product of the STEP ONE amount multiplied by the ratio
 6 established under subdivision (1). The STEP THREE excess
 7 shall be distributed as provided in STEP NINE only to the civil
 8 taxing units that have a STEP EIGHT difference greater than
 9 or equal to zero (0).
 10 STEP NINE: For the civil taxing units qualifying for a
 11 distribution under STEP EIGHT, each civil taxing unit's share
 12 equals the STEP THREE excess multiplied by the ratio of:
 13 (A) the maximum permissible property tax levy under
 14 IC 6-1.1-18.5 ~~IC 12-19-7~~, and ~~IC 12-19-7.5~~ for the
 15 qualifying civil taxing unit during the calendar year in which
 16 the month falls, plus, for a county, an amount equal to the
 17 property taxes imposed by the county in 1999 for the
 18 county's welfare fund and welfare administration fund;
 19 divided by
 20 (B) the sum of the maximum permissible property tax levies
 21 under IC 6-1.1-18.5 ~~IC 12-19-7~~, and ~~IC 12-19-7.5~~ for all
 22 qualifying civil taxing units of the county during the
 23 calendar year in which the month falls, and an amount equal
 24 to the property taxes imposed by the county in 1999 for the
 25 county's welfare fund and welfare administration fund.
 26 SECTION 43. IC 6-3.5-6-26, AS AMENDED BY P.L.224-2007,
 27 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 26. (a) A pledge of
 29 county option income tax revenues under this chapter (other than
 30 revenues attributable to a tax rate imposed under section ~~30~~, 31 or 32
 31 of this chapter) is enforceable in accordance with IC 5-1-14.
 32 (b) With respect to obligations for which a pledge has been made
 33 under this chapter, the general assembly covenants with the county and
 34 the purchasers or owners of those obligations that this chapter will not
 35 be repealed or amended in any manner that will adversely affect the tax
 36 collected under this chapter as long as the principal of or interest on
 37 those obligations is unpaid.
 38 SECTION 44. IC 6-3.5-6-31, AS ADDED BY P.L.224-2007,
 39 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 31. (a) As used in this
 41 section, "public safety" refers to the following:
 42 (1) A police and law enforcement system to preserve public peace

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- 1 and order.
- 2 (2) A firefighting and fire prevention system.
- 3 (3) Emergency ambulance services (as defined in
- 4 IC 16-18-2-107).
- 5 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 6 (5) Emergency action (as defined in IC 13-11-2-65).
- 7 (6) A probation department of a court.
- 8 (7) Confinement, supervision, services under a community
- 9 corrections program (as defined in IC 35-38-2.6-2), or other
- 10 correctional services for a person who has been:
- 11 (A) diverted before a final hearing or trial under an agreement
- 12 that is between the county prosecuting attorney and the person
- 13 or the person's custodian, guardian, or parent and that provides
- 14 for confinement, supervision, community corrections services,
- 15 or other correctional services instead of a final action
- 16 described in clause (B) or (C);
- 17 (B) convicted of a crime; or
- 18 (C) adjudicated as a delinquent child or a child in need of
- 19 services.
- 20 (8) A juvenile detention facility under IC 31-31-8.
- 21 (9) A juvenile detention center under IC 31-31-9.
- 22 (10) A county jail.
- 23 (11) A communications system (as defined in IC 36-8-15-3) or an
- 24 enhanced emergency telephone system (as defined in
- 25 IC 36-8-16-2).
- 26 (12) Medical and health expenses for jail inmates and other
- 27 confined persons.
- 28 (13) Pension payments for any of the following:
- 29 (A) A member of the fire department (as defined in
- 30 IC 36-8-1-8) or any other employee of a fire department.
- 31 (B) A member of the police department (as defined in
- 32 IC 36-8-1-9), a police chief hired under a waiver under
- 33 IC 36-8-4-6.5, or any other employee hired by a police
- 34 department.
- 35 (C) A county sheriff or any other member of the office of the
- 36 county sheriff.
- 37 (D) Other personnel employed to provide a service described
- 38 in this section.
- 39 (b) The county income tax council may adopt an ordinance to
- 40 impose an additional tax rate under this section to provide funding for
- 41 public safety if:
- 42 (1) the county income tax council ~~has imposed a tax rate under~~

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1 ~~section 30 of this chapter, is in the case of~~ a county containing a
2 consolidated city; or
3 (2) the county income tax council has imposed a tax rate ~~under~~
4 ~~section 30 of this chapter and has also imposed a tax rate~~ under
5 section 32 of this chapter, in the case of a county other than a
6 county containing a consolidated city.
7 (c) A tax rate under this section may not exceed the following:
8 (1) Five-tenths of one percent (0.5%), in the case of a county
9 containing a consolidated city.
10 (2) The lesser of:
11 (A) twenty-five hundredths of one percent (0.25%); or
12 (B) the tax rate imposed under section 32 of this chapter;
13 in the case of a county other than a county containing a
14 consolidated city.
15 (d) If a county income tax council adopts an ordinance to impose a
16 tax rate under this section, the county auditor shall send a certified
17 copy of the ordinance to the department and the department of local
18 government finance by certified mail.
19 (e) A tax rate under this section is in addition to any other tax rates
20 imposed under this chapter and does not affect the purposes for which
21 other tax revenue under this chapter may be used.
22 (f) The county auditor shall distribute the portion of the certified
23 distribution that is attributable to a tax rate under this section to the
24 county and to each municipality in the county. The amount that shall
25 be distributed to the county or municipality is equal to the result of:
26 (1) the portion of the certified distribution that is attributable to a
27 tax rate under this section; multiplied by
28 (2) a fraction equal to:
29 (A) the total property taxes being collected in the county by
30 the county or municipality for the calendar year; divided by
31 (B) the sum of the total property taxes being collected in the
32 county by the county and each municipality in the county for
33 the calendar year.
34 The county auditor shall make the distributions required by this
35 subsection not more than thirty (30) days after receiving the portion of
36 the certified distribution that is attributable to a tax rate under this
37 section. Tax revenue distributed to a county or municipality under this
38 subsection must be deposited into a separate account or fund and may
39 be appropriated by the county or municipality only for public safety
40 purposes.
41 (g) The department of local government finance may not require a
42 county or municipality receiving tax revenue under this section to

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1 reduce the county's or municipality's property tax levy for a particular
2 year on account of the county's or municipality's receipt of the tax
3 revenue.

4 (h) The tax rate under this section and the tax revenue attributable
5 to the tax rate under this section shall not be considered for purposes
6 of computing:

7 (1) the maximum income tax rate that may be imposed in a county
8 under section 8 or 9 of this chapter or any other provision of this
9 chapter;

10 (2) the maximum permissible property tax levy under STEP
11 EIGHT of IC 6-1.1-18.5-3(b); or

12 (3) the total county tax levy under IC 6-1.1-21-2(g)(3),
13 IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

14 (i) The tax rate under this section may be imposed or rescinded at
15 the same time and in the same manner that the county may impose or
16 increase a tax rate rates under section 30 other sections of this
17 chapter.

18 (j) The department of local government finance and the department
19 of state revenue may take any actions necessary to carry out the
20 purposes of this section.

21 (k) Notwithstanding any other provision, in Lake County the county
22 council (and not the county income tax council) is the entity authorized
23 to take actions concerning the additional tax rate under this section.

24 SECTION 45. IC 6-3.5-6-32, AS ADDED BY P.L.224-2007,
25 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 32. (a) A county income
27 tax council may impose a tax rate under this section to provide property
28 tax relief to political subdivisions in the county. A county income tax
29 council is not required to impose any other tax before imposing a tax
30 rate under this section.

31 (b) A tax rate under this section may be imposed in increments of
32 five hundredths of one percent (0.05%) determined by the county
33 income tax council. A tax rate under this section may not exceed one
34 percent (1%).

35 (c) A tax rate under this section is in addition to any other tax rates
36 imposed under this chapter and does not affect the purposes for which
37 other tax revenue under this chapter may be used.

38 (d) If a county income tax council adopts an ordinance to impose or
39 increase a tax rate under this section, the county auditor shall send a
40 certified copy of the ordinance to the department and the department
41 of local government finance by certified mail.

42 (e) A tax rate under this section may be imposed, increased,

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1 decreased, or rescinded at the same time and in the same manner that
2 the county income tax council may impose or increase a tax ~~rate rates~~
3 under ~~section 30~~ **other sections** of this chapter.

4 (f) Tax revenue attributable to a tax rate under this section may be
5 used for any combination of the following purposes, as specified by
6 ordinance of the county income tax council:

7 (1) The tax revenue may be used to provide local property tax
8 replacement credits at a uniform rate to civil taxing units and
9 school corporations in the county. The amount of property tax
10 replacement credits that each civil taxing unit and school
11 corporation in a county is entitled to receive under this
12 subdivision during a calendar year equals the product of:

13 (A) the tax revenue attributable to a tax rate under this section
14 that is dedicated to property tax replacement credits under this
15 subdivision; multiplied by

16 (B) the following fraction:

17 (i) The numerator of the fraction equals the total property
18 taxes being collected in the county by the civil taxing unit or
19 school corporation during the calendar year of the
20 distribution.

21 (ii) The denominator of the fraction equals the sum of the
22 total property taxes being collected in the county by all civil
23 taxing units and school corporations of the county during the
24 calendar year of the distribution.

25 The department of local government finance shall provide each
26 county auditor with the amount of property tax replacement
27 credits that each civil taxing unit and school corporation in the
28 auditor's county is entitled to receive under this subdivision. The
29 county auditor shall then certify to each civil taxing unit and
30 school corporation the amount of property tax replacement credits
31 the civil taxing unit or school corporation is entitled to receive
32 under this subdivision during that calendar year. The county
33 auditor shall also certify these distributions to the county
34 treasurer. Except as provided in subsection (g), the local property
35 tax replacement credits shall be treated for all purposes as
36 property tax levies.

37 (2) The tax revenue may be used to uniformly increase the
38 homestead credit percentage in the county. The additional
39 homestead credits shall be treated for all purposes as property tax
40 levies. The additional homestead credits do not reduce the basis
41 for determining the state homestead credit under IC 6-1.1-20.9.
42 The additional homestead credits shall be applied to the net

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1 property taxes due on the homestead after the application of all
 2 other assessed value deductions or property tax deductions and
 3 credits that apply to the amount owed under IC 6-1.1. The
 4 department of local government finance shall determine the
 5 additional homestead credit percentage for a particular year based
 6 on the amount of tax revenue that will be used under this
 7 subdivision to provide additional homestead credits in that year.
 8 (3) The tax revenue may be used to provide local property tax
 9 replacement credits at a uniform rate for all qualified residential
 10 property (as defined in IC 6-1.1-20.6-4) in the county. The
 11 amount of property tax replacement credits that each civil taxing
 12 unit and school corporation in a county is entitled to receive under
 13 this subdivision during a calendar year equals the product of:
 14 (A) the tax revenue attributable to a tax rate under this section
 15 that is dedicated to property tax replacement credits under this
 16 subdivision; multiplied by
 17 (B) the following fraction:
 18 (i) The numerator of the fraction equals the total property
 19 taxes being collected in the county by the civil taxing unit or
 20 school corporation during the calendar year of the
 21 distribution.
 22 (ii) The denominator of the fraction equals the sum of the
 23 total property taxes being collected in the county by all civil
 24 taxing units and school corporations of the county during the
 25 calendar year of the distribution.
 26 The department of local government finance shall provide each
 27 county auditor with the amount of property tax replacement
 28 credits that each civil taxing unit and school corporation in the
 29 auditor's county is entitled to receive under this subdivision. The
 30 county auditor shall then certify to each civil taxing unit and
 31 school corporation the amount of property tax replacement credits
 32 the civil taxing unit or school corporation is entitled to receive
 33 under this subdivision during that calendar year. The county
 34 auditor shall also certify these distributions to the county
 35 treasurer. Except as provided in subsection (g), the local property
 36 tax replacement credits shall be treated for all purposes as
 37 property tax levies.
 38 (g) The tax rate under this section shall not be considered for
 39 purposes of computing:
 40 (1) the maximum income tax rate that may be imposed in a county
 41 under section 8 or 9 of this chapter or any other provision of this
 42 chapter; or

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1 (2) the maximum permissible property tax levy under STEP
2 EIGHT of IC 6-1.1-18.5-3(b).

3 (h) Tax revenue under this section shall be treated as a part of the
4 receiving civil taxing unit's or school corporation's property tax levy for
5 that year for purposes of fixing the budget of the civil taxing unit or
6 school corporation and for determining the distribution of taxes that are
7 distributed on the basis of property tax levies.

8 (i) The department of local government finance and the department
9 of state revenue may take any actions necessary to carry out the
10 purposes of this section.

11 (j) Notwithstanding any other provision, in Lake County the county
12 council (and not the county income tax council) is the entity authorized
13 to take actions concerning the tax rate under this section.

14 SECTION 46. IC 6-3.5-7-5, AS AMENDED BY P.L.224-2007,
15 SECTION 87, AND AS AMENDED BY P.L.232-2007, SECTION 3,
16 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 5. (a)
18 Except as provided in subsection (c), the county economic
19 development income tax may be imposed on the adjusted gross income
20 of county taxpayers. The entity that may impose the tax is:

21 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
22 the county option income tax is in effect on *January + March 31*
23 of the year the county economic development income tax is
24 imposed;

25 (2) the county council if the county adjusted gross income tax is
26 in effect on *January + March 31* of the year the county economic
27 development tax is imposed; or

28 (3) the county income tax council or the county council,
29 whichever acts first, for a county not covered by subdivision (1)
30 or (2).

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

34 (b) Except as provided in subsections (c), (g), (k), (p), and (r) *and*
35 *section 28 of this chapter*, the county economic development income
36 tax may be imposed at a rate of:

- 37 (1) one-tenth percent (0.1%);
- 38 (2) two-tenths percent (0.2%);
- 39 (3) twenty-five hundredths percent (0.25%);
- 40 (4) three-tenths percent (0.3%);
- 41 (5) thirty-five hundredths percent (0.35%);
- 42 (6) four-tenths percent (0.4%);

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1 (7) forty-five hundredths percent (0.45%); or
 2 (8) five-tenths percent (0.5%);
 3 on the adjusted gross income of county taxpayers.
 4 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),
 5 (p), (s), (v), ~~(w)~~, ~~(x)~~, **or (y)**, the county economic development
 6 income tax rate plus the county adjusted gross income tax rate, if any,
 7 that are in effect on January 1 of a year may not exceed one and
 8 twenty-five hundredths percent (1.25%). Except as provided in
 9 subsection (g), (p), (r), (t), (u), ~~(w)~~, ~~(x)~~, **or (y)**, the county
 10 economic development tax rate plus the county option income tax rate,
 11 if any, that are in effect on January 1 of a year may not exceed one
 12 percent (1%).
 13 (d) To impose, increase, decrease, or rescind the county economic
 14 development income tax, the appropriate body must, after ~~January 1~~
 15 ~~March 31~~ but before ~~April~~ *August* 1 of a year, adopt an ordinance. The
 16 ordinance to impose the tax must substantially state the following:
 17 "The _____ County _____ imposes the county economic
 18 development income tax on the county taxpayers of _____
 19 County. The county economic development income tax is imposed at
 20 a rate of _____ percent (____%) on the county taxpayers of the
 21 county. This tax takes effect ~~July~~ *October* 1 of this year."
 22 (e) Any ordinance adopted under this chapter takes effect July 1 of
 23 the year the ordinance is adopted.
 24 (f) The auditor of a county shall record all votes taken on ordinances
 25 presented for a vote under the authority of this chapter and shall, not
 26 more than ten (10) days after the vote, send a certified copy of the
 27 results to the commissioner of the department by certified mail.
 28 (g) This subsection applies to a county having a population of more
 29 than one hundred forty-eight thousand (148,000) but less than one
 30 hundred seventy thousand (170,000). Except as provided in subsection
 31 (p), in addition to the rates permitted by subsection (b), the:
 32 (1) county economic development income tax may be imposed at
 33 a rate of:
 34 (A) fifteen-hundredths percent (0.15%);
 35 (B) two-tenths percent (0.2%); or
 36 (C) twenty-five hundredths percent (0.25%); and
 37 (2) county economic development income tax rate plus the county
 38 option income tax rate that are in effect on January 1 of a year
 39 may equal up to one and twenty-five hundredths percent (1.25%);
 40 if the county income tax council makes a determination to impose rates
 41 under this subsection and section 22 of this chapter.
 42 (h) For a county having a population of more than forty-one

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1 thousand (41,000) but less than forty-three thousand (43,000), except
2 as provided in subsection (p), the county economic development
3 income tax rate plus the county adjusted gross income tax rate that are
4 in effect on January 1 of a year may not exceed one and thirty-five
5 hundredths percent (1.35%) if the county has imposed the county
6 adjusted gross income tax at a rate of one and one-tenth percent (1.1%)
7 under IC 6-3.5-1.1-2.5.

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

14 (j) For a county having a population of more than seventy-one
15 thousand (71,000) but less than seventy-one thousand four hundred
16 (71,400), except as provided in subsection (p), the county economic
17 development income tax rate plus the county adjusted gross income tax
18 rate that are in effect on January 1 of a year may not exceed one and
19 five-tenths percent (1.5%).

20 (k) This subsection applies to a county having a population of more
21 than twenty-seven thousand four hundred (27,400) but less than
22 twenty-seven thousand five hundred (27,500). Except as provided in
23 subsection (p), in addition to the rates permitted under subsection (b):

- 24 (1) the county economic development income tax may be imposed
- 25 at a rate of twenty-five hundredths percent (0.25%); and
- 26 (2) the sum of the county economic development income tax rate
- 27 and the county adjusted gross income tax rate that are in effect on
- 28 January 1 of a year may not exceed one and five-tenths percent
- 29 (1.5%);

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

32 (l) For a county having a population of more than twenty-nine
33 thousand (29,000) but less than thirty thousand (30,000), except as
34 provided in subsection (p), the county economic development income
35 tax rate plus the county adjusted gross income tax rate that are in effect
36 on January 1 of a year may not exceed one and five-tenths percent
37 (1.5%).

38 (m) For:

- 39 (1) a county having a population of more than one hundred
- 40 eighty-two thousand seven hundred ninety (182,790) but less than
- 41 two hundred thousand (200,000); or
- 42 (2) a county having a population of more than forty-five thousand

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1 (45,000) but less than forty-five thousand nine hundred (45,900);
2 except as provided in subsection (p), the county economic development
3 income tax rate plus the county adjusted gross income tax rate that are
4 in effect on January 1 of a year may not exceed one and five-tenths
5 percent (1.5%).

6 (n) For a county having a population of more than six thousand
7 (6,000) but less than eight thousand (8,000), except as provided in
8 subsection (p), the county economic development income tax rate plus
9 the county adjusted gross income tax rate that are in effect on January
10 1 of a year may not exceed one and five-tenths percent (1.5%).

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

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

17 (2) the sum of the county economic development income tax rate
18 and:

19 (A) the county adjusted gross income tax rate that are in effect
20 on January 1 of a year may not exceed one and five-tenths
21 percent (1.5%); or

22 (B) the county option income tax rate that are in effect on
23 January 1 of a year may not exceed one and twenty-five
24 hundredths percent (1.25%);

25 if the county council makes a determination to impose rates under this
26 subsection and section 24 of this chapter.

27 (p) In addition:

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

32 (2) the:

33 (A) county economic development income tax; and

34 (B) county option income tax or county adjusted gross income
35 tax;

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

39 However, the additional rate imposed under this subsection may not
40 exceed the amount necessary to mitigate the increased ad valorem
41 property taxes on homesteads (as defined in IC 6-1.1-20.9-1) or
42 residential property (as defined in section 26 of this chapter), as

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1 appropriate under the ordinance adopted by the adopting body in the
 2 county, resulting from the deduction of the assessed value of inventory
 3 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

4 (q) If the county economic development income tax is imposed as
 5 authorized under subsection (p) at a rate that exceeds the maximum
 6 rate that would otherwise apply under this section, the certified
 7 distribution must be used for the purpose provided in section 25(e) or
 8 26 of this chapter to the extent that the certified distribution results
 9 from the difference between:

10 (1) the actual county economic development tax rate; and
 11 (2) the maximum rate that would otherwise apply under this
 12 section.

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

16 (1) county economic development income tax may be imposed at
 17 a rate of twenty-five hundredths percent (0.25%); and
 18 (2) county economic development income tax rate plus the county
 19 option income tax rate that are in effect on January 1 of a year
 20 may equal up to one and twenty-five hundredths percent (1.25%);
 21 if the county council makes a determination to impose rates under this
 22 subsection and section 27 of this chapter.

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

28 (t) This subsection applies to Howard County. Except as provided
 29 in subsection (p), the sum of the county economic development income
 30 tax rate and the county option income tax rate that are in effect on
 31 January 1 of a year may not exceed one and twenty-five hundredths
 32 percent (1.25%).

33 (u) This subsection applies to Scott County. Except as provided in
 34 subsection (p), the sum of the county economic development income
 35 tax rate and the county option income tax rate that are in effect on
 36 January 1 of a year may not exceed one and twenty-five hundredths
 37 percent (1.25%).

38 (v) This subsection applies to Jasper County. Except as provided in
 39 subsection (p), the sum of the county economic development income
 40 tax rate and 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 percent
 42 (1.5%).

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1 (w) An additional county economic development income tax rate
2 imposed under section 28 of this chapter may not be considered in
3 calculating any limit under this section on the sum of:

- 4 (1) the county economic development income tax rate plus the
- 5 county adjusted gross income tax rate; or
- 6 (2) the county economic development tax rate plus the county
- 7 option income tax rate.

8 ~~(w)~~ (x) The income tax rate limits imposed by subsection (c) or (x)
9 or any other provision of this chapter do not apply to:

- 10 (1) a county adjusted gross income tax rate imposed under
- 11 ~~IC 6-3.5-1.1-24~~, IC 6-3.5-1.1-25 or IC 6-3.5-1.1-26; or
- 12 (2) a county option income tax rate imposed under ~~IC 6-3.5-6-30~~;
- 13 IC 6-3.5-6-31 or IC 6-3.5-6-32.

14 For purposes of computing the maximum combined income tax rate
15 under subsection (c) or ~~(x)~~ (y) or any other provision of this chapter
16 that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and
17 this chapter, a county's county adjusted gross income tax rate or
18 county option income tax rate for a particular year does not include
19 the county adjusted gross income tax rate imposed under
20 ~~IC 6-3.5-1.1-24~~, IC 6-3.5-1.1-25 or IC 6-3.5-1.1-26 or the county
21 option income tax rate imposed under ~~IC 6-3.5-6-30~~, IC 6-3.5-6-31 or
22 IC 6-3.5-6-32.

23 ~~(x)~~ (y) This subsection applies to Monroe County. Except as
24 provided in subsection (p), if an ordinance is adopted under
25 IC 6-3.5-6-33, the sum of the county economic development income tax
26 rate and the county option income tax rate that are in effect on
27 January 1 of a year may not exceed one and twenty-five hundredths
28 percent (1.25%).

29 SECTION 47. IC 6-3.5-7-13.1, AS AMENDED BY P.L.1-2007,
30 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 13.1. (a) The fiscal
32 officer of each county, city, or town for a county in which the county
33 economic development tax is imposed shall establish an economic
34 development income tax fund. Except as provided in sections 23, 25,
35 26, and 27 of this chapter, the revenue received by a county, city, or
36 town under this chapter shall be deposited in the unit's economic
37 development income tax fund.

38 (b) Except as provided in sections 15, 23, 25, 26, and 27 of this
39 chapter, revenues from the county economic development income tax
40 may be used as follows:

- 41 (1) By a county, city, or town for economic development projects,
- 42 for paying, notwithstanding any other law, under a written

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1 agreement all or a part of the interest owed by a private developer
2 or user on a loan extended by a financial institution or other
3 lender to the developer or user if the proceeds of the loan are or
4 are to be used to finance an economic development project, for
5 the retirement of bonds under section 14 of this chapter for
6 economic development projects, for leases under section 21 of
7 this chapter, or for leases or bonds entered into or issued prior to
8 the date the economic development income tax was imposed if
9 the purpose of the lease or bonds would have qualified as a
10 purpose under this chapter at the time the lease was entered into
11 or the bonds were issued.

- 12 (2) By a county, city, or town for:
 - 13 (A) the construction or acquisition of, or remedial action with
 - 14 respect to, a capital project for which the unit is empowered to
 - 15 issue general obligation bonds or establish a fund under any
 - 16 statute listed in IC 6-1.1-18.5-9.8;
 - 17 (B) the retirement of bonds issued under any provision of
 - 18 Indiana law for a capital project;
 - 19 (C) the payment of lease rentals under any statute for a capital
 - 20 project;
 - 21 (D) contract payments to a nonprofit corporation whose
 - 22 primary corporate purpose is to assist government in planning
 - 23 and implementing economic development projects;
 - 24 (E) operating expenses of a governmental entity that plans or
 - 25 implements economic development projects;
 - 26 (F) to the extent not otherwise allowed under this chapter,
 - 27 funding substance removal or remedial action in a designated
 - 28 unit; or
 - 29 (G) funding of a revolving fund established under
 - 30 IC 5-1-14-14.

31 (3) By a county, city, or town for any lawful purpose for which
32 money in any of its other funds may be used.

33 (4) By a city or county described in IC 36-7.5-2-3(b) for making
34 transfers required by IC 36-7.5-4-2. If the county economic
35 development income tax rate is increased after April 30, 2005, in
36 a county having a population of more than one hundred forty-five
37 thousand (145,000) but less than one hundred forty-eight
38 thousand (148,000), the first three million five hundred thousand
39 dollars (\$3,500,000) of the tax revenue that results each year from
40 the tax rate increase shall be used by the county only to make the
41 county's transfer required by IC 36-7.5-4-2. The first three million
42 five hundred thousand dollars (\$3,500,000) of the tax revenue that

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1 results each year from the tax rate increase shall be paid by the
 2 county treasurer to the treasurer of the northwest Indiana regional
 3 development authority under IC 36-7.5-4-2 before certified
 4 distributions are made to the county or any cities or towns in the
 5 county under this chapter from the tax revenue that results each
 6 year from the tax rate increase. In a county having a population of
 7 more than one hundred forty-five thousand (145,000) but less
 8 than one hundred forty-eight thousand (148,000), all of the tax
 9 revenue that results each year from the tax rate increase that is in
 10 excess of the first three million five hundred thousand dollars
 11 (\$3,500,000) that results each year from the tax rate increase must
 12 be used by the county and cities and towns in the county for
 13 additional homestead credits under subdivision (5).

14 (5) This subdivision applies only in a county having a population
 15 of more than one hundred forty-five thousand (145,000) but less
 16 than one hundred forty-eight thousand (148,000). Except as
 17 otherwise provided, the procedures and definitions in
 18 IC 6-1.1-20.9 apply to this subdivision. All of the tax revenue that
 19 results each year from a tax rate increase described in subdivision
 20 (4) that is in excess of the first three million five hundred
 21 thousand dollars (\$3,500,000) that results each year from the tax
 22 rate increase must be used by the county and cities and towns in
 23 the county for additional homestead credits under this
 24 subdivision. The following apply to additional homestead credits
 25 provided under this subdivision:

26 (A) The additional homestead credits must be applied
 27 uniformly to increase the homestead credit under IC 6-1.1-20.9
 28 for homesteads in the county, city, or town.

29 (B) The additional homestead credits shall be treated for all
 30 purposes as property tax levies. The additional homestead
 31 credits do not reduce the basis for determining the state
 32 property tax replacement credit under IC 6-1.1-21 or the state
 33 homestead credit under IC 6-1.1-20.9.

34 (C) The additional homestead credits shall be applied to the
 35 net property taxes due on the homestead after the application
 36 of all other assessed value deductions or property tax
 37 deductions and credits that apply to the amount owed under
 38 IC 6-1.1.

39 (D) The department of local government finance shall
 40 determine the additional homestead credit percentage for a
 41 particular year based on the amount of county economic
 42 development income tax revenue that will be used under this

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subdivision to provide additional homestead credits in that year.

(6) This subdivision applies only in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000). Except as otherwise provided, the procedures and definitions in IC 6-1.1-20.9 apply to this subdivision. A county or a city or town in the county may use county economic development income tax revenue to provide additional homestead credits in the county, city, or town. The following apply to additional homestead credits provided under this subdivision:

(A) The county, city, or town fiscal body must adopt an ordinance authorizing the additional homestead credits. The ordinance must:

(i) be adopted before September 1 of a year to apply to property taxes first due and payable in the following year; and

(ii) specify the amount of county economic development income tax revenue that will be used to provide additional homestead credits in the following year.

(B) A county, city, or town fiscal body that adopts an ordinance under this subdivision must forward a copy of the ordinance to the county auditor and the department of local government finance not more than thirty (30) days after the ordinance is adopted.

(C) The additional homestead credits must be applied uniformly to increase the homestead credit under IC 6-1.1-20.9 for homesteads in the county, city, or town.

(D) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.

(E) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(F) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this

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subdivision to provide additional homestead credits in that year.

(7) For a regional venture capital fund established under section 13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.

(8) This subdivision applies only to a county:

(A) that has a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); and

(B) in which:

(i) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and

(ii) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under subdivision (9).

(9) This subdivision applies only to a county described in subdivision (8). Except as otherwise provided, the procedures and definitions in IC 6-1.1-20.9 apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision (8) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results

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1 each year from the tax rate increase must be used by the county
2 and cities and towns in the county for additional homestead
3 credits under this subdivision. The following apply to additional
4 homestead credits provided under this subdivision:

5 (A) The additional homestead credits must be applied
6 uniformly to increase the homestead credit under IC 6-1.1-20.9
7 for homesteads in the county, city, or town.

8 (B) The additional homestead credits shall be treated for all
9 purposes as property tax levies. The additional homestead
10 credits do not reduce the basis for determining the state
11 property tax replacement credit under IC 6-1.1-21, ~~or~~ the state
12 homestead credit under IC 6-1.1-20.9, **or the residential
13 property tax credit under IC 6-1.1-46.**

14 (C) The additional homestead credits shall be applied to the
15 net property taxes due on the homestead after the application
16 of all other assessed value deductions or property tax
17 deductions and credits that apply to the amount owed under
18 IC 6-1.1.

19 (D) The department of local government finance shall
20 determine the additional homestead credit percentage for a
21 particular year based on the amount of county economic
22 development income tax revenue that will be used under this
23 subdivision to provide additional homestead credits in that
24 year.

25 (c) As used in this section, an economic development project is any
26 project that:

- 27 (1) the county, city, or town determines will:
 - 28 (A) promote significant opportunities for the gainful
29 employment of its citizens;
 - 30 (B) attract a major new business enterprise to the unit; or
 - 31 (C) retain or expand a significant business enterprise within
32 the unit; and
- 33 (2) involves an expenditure for:
 - 34 (A) the acquisition of land;
 - 35 (B) interests in land;
 - 36 (C) site improvements;
 - 37 (D) infrastructure improvements;
 - 38 (E) buildings;
 - 39 (F) structures;
 - 40 (G) rehabilitation, renovation, and enlargement of buildings
41 and structures;
 - 42 (H) machinery;

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1 (I) equipment;
 2 (J) furnishings;
 3 (K) facilities;
 4 (L) administrative expenses associated with such a project,
 5 including contract payments authorized under subsection
 6 (b)(2)(D);
 7 (M) operating expenses authorized under subsection (b)(2)(E);
 8 or
 9 (N) to the extent not otherwise allowed under this chapter,
 10 substance removal or remedial action in a designated unit;
 11 or any combination of these.

12 (d) If there are bonds outstanding that have been issued under
 13 section 14 of this chapter or leases in effect under section 21 of this
 14 chapter, a county, city, or town may not expend money from its
 15 economic development income tax fund for a purpose authorized under
 16 subsection (b)(3) in a manner that would adversely affect owners of the
 17 outstanding bonds or payment of any lease rentals due.

18 SECTION 48. IC 6-8.1-1-1, AS AMENDED BY P.L.233-2007,
 19 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 1. "Listed taxes" or
 21 "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through
 22 IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat
 23 wagering tax (IC 4-33-13); the slot machine wagering tax (IC 4-35-8);
 24 ~~the gross income tax (IC 6-2-1) (repealed)~~; the utility receipts and
 25 utility services use taxes (IC 6-2.3); the state gross retail and use taxes
 26 (IC 6-2.5); the adjusted gross income tax (IC 6-3); ~~the supplemental net~~
 27 ~~income tax (IC 6-3-8) (repealed)~~; the county adjusted gross income tax
 28 (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county
 29 economic development income tax (IC 6-3.5-7); ~~the municipal option~~
 30 ~~income tax (IC 6-3.5-8)~~; the auto rental excise tax (IC 6-6-9); the
 31 financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the
 32 alternative fuel permit fee (IC 6-6-2.1); the special fuel tax
 33 (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax
 34 collected under a reciprocal agreement under IC 6-8.1-3; the motor
 35 vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax
 36 (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the
 37 cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor
 38 excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider
 39 excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the
 40 petroleum severance tax (IC 6-8-1); the various innkeeper's taxes
 41 (IC 6-9); the various food and beverage taxes (IC 6-9); the county
 42 admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee

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1 (IC 16-44-2); the emergency and hazardous chemical inventory form
2 fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3
3 and IC 9-30); the fees and penalties assessed for overweight vehicles
4 (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23);
5 the solid waste management fee (IC 13-20-22); and any other tax or fee
6 that the department is required to collect or administer.

7 SECTION 49. IC 6-8.1-7-1, AS AMENDED BY P.L.219-2007,
8 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 UPON PASSAGE]: Sec. 1. (a) This subsection does not apply to the
10 disclosure of information concerning a conviction on a tax evasion
11 charge. Unless in accordance with a judicial order or as otherwise
12 provided in this chapter, the department, its employees, former
13 employees, counsel, agents, or any other person may not divulge the
14 amount of tax paid by any taxpayer, terms of a settlement agreement
15 executed between a taxpayer and the department, investigation records,
16 investigation reports, or any other information disclosed by the reports
17 filed under the provisions of the law relating to any of the listed taxes,
18 including required information derived from a federal return, except to:

- 19 (1) members and employees of the department;
- 20 (2) the governor;
- 21 (3) the attorney general or any other legal representative of the
- 22 state in any action in respect to the amount of tax due under the
- 23 provisions of the law relating to any of the listed taxes; **or**
- 24 (4) any authorized officers of the United States; **or**
- 25 **(5) elected and appointed employees of the office of a county**
- 26 **auditor for the purpose of auditing representations of**
- 27 **adjusted gross income under IC 6-1.1;**

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

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

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

38 (c) The information described in subsection (a) relating to a person
39 on public welfare or a person who has made application for public
40 welfare may be revealed to the director of the division of family
41 resources, and to any director of a county office of family and children
42 located in Indiana, upon receipt of a written request from either director

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1 for the information. The information shall be treated as confidential by
2 the directors. In addition, the information described in subsection (a)
3 relating to a person who has been designated as an absent parent by the
4 state Title IV-D agency shall be made available to the state Title IV-D
5 agency upon request. The information shall be subject to the
6 information safeguarding provisions of the state and federal Title IV-D
7 programs.

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

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

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

29 (1) the state agency shows an official need for the information;
30 and

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

34 (g) The name and address of retail merchants, including township,
35 as specified in IC 6-2.5-8-1(j) may be released solely for tax collection
36 purposes to township assessors and county assessors.

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

40 (i) All information relating to the delinquency or evasion of the
41 motor vehicle excise tax may be disclosed to the bureau of motor
42 vehicles in Indiana and may be disclosed to another state, if the

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1 information is disclosed for the purpose of the enforcement and
2 collection of the taxes imposed by IC 6-6-5.

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

9 (k) All information relating to the delinquency or evasion of
10 commercial vehicle excise taxes payable under the International
11 Registration Plan may be disclosed to another state, if the information
12 is disclosed for the purpose of the enforcement and collection of the
13 taxes imposed by IC 6-6-5.5.

14 (l) This section does not apply to:

- 15 (1) the beer excise tax (IC 7.1-4-2);
- 16 (2) the liquor excise tax (IC 7.1-4-3);
- 17 (3) the wine excise tax (IC 7.1-4-4);
- 18 (4) the hard cider excise tax (IC 7.1-4-4.5);
- 19 (5) the malt excise tax (IC 7.1-4-5);
- 20 (6) the motor vehicle excise tax (IC 6-6-5);
- 21 (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- 22 (8) the fees under IC 13-23.

23 (m) The name and business address of retail merchants within each
24 county that sell tobacco products may be released to the division of
25 mental health and addiction and the alcohol and tobacco commission
26 solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

27 SECTION 50. IC 11-12-2-9 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
29 Sec. 9. (a) **Except as otherwise provided in this section**, a county
30 receiving financial aid under this chapter shall be charged a sum for
31 each person committed to the department of correction and confined in
32 a state correctional facility equal to seventy-five percent (75%) of the
33 average daily cost of confining a person in certain state correctional
34 facilities as calculated by the state board of accounts. The daily cost is
35 determined by dividing the average daily population of the state prison,
36 the Pendleton Correctional Facility, and the Putnamville Correctional
37 Facility into the previous fiscal year's operating expense of those three
38 (3) facilities and reducing the quotient to an average daily cost.
39 However, no charge may be made for those persons:

- 40 (1) convicted of:
 - 41 (A) murder or a Class A or Class B felony;
 - 42 (B) involuntary manslaughter, reckless homicide, battery,

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1 criminal confinement, child molesting, robbery, burglary, or
 2 escape as Class C felonies;
 3 (C) any other felony resulting in bodily injury to any other
 4 person;
 5 (D) any other felony committed by means of a deadly weapon;
 6 (E) any felony for which an habitual offender sentence was
 7 imposed;
 8 (F) any offense for which the sentence is nonsuspendible
 9 under IC 35-50-2-2(a); or
 10 (G) dealing in marijuana as a Class D felony under
 11 IC 35-48-4-10(b)(1)(B) or a Class C felony under
 12 IC 35-48-4-10(b)(2);
 13 (2) transferred to the department of correction after they have
 14 violated the terms of their community corrections sentence; or
 15 (3) who were charged with:
 16 (A) a felony resulting in serious bodily injury; or
 17 (B) a felony committed by means of a deadly weapon;
 18 and the sentencing court noted on the commitment order that such
 19 charges were dismissed pursuant to a plea agreement under
 20 IC 35-35-3; or
 21 **(4) who are committed to the department as a delinquent**
 22 **offender (other than a delinquent offender whose commitment**
 23 **is prohibited under IC 31-37-19-7).**
 24 (b) The amount charged a county under this section may not exceed
 25 the amount of financial aid received under this chapter. The amount
 26 charged shall be deducted from the subsidy payable to the participating
 27 county. All charges are a charge upon the county of original
 28 jurisdiction.
 29 (c) Notwithstanding subsection (a); if a county receives financial aid
 30 under this chapter for a program or a facility for persons convicted of
 31 crimes but has not received financial aid under this chapter for a
 32 program or a facility for delinquent offenders; the costs of keeping
 33 delinquent offenders in state programs or facilities operated by the
 34 department of correction shall be paid under IC 11-10-2-3.
 35 (d) Notwithstanding subsection (a); if a county receives financial aid
 36 under this chapter for a program or a facility for delinquent offenders
 37 but has not received financial aid under this chapter for a program or
 38 a facility for persons convicted of crimes; the costs of keeping persons
 39 convicted of crimes in state programs or facilities operated by the
 40 department of correction shall be paid by the department of correction.
 41 (e) (c) Notwithstanding subsection (a); No charge may be made for:
 42 (1) the initial twelve (12) months of the county's participation in

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1 the subsidy program;
 2 (2) each month during which:
 3 (A) the county maintains a residential facility or a portion of
 4 a residential facility as part of its community corrections plan;
 5 and
 6 (B) the residential facility or the community corrections
 7 portion of the residential facility operates at the rated bed
 8 capacity specified in the county's community corrections plan;
 9 or
 10 (3) each month during which a county that has no residential
 11 facility as part of its community corrections plan operates a
 12 community corrections program at the offender-supervisor ratio
 13 specified by the plan.
 14 ~~(f)~~ (d) A county fulfills the rated bed capacity requirement of
 15 subsection ~~(c)(2)~~ (c)(2) if the following conditions are met:
 16 (1) Each bed used in the calculation of rated bed capacity must be
 17 filled each day of the month unless a vacancy occurs because of
 18 the release, escape, or incarceration of the bed's occupant.
 19 (2) A vacancy that occurs because of the release, escape, or
 20 incarceration of the occupant of a bed used in the calculation of
 21 rated bed capacity must be filled within two (2) days after its
 22 occurrence.
 23 ~~(g)~~ (e) A county fulfills the offender-supervisor ratio requirement of
 24 subsection ~~(c)(3)~~ (c)(3) if the following conditions are met:
 25 (1) Each opening used in the calculation of the
 26 offender-supervisor ratio specified in the community corrections
 27 plan must be filled each day of the month unless a vacancy occurs
 28 because of the release, escape, or incarceration of an offender.
 29 (2) A vacancy that occurs because of the release, escape, or
 30 incarceration of an offender must be filled within two (2) working
 31 days after its occurrence.
 32 SECTION 51. IC 12-7-2-64, AS AMENDED BY P.L.1-2007,
 33 SECTION 107, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 64.
 35 "Director" refers to the following:
 36 (1) With respect to a particular division, the director of the
 37 division.
 38 (2) With respect to a particular state institution, the director who
 39 has administrative control of and responsibility for the state
 40 institution.
 41 (3) For purposes of IC 12-10-15, the term refers to the director of
 42 the division of aging.

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- 1 ~~(4)~~ For purposes of IC ~~12-19-5~~, the term refers to the director of
- 2 the department of child services established by IC ~~31-25-1-1~~.
- 3 ~~(5)~~ (4) For purposes of IC 12-25, the term refers to the director of
- 4 the division of mental health and addiction.
- 5 ~~(6)~~ (5) For purposes of IC 12-26, the term:
- 6 (A) refers to the director who has administrative control of and
- 7 responsibility for the appropriate state institution; and
- 8 (B) includes the director's designee.
- 9 ~~(7)~~ (6) If subdivisions (1) through ~~(6)~~ (5) do not apply, the term
- 10 refers to the director of any of the divisions.

11 SECTION 52. IC 12-7-2-91 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:

13 Sec. 91. "Fund" means the following:

- 14 (1) For purposes of IC 12-12-1-9, the fund described in
- 15 IC 12-12-1-9.
- 16 ~~(2)~~ For purposes of IC ~~12-13-8~~, the meaning set forth in
- 17 ~~IC 12-13-8-1~~.
- 18 ~~(3)~~ (2) For purposes of IC 12-15-20, the meaning set forth in
- 19 IC 12-15-20-1.
- 20 ~~(4)~~ (3) For purposes of IC 12-17-12, the meaning set forth in
- 21 IC 12-17-12-4.
- 22 ~~(5)~~ (4) For purposes of IC 12-17.6, the meaning set forth in
- 23 IC 12-17.6-1-3.
- 24 ~~(6)~~ (5) For purposes of IC 12-18-4, the meaning set forth in
- 25 IC 12-18-4-1.
- 26 ~~(7)~~ (6) For purposes of IC 12-18-5, the meaning set forth in
- 27 IC 12-18-5-1.
- 28 ~~(8)~~ For purposes of IC ~~12-19-7~~, the meaning set forth in
- 29 ~~IC 12-19-7-2~~.
- 30 ~~(9)~~ (7) For purposes of IC 12-23-2, the meaning set forth in
- 31 IC 12-23-2-1.
- 32 ~~(10)~~ (8) For purposes of IC 12-23-18, the meaning set forth in
- 33 IC 12-23-18-4.
- 34 ~~(11)~~ (9) For purposes of IC 12-24-6, the meaning set forth in
- 35 IC 12-24-6-1.
- 36 ~~(12)~~ (10) For purposes of IC 12-24-14, the meaning set forth in
- 37 IC 12-24-14-1.
- 38 ~~(13)~~ (11) For purposes of IC 12-30-7, the meaning set forth in
- 39 IC 12-30-7-3.

40 SECTION 53. IC 12-19-1-7, AS AMENDED BY P.L.145-2006,
 41 SECTION 107, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 7. (a) The

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1 county director shall appoint from eligible lists established by the state
2 personnel department the number of assistants necessary to:

3 (1) administer the welfare activities within the county that are
4 administered by the division under IC 12-13 through IC 12-19 or
5 by an administrative rule, with the approval of the director of the
6 division; or

7 (2) administer the child services (as defined in ~~IC 12-19-7-1~~
8 **IC 31-9-2-17.7**) and child welfare activities within the county that
9 are the responsibility of the department under IC 12-13 through
10 IC 12-19 and IC 31-25 through IC 31-40 or by an administrative
11 rule, with the approval of the director of the department.

12 (b) The:

13 (1) division, for personnel performing activities described in
14 subsection (a)(1);

15 (2) department, for personnel performing activities described in
16 subsection (a)(2); or

17 (3) division and the department jointly for personnel performing
18 activities in both subsection (a)(1) and (a)(2);

19 shall determine the compensation of the assistants within the salary
20 ranges of the pay plan adopted by the state personnel department and
21 approved by the budget agency, with the advice of the budget
22 committee, and within lawfully established appropriations.

23 SECTION 54. IC 12-19-1-16 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:

25 Sec. 16. (a) ~~This section does not apply to money received to reimburse~~
26 ~~the county family and children's fund for expenditures made from the~~
27 ~~appropriations of the county office.~~

28 (b) A county office may receive and administer money available to
29 or for the benefit of a person receiving payments or services from the
30 county office. The following applies to all money received under this
31 section:

32 (1) The money shall be kept in a special fund known as the county
33 family and children trust clearance fund and may not be
34 commingled with any other fund or with money received from
35 taxation.

36 (2) The money may be expended by the county office in any
37 manner consistent with the following:

38 (A) The purpose of the county family and children trust
39 clearance fund or with the intention of the donor of the money.

40 (B) Indiana law.

41 SECTION 55. IC 12-24-13-6, AS AMENDED BY P.L.145-2006,
42 SECTION 125, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 6. The
2 department of child services or a county office is responsible for the
3 cost of treatment or maintenance of a child under the department's or
4 county office's custody or supervision who is placed in a state
5 institution only if:

6 (1) the cost is reimbursable under the state Medicaid program
7 under IC 12-15; or

8 (2) the state is obligated to pay the cost under IC 31-40-1-2.

9 SECTION 56. IC 12-29-2-2, AS AMENDED BY P.L.224-2007,
10 SECTION 102, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2. (a) A
12 county shall fund the operation of community mental health centers in
13 the amount determined under subsection (b), unless a lower tax levy
14 amount will be adequate to fulfill the county's financial obligations
15 under this chapter in any of the following situations:

16 (1) If the total population of the county is served by one (1)
17 center.

18 (2) If the total population of the county is served by more than one
19 (1) center.

20 (3) If the partial population of the county is served by one (1)
21 center.

22 (4) If the partial population of the county is served by more than
23 one (1) center.

24 (b) The amount of funding under subsection (a) for taxes first due
25 and payable in a calendar year is the following:

26 (1) For 2004, the amount is the amount determined under STEP
27 THREE of the following formula:

28 STEP ONE: Determine the amount that was levied within the
29 county to comply with this section from property taxes first
30 due and payable in 2002.

31 STEP TWO: Multiply the STEP ONE result by the county's
32 assessed value growth quotient for the ensuing year 2003, as
33 determined under IC 6-1.1-18.5-2.

34 STEP THREE: Multiply the STEP TWO result by the county's
35 assessed value growth quotient for the ensuing year 2004, as
36 determined under IC 6-1.1-18.5-2.

37 (2) Except as provided in subsection (c), for 2005 and each year
38 thereafter, the result equal to:

39 (A) the amount that was levied in the county to comply with
40 this section from property taxes first due and payable in the
41 calendar year immediately preceding the ensuing calendar
42 year; multiplied by

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1 (B) the county's assessed value growth quotient for the ensuing
2 calendar year, as determined under IC 6-1.1-18.5-2.

3 (c) This subsection applies only to property taxes first due and
4 payable after December 31, 2007. This subsection applies only to a
5 county for which a county adjusted gross income tax rate is first
6 imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a
7 county option income tax rate is first imposed or is increased in a
8 particular year under IC 6-3.5-6-30. Notwithstanding any provision in
9 this section or any other section of this chapter, for a county subject to
10 this subsection, the county's maximum property tax levy under this
11 section to fund the operation of community mental health centers for
12 the ensuing calendar year is equal to the county's maximum property
13 tax levy to fund the operation of community mental health centers for
14 the current calendar year.

15 SECTION 57. IC 16-33-4-17.5 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:

17 Sec. 17.5. (a) In the case of a child who is:

- 18 (1) admitted to the home from another county; and
- 19 (2) adjudicated to be a delinquent child or child in need of
20 services by the juvenile court in the county where the home is
21 located;

22 the juvenile court may order the county office of family and children
23 of the child's county of residence before the child's admission to the
24 home department of child services to reimburse the cost of services
25 ordered by the juvenile court, including related transportation costs,
26 and any cost incurred by the county to transport or detain the child
27 before the order is issued.

28 (b) A county office of family and children ordered to reimburse
29 costs under this section shall pay the amount ordered from the county
30 family and children's fund:

31 (c) (b) The county office of family and children department of
32 child services may require the parent or guardian of the child, other
33 than a parent, guardian, or custodian associated with the home, to
34 reimburse the county family and children's fund department of child
35 services for an amount paid under this section.

36 (d) (c) A child who is admitted to the home does not become a
37 resident of the county where the home is located.

38 (e) When an unemancipated child is released from the home, the
39 county office of family and children for the child's county of residence
40 before entering the home department of child services is responsible
41 for transporting the child to the parent or guardian of the child. If a
42 parent or guardian does not exist for an unemancipated child released

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1 from the home, the county office of family and children of the child's
2 county of residence before entering the home shall obtain custody of
3 the child.

4 SECTION 58. IC 20-26-11-12, AS AMENDED BY P.L.145-2006,
5 SECTION 150, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 12. (a) If
7 a student is transferred under section 5 of this chapter from a school
8 corporation in Indiana to a public school corporation in another state,
9 the transferor corporation shall pay the transferee corporation the full
10 tuition fee charged by the transferee corporation. However, the amount
11 of the full tuition fee may not exceed the amount charged by the
12 transferor corporation for the same class of school, or if the school does
13 not have the same classification, the amount may not exceed the
14 amount charged by the geographically nearest school corporation in
15 Indiana that has the same classification.

16 (b) If a child is:
17 (1) placed by a court order in an out-of-state institution or other
18 facility; and
19 (2) provided all educational programs and services by a public
20 school corporation in the state where the child is placed, whether
21 at the facility, the public school, or another location;
22 the ~~county office of family and children for the county~~ placing the child
23 **department of child services** shall pay ~~from the county family and~~
24 ~~children's fund~~ to the public school corporation in which the child is
25 enrolled the amount of transfer tuition specified in subsection (c).

26 (c) The transfer tuition for which ~~a county office~~ **the department**
27 **of child services** is obligated under subsection (b) is equal to the
28 following:

29 (1) The amount under a written agreement among the ~~county~~
30 ~~office,~~ **department of child services**, the institution or other
31 facility, and the governing body of the public school corporation
32 in the other state that specifies the amount and method of
33 computing transfer tuition.

34 (2) The full tuition fee charged by the transferee corporation, if
35 subdivision (1) does not apply. However, the amount of the full
36 tuition fee must not exceed the amount charged by the transferor
37 corporation for the same class of school, or if the school does not
38 have the same classification, the amount must not exceed the
39 amount charged by the geographically nearest school corporation
40 in Indiana that has the same classification.

41 (d) If a child is:
42 (1) placed by a court order in an out-of-state institution or other

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1 facility; and
 2 (2) provided:
 3 (A) onsite educational programs and services either through
 4 the facility's employees or by contract with another person or
 5 organization that is not a public school corporation; or
 6 (B) educational programs and services by a nonpublic school;
 7 the county office of family and children for the county placing the child
 8 **department of child services** shall pay from the county family and
 9 children's fund in an amount and in the manner specified in a written
 10 agreement between the county office **department of child services** and
 11 the institution or other facility.
 12 (e) An agreement described in subsection (c) or (d) is subject to the
 13 approval of the director of the department of child services. However,
 14 For purposes of IC 4-13-2, the agreement shall not be treated as a
 15 contract.
 16 SECTION 59. IC 20-26-11-13, AS AMENDED BY P.L.234-2007,
 17 SECTION 105, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 13. (a) As
 19 used in this section, the following terms have the following meanings:
 20 (1) "Class of school" refers to a classification of each school or
 21 program in the transferee corporation by the grades or special
 22 programs taught at the school. Generally, these classifications are
 23 denominated as kindergarten, elementary school, middle school
 24 or junior high school, high school, and special schools or classes,
 25 such as schools or classes for special education, career and
 26 technical education, or career education.
 27 (2) "Special equipment" means equipment that during a school
 28 year:
 29 (A) is used only when a child with disabilities is attending
 30 school;
 31 (B) is not used to transport a child to or from a place where the
 32 child is attending school;
 33 (C) is necessary for the education of each child with
 34 disabilities that uses the equipment, as determined under the
 35 individualized education program for the child; and
 36 (D) is not used for or by any child who is not a child with
 37 disabilities.
 38 (3) "Student enrollment" means the following:
 39 (A) The total number of students in kindergarten through
 40 grade 12 who are enrolled in a transferee school corporation
 41 on a date determined by the state board.
 42 (B) The total number of students enrolled in a class of school

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1 in a transferee school corporation on a date determined by the
2 state board.

3 However, a kindergarten student shall be counted under clauses
4 (A) and (B) as one-half (1/2) student. The state board may select
5 a different date for counts under this subdivision. However, the
6 same date shall be used for all school corporations making a count
7 for the same class of school.

8 (b) Each transferee corporation is entitled to receive for each school
9 year on account of each transferred student, except a student
10 transferred under section 6 of this chapter, transfer tuition from the
11 transferor corporation or the state as provided in this chapter. Transfer
12 tuition equals the amount determined under STEP THREE of the
13 following formula:

14 STEP ONE: Allocate to each transfer student the capital
15 expenditures for any special equipment used by the transfer
16 student and a proportionate share of the operating costs incurred
17 by the transferee school for the class of school where the transfer
18 student is enrolled.

19 STEP TWO: If the transferee school included the transfer student
20 in the transferee school's ADM for a school year, allocate to the
21 transfer student a proportionate share of the following general
22 fund revenues of the transferee school for, except as provided in
23 clause (C), the calendar year in which the school year ends:

- 24 (A) State tuition support distributions.
- 25 (B) Property tax levies.
- 26 (C) Excise tax revenue (as defined in IC 20-43-1-12) received
- 27 for deposit in the calendar year in which the school year
- 28 begins.
- 29 (D) Allocations to the transferee school under IC 6-3.5.

30 STEP THREE: Determine the greater of:

- 31 (A) zero (0); or
- 32 (B) the result of subtracting the STEP TWO amount from the
- 33 STEP ONE amount.

34 If a child is placed in an institution or facility in Indiana under a court
35 order, the institution or facility shall charge the ~~county office of the~~
36 ~~county of the student's legal settlement under IC 12-19-7~~ **department**
37 **of child services** for the use of the space within the institution or
38 facility (commonly called capital costs) that is used to provide
39 educational services to the child based upon a prorated per student cost.

40 (c) Operating costs shall be determined for each class of school
41 where a transfer student is enrolled. The operating cost for each class
42 of school is based on the total expenditures of the transferee

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1 corporation for the class of school from its general fund expenditures
2 as specified in the classified budget forms prescribed by the state board
3 of accounts. This calculation excludes:

- 4 (1) capital outlay;
- 5 (2) debt service;
- 6 (3) costs of transportation;
- 7 (4) salaries of board members;
- 8 (5) contracted service for legal expenses; and
- 9 (6) any expenditure that is made out of the general fund from
10 extracurricular account receipts;

11 for the school year.

12 (d) The capital cost of special equipment for a school year is equal
13 to:

- 14 (1) the cost of the special equipment; divided by
- 15 (2) the product of:
 - 16 (A) the useful life of the special equipment, as determined
 - 17 under the rules adopted by the state board; multiplied by
 - 18 (B) the number of students using the special equipment during
 - 19 at least part of the school year.

20 (e) When an item of expense or cost described in subsection (c)
21 cannot be allocated to a class of school, it shall be prorated to all
22 classes of schools on the basis of the student enrollment of each class
23 in the transferee corporation compared with the total student
24 enrollment in the school corporation.

25 (f) Operating costs shall be allocated to a transfer student for each
26 school year by dividing:

- 27 (1) the transferee school corporation's operating costs for the class
28 of school in which the transfer student is enrolled; by
- 29 (2) the student enrollment of the class of school in which the
30 transfer student is enrolled.

31 When a transferred student is enrolled in a transferee corporation for
32 less than the full school year of student attendance, the transfer tuition
33 shall be calculated by the part of the school year for which the
34 transferred student is enrolled. A school year of student attendance
35 consists of the number of days school is in session for student
36 attendance. A student, regardless of the student's attendance, is enrolled
37 in a transferee school unless the student is no longer entitled to be
38 transferred because of a change of residence, the student has been
39 excluded or expelled from school for the balance of the school year or
40 for an indefinite period, or the student has been confirmed to have
41 withdrawn from school. The transferor and the transferee corporation
42 may enter into written agreements concerning the amount of transfer

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1 tuition due in any school year. If an agreement cannot be reached, the
 2 amount shall be determined by the state board, and costs may be
 3 established, when in dispute, by the state board of accounts.

4 (g) A transferee school shall allocate revenues described in
 5 subsection (b) STEP TWO to a transfer student by dividing:

- 6 (1) the total amount of revenues received; by
- 7 (2) the ADM of the transferee school for the school year that ends
 8 in the calendar year in which the revenues are received.

9 However, for state tuition support distributions or any other state
 10 distribution computed using less than the total ADM of the transferee
 11 school, the transferee school shall allocate the revenues to the transfer
 12 student by dividing the revenues that the transferee school is eligible
 13 to receive in a calendar year by the student count used to compute the
 14 state distribution.

15 (h) Instead of the payments provided in subsection (b), the
 16 transferor corporation or state owing transfer tuition may enter into a
 17 long term contract with the transferee corporation governing the
 18 transfer of students. The contract may:

- 19 (1) be entered into for a period of not more than five (5) years
 20 with an option to renew;
- 21 (2) specify a maximum number of students to be transferred; and
- 22 (3) fix a method for determining the amount of transfer tuition
 23 and the time of payment, which may be different from that
 24 provided in section 14 of this chapter.

25 (i) A school corporation may negotiate transfer tuition agreements
 26 with a neighboring school corporation that can accommodate additional
 27 students. Agreements under this section may:

- 28 (1) be for one (1) year or longer; and
- 29 (2) fix a method for determining the amount of transfer tuition or
 30 time of payment that is different from the method, amount, or
 31 time of payment that is provided in this section or section 14 of
 32 this chapter.

33 A school corporation may not transfer a student under this section
 34 without the prior approval of the child's parent.

35 (j) If a school corporation experiences a net financial impact with
 36 regard to transfer tuition that is negative for a particular school year as
 37 described in IC 20-45-6-8, the school corporation may appeal for an
 38 excessive levy as provided under IC 20-45-6-8.

39 SECTION 60. IC 20-26-11-17, AS ADDED BY P.L.1-2005,
 40 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 17. (a) Each year before
 42 the date specified in the rules adopted by the state board, a school

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1 corporation shall report the information specified in subsection (b) for
2 each student:

3 (1) for whom tuition support is paid by another school
4 corporation;

5 (2) for whom tuition support is paid by the state; and

6 (3) who is enrolled in the school corporation but has the
7 equivalent of a legal settlement in another state or country;
8 to the county office (as defined in IC 12-7-2-45) for the county in
9 which the principal office of the school corporation is located and to
10 the department.

11 (b) Each school corporation shall provide the following information
12 for each school year for each category of student described in
13 subsection (a):

14 (1) The amount of tuition support and other support received for
15 the students described in subsection (a).

16 (2) The operating expenses, as determined under section 13 of
17 this chapter, incurred for the students described in subsection (a).

18 (3) Special equipment expenditures that are directly related to
19 educating students described in subsection (a).

20 (4) The number of transfer students described in subsection (a).

21 (5) Any other information required under the rules adopted by the
22 state board after consultation with the office of the secretary of
23 family and social services.

24 (c) The information required under this section shall be reported in
25 the format and on the forms specified by the state board.

26 (d) Not later than November 30 of each year the department shall
27 compile the information required from school corporations under this
28 section and submit the compiled information in the form specified by
29 the office of the secretary of family and social services to the office of
30 the secretary of family and social services.

31 (e) Not later than November 30 of each year each county office shall
32 submit the following information to the office of the secretary of family
33 and social services for each child who is described in ~~IC 12-19-7-1(1)~~
34 **IC 31-9-2-17.7(1)** and is placed in another state or is a student in a
35 school outside the school corporation where the child has legal
36 settlement:

37 (1) The name of the child.

38 (2) The name of the school corporation where the child has legal
39 settlement.

40 (3) The last known address of the custodial parent or guardian of
41 the child.

42 (4) Any other information required by the office of the secretary

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1 of family and social services.

2 (f) Not later than December 31 of each year, the office of the
3 secretary of family and social services shall submit a report to the
4 members of the budget committee and the executive director of the
5 legislative services agency that compiles and analyzes the information
6 required from school corporations under this section. The report must
7 identify the types of state and local funding changes that are needed to
8 provide adequate state and local money to educate transfer students. A
9 report submitted under this subsection to the executive director of the
10 legislative services agency must be in an electronic format under
11 IC 5-14-6.

12 SECTION 61. IC 20-26-11-22, AS ADDED BY P.L.1-2005,
13 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 22. (a) The transferee
15 corporation is entitled to receive from the transferor corporation
16 transfer tuition for each transferred student for each school year
17 calculated in two (2) parts:

- 18 (1) operating cost; and
19 (2) capital cost.

20 These costs must be allocated on a per student basis separately for each
21 class of school.

22 (b) The operating cost for each class of school must be based on the
23 total expenditures of the transferee corporation for the class from its
24 general fund expenditures as set out on the classified budget forms
25 prescribed by the state board of accounts, excluding from the
26 calculation capital outlay, debt service, costs of transportation, salaries
27 of board members, contracted service for legal expenses, and any
28 expenditure that is made out of the general fund from extracurricular
29 account receipts, for the school year.

30 (c) The capital cost for each class of school must consist of the
31 lesser of the following alternatives:

- 32 (1) The capital cost must be based on an amount equal to five
33 percent (5%) of the cost of transferee corporation's physical plant,
34 equipment, and all items connected to the physical plant or
35 equipment, including:

36 (A) buildings, additions, and remodeling to the buildings,
37 excluding ordinary maintenance; and

38 (B) on-site and off-site improvements such as walks, sewers,
39 waterlines, drives, and playgrounds;

40 that have been paid or are obligated to be paid in the future out of
41 the general fund, capital projects fund, or debt service fund,
42 including principal and interest, lease rental payments, and funds

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1 that were legal predecessors to these funds. If an item of the
2 physical plant, equipment, appurtenances, or part of the item is
3 more than twenty (20) years old at the beginning of the school
4 year, the capital cost of the item shall be disregarded in making
5 the capital cost computation.

6 (2) The capital cost must be based on the amount budgeted from
7 the general fund for capital outlay for physical plant, equipment,
8 and appurtenances, ~~and~~ the amounts levied for the debt service
9 fund, and the **amount received for deposit in the** capital projects
10 fund for the calendar year in which the school year ends.

11 (d) If an item of expense or cost cannot be allocated to a class of
12 school, the item shall be prorated to all classes of schools on the basis
13 of the ADM of each class in the transferee corporation compared to the
14 total ADM therein.

15 (e) The transfer tuition for each student transferred for each school
16 year shall be calculated by dividing the transferee school corporation's
17 total operating costs and the total capital costs for the class of school
18 in which the student is enrolled by the ADM of students therein. If a
19 transferred student is enrolled in a transferee corporation for less than
20 the full school year, the transfer tuition shall be calculated by the
21 proportion of such school year for which the transferred student is
22 enrolled. A school year for this purpose consists of the number of days
23 school is in session for student attendance. A student shall be enrolled
24 in a transferee school, whether or not the student is in attendance,
25 unless the:

- 26 (1) student's residence is outside the area of students transferred
- 27 to the transferee corporation;
- 28 (2) student has been excluded or expelled from school; or
- 29 (3) student has been confirmed as a school dropout.

30 The transferor and transferee corporations may enter into written
31 agreements concerning the amount of transfer tuition. If an agreement
32 cannot be reached, the amount shall be determined by the state
33 superintendent, with costs to be established, where in dispute, by the
34 state board of accounts.

35 (f) The transferor corporation shall pay the transferee corporation,
36 when billed, the amount of book rental due from transferred students
37 who are unable to pay the book rental amount. The transferor
38 corporation is entitled to collect the amount of the book rental from the
39 appropriate township trustee, from its own funds, or from any other
40 source, in the amounts and manner provided by law.

41 SECTION 62. IC 20-33-2-29, AS ADDED BY P.L.1-2005,
42 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 29. (a) It is unlawful for
 2 a person operating or responsible for:
 3 (1) an educational;
 4 (2) a correctional;
 5 (3) a charitable; or
 6 (4) a benevolent institution or training school;
 7 to fail to ensure that a child under the person's authority attends school
 8 as required under this chapter. Each day of violation of this section
 9 constitutes a separate offense.

10 (b) If a child is placed in an institution or facility under a court
 11 order, the institution or facility shall charge the ~~county office of family~~
 12 ~~and children of the county of the child's legal settlement under~~
 13 ~~IC 12-19-7~~ **department of child services** for the use of the space
 14 within the institution or facility (commonly called capital costs) that is
 15 used to provide educational services to the child based upon a prorated
 16 per child cost.

17 SECTION 63. IC 20-40-5-1, AS ADDED BY P.L.2-2006,
 18 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 1. This
 20 chapter applies only to a school corporation that ~~may impose~~ **imposed**
 21 a levy under IC 20-46-3 **(before its repeal) before January 1, 2008.**

22 SECTION 64. IC 20-40-5-3, AS ADDED BY P.L.2-2006,
 23 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3. As used
 25 in this chapter, "levy" refers to a property tax levy imposed under
 26 IC 20-46-3 **(before its repeal)** for the fund.

27 SECTION 65. IC 20-40-7-4, AS ADDED BY P.L.2-2006,
 28 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 4. "Plan"
 30 refers to a plan or amended plan adopted and approved under
 31 **IC 20-43-12 or IC 20-46-5 (before its repeal).**

32 SECTION 66. IC 20-40-7-7, AS ADDED BY P.L.2-2006,
 33 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 7. (a) **If**
 35 **not designated in a previous year**, before the last Thursday in August
 36 in the year preceding the first school year in which a proposed contract
 37 ~~commences~~, **2008**, the governing body of a school corporation ~~may~~
 38 ~~elect to~~ **shall** designate a part of a: **any:**

- 39 (1) transportation contract (as defined in IC 20-27-2-12);
- 40 (2) fleet contract (as defined in IC 20-27-2-5); or
- 41 (3) common carrier contract (as defined in IC 20-27-2-3);
- 42 as an expenditure payable from the fund.

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1 (b) An election under this section must be made in a transportation
 2 plan approved by the department of local government finance under
 3 ~~this chapter: IC 20-43-12~~. The election applies throughout the term of
 4 the contract.

5 (c) The amount that may be paid from the fund in a school year is
 6 equal to the fair market lease value in the school year of each school
 7 bus, school bus chassis, or school bus body used under the contract, as
 8 substantiated by invoices, depreciation schedules, and other
 9 documented information available to the school corporation.

10 (d) The allocation of costs under this section to the fund must
 11 comply with the allocation guidelines adopted by the department of
 12 local government finance and the accounting standards prescribed by
 13 the state board of accounts.

14 SECTION 67. IC 20-40-8-5, AS ADDED BY P.L.2-2006,
 15 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 5. As used
 17 in this chapter, "plan" refers to a plan or amended plan adopted and
 18 approved under **IC 20-43-11 or IC 20-46-6 (before its repeal)**.

19 SECTION 68. IC 20-40-8-9, AS ADDED BY P.L.2-2006,
 20 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 9. The
 22 department of local government finance may adopt rules under
 23 IC 4-22-2 to implement this chapter. ~~and IC 20-46-6.~~

24 SECTION 69. IC 20-40-8-21 IS ADDED TO THE INDIANA
 25 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 26 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 21. Money**
 27 **in the fund may be transferred to a racial balance fund established**
 28 **under IC 20-40-5 for the purposes of the racial balance fund.**

29 SECTION 70. IC 20-40-8-22 IS ADDED TO THE INDIANA
 30 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 31 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 22. Money**
 32 **in the fund may be used to repay principal, interest, and other costs**
 33 **of bonds described in IC 20-48-1-2 as ordered by the department**
 34 **of local government finance.**

35 SECTION 71. IC 20-40-15-2, AS ADDED BY P.L.2-2006,
 36 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2. (a) Each
 38 school corporation shall establish a school technology fund.

39 (b) The fund consists of the following:

- 40 (1) Money transferred to the fund under IC 20-40-14-1 or section
 41 3 or 4 of this chapter.
 42 (2) Other money, as designated by the department.

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1 (c) Property taxes levied by a school corporation for a capital
2 projects fund may not be transferred to the fund:

3 SECTION 72. IC 20-43-1-23, AS ADDED BY P.L.2-2006,
4 SECTION 166, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 23.
6 "School corporation" means the following:

7 (1) Any local public school corporation established under Indiana
8 law.

9 (2) Except as otherwise indicated in this article, a charter school.

10 **The term, for purposes of IC 20-43-11 and IC 20-43-12, does not**
11 **include a charter school.**

12 SECTION 73. IC 20-43-1-8.5 IS ADDED TO THE INDIANA
13 CODE AS A NEW SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 8.5.**
15 **"Capital projects grant" refers to the amount distributed under**
16 **IC 20-43-11-4.**

17 SECTION 74. IC 20-43-1-29.5 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 29.5.**
20 **"Transportation fund grant" refers to the amount distributed**
21 **under IC 20-43-12-5.**

22 SECTION 75. IC 20-43-2-3, AS AMENDED BY P.L.234-2007,
23 SECTION 134, AND AS AMENDED BY P.L.234-2007, SECTION
24 236, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3. *(a) Except as provided*
26 *in subsection (b);* If the total amount to be distributed:

- 27 (1) as basic tuition support;
28 (2) for academic honors diploma awards;
29 (3) for primetime distributions;
30 (4) for special education grants; ~~and~~
31 (5) for ~~vocational~~ *career and technical* education grants;
32 **(6) for capital projects grants; and**
33 **(7) for school bus replacement grants;**

34 for a particular year exceeds the maximum state distribution for a
35 calendar year, the amount to be distributed for state tuition support
36 under this article to each school corporation during each of the last six
37 (6) months of the year shall be proportionately reduced so that the total
38 reductions equal the amount of the excess.

39 *(b) The department of education shall distribute the full amount of*
40 *tuition support to school corporations in the second six (6) months of*
41 *2006 in accordance with this article without a reduction under this*
42 *section.*

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1 SECTION 76. IC 20-43-11 IS ADDED TO THE INDIANA CODE
 2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2008 (RETROACTIVE)]:

4 **Chapter 11. Capital Projects Plan and Distribution**

5 **Sec. 1. As used in this chapter, "distribution" refers to a**
 6 **distribution under this chapter.**

7 **Sec. 2. As used in this chapter, "fund" refers to the capital**
 8 **projects fund.**

9 **Sec. 3. As used in this chapter, "plan" refers to a capital**
 10 **projects plan that is:**

11 (1) adopted or amended by the school corporation's governing
 12 body; and

13 (2) approved by the department of local government finance;
 14 under this chapter or IC 20-46-6 (before its repeal).

15 **Sec. 4. Each school corporation is entitled to a distribution in a**
 16 **particular calendar year for the purposes of the school**
 17 **corporation's fund in an amount equal to the lesser of the**
 18 **following:**

19 (1) The amount necessary to fund the school corporation's
 20 plan for the calendar year.

21 (2) An amount equal to the sum of the following:

22 (A) The maximum amount that could have been levied in
 23 2008 under IC 20-46-6-5 (before its repeal) before any
 24 reduction required under IC 20-48-1-2, as determined by
 25 the department of local government finance.

26 (B) The excise tax revenue from:

- 27 (i) financial institution excise taxes (IC 6-5.5);
- 28 (ii) motor vehicle excise taxes (IC 6-6-5);
- 29 (iii) commercial vehicle excise taxes (IC 6-6-5.5);
- 30 (iv) boat excise taxes (IC 6-6-11); and
- 31 (v) aircraft excise taxes (IC 6-6-6.5);

32 that the school corporation would have received for
 33 deposit in the school corporation's capital project fund for
 34 property taxes imposed for the fund for the March 1, 2007,
 35 and January 15, 2008, assessment dates, if the school
 36 corporation had levied the maximum amount described in
 37 clause (A), as determined by the department of local
 38 government finance.

39 (C) The amount of the school corporation's utility and
 40 insurance costs described in IC 20-40-8-19 for the calendar
 41 year that exceed the amount described in clauses (A) and
 42 (B) to the extent approved by the department of local

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- 1 government finance.
- 2 A distribution received under this section shall be deposited in the
- 3 school corporation's fund and used only for the purposes of the
- 4 school corporation's plan.
- 5 Sec. 5. Except as provided for an emergency amendment of a
- 6 plan, a plan shall be established as a part of the annual budget for
- 7 the calendar year in accordance with IC 6-1.1-17.
- 8 Sec. 6. (a) This section applies to:
- 9 (1) a school corporation that is not located in South Bend; and
- 10 (2) a school corporation located in South Bend if a resolution
- 11 adopted under IC 6-1.1-17-5.6(d) by the governing body of the
- 12 school corporation is in effect.
- 13 (b) Before a school corporation is eligible for a distribution in a
- 14 particular calendar year, the governing body must, after January
- 15 1 and not later than September 20 of the immediately preceding
- 16 year:
- 17 (1) conduct a public hearing on; and
- 18 (2) pass a resolution to adopt;
- 19 a plan.
- 20 Sec. 7. (a) This section applies only to a school corporation
- 21 located in South Bend.
- 22 (b) This section does not apply to a school corporation in South
- 23 Bend if a resolution adopted under IC 6-1.1-17-5.6(d) by the
- 24 governing body of the school corporation is in effect.
- 25 (c) Before a school corporation is eligible for a distribution in a
- 26 particular calendar year, the governing body must, after January
- 27 1 and on or before February 1 of the immediately preceding year:
- 28 (1) conduct a public hearing on; and
- 29 (2) pass a resolution to adopt;
- 30 a plan.
- 31 Sec. 8. (a) The department of local government finance shall
- 32 prescribe the format of the plan.
- 33 (b) A plan must:
- 34 (1) apply to at least the three (3) years immediately following
- 35 the year the plan is adopted;
- 36 (2) estimate for each year to which the plan applies the nature
- 37 and amount of proposed expenditures from the fund;
- 38 (3) estimate:
- 39 (A) the source of all revenue to be dedicated to the
- 40 proposed expenditures in the upcoming calendar year; and
- 41 (B) the amount of the proposed distributions to the fund
- 42 that are to be retained in the fund for expenditures

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proposed for a later year;

(4) account for all capital assets acquired, maintained, or repaired with money from the fund in the manner prescribed by the department of local government finance and the state board of accounts; and

(5) include a description and an estimate of the cost of any maintenance or repair of a capital asset payable from the fund that is being deferred in any particular year under the plan.

Sec. 9. After adopting a plan, a school corporation shall submit the plan to the department of local government finance for review.

Sec. 10. After reviewing the plan, the department of local government finance shall certify its approval, disapproval, or modification of the plan to the governing body and the county auditor of the county in which the school corporation is located. The department of local government finance may seek the recommendation of the tax control board with respect to this determination. The action of the department of local government finance with respect to the plan is final.

Sec. 11. (a) A governing body may amend a plan. When an amendment to a plan is required, the governing body must:

- (1) declare the nature of and the need for the amendment; and
- (2) show cause as to why the original plan no longer meets the needs of the school corporation.

(b) The governing body must then:

- (1) conduct a public hearing on; and
- (2) pass a resolution to adopt;

the amendment to the plan.

(c) The plan, as proposed to be amended, must comply with the requirements for a plan under section 8 of this chapter.

(d) An amendment to the plan:

- (1) is not subject to the deadlines for adoption described in section 5 of this chapter and section 6 or 7 of this chapter;
- (2) is subject to the hearing requirements under section 6 or 7 of this chapter;
- (3) must be submitted to the department of local government finance for its consideration under section 9 of this chapter; and
- (4) is subject to approval, disapproval, or modification in accordance with section 10 of this chapter.

Sec. 12. (a) This section applies to an amendment to a plan that is required by reason of an emergency that results in costs that

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1 exceed the amount accumulated in the fund for replacement that
 2 is necessitated by an emergency.

3 (b) The governing body must immediately apply to the
 4 department of local government finance for a determination that
 5 an emergency exists. If the department of local government finance
 6 determines that an emergency exists, the governing body may
 7 adopt a resolution to amend the plan.

8 (c) The plan, as proposed to be amended, must comply with the
 9 requirements for a plan under section 8 of this chapter.

10 (d) An emergency amendment to the plan:

11 (1) is not subject to the deadlines for adoption described in
 12 section 5 of this chapter and section 6 or 7 of this chapter;
 13 (2) is not subject to the hearing requirements under section 6
 14 or 7 of this chapter;
 15 (3) must be submitted to the department of local government
 16 finance for its consideration under section 9 of this chapter;
 17 and
 18 (4) is subject to approval, disapproval, or modification in
 19 accordance with section 10 of this chapter.

20 SECTION 77. IC 20-43-12 IS ADDED TO THE INDIANA CODE
 21 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2008 (RETROACTIVE)]:

23 **Chapter 12. School Bus Replacement Plan and Distribution**

24 **Sec. 1. As used in this chapter, "contracted transportation**
 25 **service payable from the fund" refers to a part of a:**

26 (1) transportation contract (as defined in IC 20-27-2-12);
 27 (2) fleet contract (as defined in IC 20-27-2-5); or
 28 (3) common carrier contract (as defined in IC 20-27-2-3);
 29 that is payable from the fund under IC 20-40-7-7.

30 **Sec. 2. As used in this chapter, "distribution" refers to a**
 31 **distribution under this chapter.**

32 **Sec. 3. As used in this chapter, "fund" refers to the school bus**
 33 **replacement fund.**

34 **Sec. 4. As used in this chapter, "plan" refers to a school bus**
 35 **acquisition plan that is:**

36 (1) adopted or amended by the school corporation's governing
 37 body; and
 38 (2) approved by the department of local government finance;
 39 under this chapter, IC 20-46-5 (before its repeal), or
 40 IC 21-2-11.5-3.1 (before its repeal).

41 **Sec. 5. Each school corporation is entitled to a distribution in a**
 42 **particular calendar year for the purposes of the school**

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1 corporation's fund in the amount necessary to fund the school
2 corporation's plan for the calendar year. A distribution received
3 under this section shall be deposited in the school corporation's
4 fund and may be used only for the purposes of the school
5 corporation's plan.

6 Sec. 6. Except as provided for an emergency amendment of a
7 plan, a plan shall be established as a part of the annual budget for
8 the calendar year in accordance with IC 6-1.1-17.

9 Sec. 7. (a) This section applies to:

- 10 (1) a school corporation that is not located in South Bend; and
- 11 (2) a school corporation located in South Bend if a resolution
- 12 adopted under IC 6-1.1-17-5.6(d) by the governing body of the
- 13 school corporation is in effect.

14 (b) Before a school corporation is eligible for a distribution in a
15 particular calendar year, the governing body must, after January
16 1 and not later than September 20 of the immediately preceding
17 year:

- 18 (1) conduct a public hearing on; and
- 19 (2) pass a resolution to adopt;

20 a plan.

21 Sec. 8. (a) This section applies only to a school corporation
22 located in South Bend.

23 (b) This section does not apply to a school corporation in South
24 Bend if a resolution adopted under IC 6-1.1-17-5.6(d) by the
25 governing body of the school corporation is in effect.

26 (c) Before a school corporation is eligible for a distribution in a
27 particular calendar year, the governing body must, after January
28 1 and on or before February 1 of the immediately preceding year:

- 29 (1) conduct a public hearing on; and
- 30 (2) pass a resolution to adopt;

31 a plan.

32 Sec. 9. (a) The department of local government finance shall
33 prescribe the format of the plan.

34 (b) A plan must apply to at least the ten (10) budget years
35 immediately following the year the plan is adopted.

36 (c) A plan must at least include the following:

- 37 (1) An estimate for each year to which the plan applies of the
- 38 nature and amount of proposed expenditures from the fund.
- 39 (2) A presumption that the minimum useful life of a school
- 40 bus is at least ten (10) years.

41 (3) An identification of:

- 42 (A) the source of all revenue to be dedicated to the

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1 **proposed expenditures in the upcoming budget year; and**
 2 **(B) the amount of the distribution needed in that year and**
 3 **the unexpended balance to be retained in the fund for**
 4 **expenditures proposed for a later year.**
 5 **(4) If the school corporation is seeking to:**
 6 **(A) acquire; or**
 7 **(B) contract for transportation services that will provide;**
 8 **additional school buses or school buses with a larger seating**
 9 **capacity as compared with the number and type of school**
 10 **buses from the prior school year, evidence of a demand for**
 11 **increased transportation services within the school**
 12 **corporation. Clause (B) does not apply if there are no**
 13 **contracted transportation services payable from the fund.**
 14 **(5) If the school corporation is seeking to:**
 15 **(A) replace an existing school bus earlier than ten (10)**
 16 **years after the existing school bus was originally acquired;**
 17 **or**
 18 **(B) require a contractor to replace a school bus;**
 19 **evidence that the need exists for the replacement of the school**
 20 **bus. Clause (B) does not apply if there are no contracted**
 21 **transportation services payable from the fund.**
 22 **(6) Evidence that the school corporation that seeks to acquire**
 23 **additional school buses under this section is acquiring or**
 24 **contracting for the school buses only for the purposes**
 25 **specified in subdivision (4) or for replacement purposes.**
 26 **Sec. 10. After adopting a plan, a school corporation shall submit**
 27 **the plan to the department of local government finance for review.**
 28 **Sec. 11. After reviewing the plan, the department of local**
 29 **government finance shall certify its approval, disapproval, or**
 30 **modification of the plan to the governing body and the county**
 31 **auditor of the county. The department of local government finance**
 32 **may seek the recommendation of the tax control board with**
 33 **respect to this determination. The action of the department of local**
 34 **government finance with respect to the plan is final.**
 35 **Sec. 12. (a) A governing body may amend a plan. When an**
 36 **amendment to a plan is required, the governing body must:**
 37 **(1) declare the nature of and the need for the amendment; and**
 38 **(2) show cause as to why the original plan no longer meets the**
 39 **needs of the school corporation.**
 40 **(b) The governing body must then:**
 41 **(1) conduct a public hearing on; and**
 42 **(2) pass a resolution to adopt;**

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the amendment to the plan.

(c) The plan, as proposed to be amended, must comply with the requirements for a plan under section 9 of this chapter.

(d) An amendment to the plan:

(1) is not subject to the deadlines for adoption described in section 6 of this chapter and section 7 or 8 of this chapter;

(2) is subject to the hearing requirements under section 7 or 8 of this chapter;

(3) must be submitted to the department of local government finance for its consideration under section 10 of this chapter; and

(4) is subject to approval, disapproval, or modification in accordance with section 11 of this chapter.

Sec. 13. (a) This section applies to an amendment to a plan that is required by reason of an emergency that results in costs that exceed the amount accumulated in the fund for replacement that is necessitated by an emergency.

(b) The governing body must immediately apply to the department of local government finance for a determination that an emergency exists. If the department of local government finance determines that an emergency exists, the governing body may adopt a resolution to amend the plan.

(c) The plan, as proposed to be amended, must comply with the requirements for a plan under section 9 of this chapter.

(d) An emergency amendment to the plan:

(1) is not subject to the deadlines for adoption described in section 6 of this chapter and section 7 or 8 of this chapter;

(2) is not subject to the hearing requirements under section 7 or 8 of this chapter and section 12 of this chapter;

(3) must be submitted to the department of local government finance for its consideration under section 10 of this chapter; and

(4) is subject to approval, disapproval, or modification in accordance with section 11 of this chapter.

SECTION 78. IC 20-45-4-4, AS AMENDED BY P.L.224-2007, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 4. Appeals from any action of a county board of tax adjustment (before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008), or a county auditor concerning a school corporation's budget, property tax levy, or property tax rate may be taken as provided for by IC 6-1.1-17 and IC 6-1.1-19. Notwithstanding

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1 IC 6-1.1-17 and IC 6-1.1-19, a school corporation may appeal to the
2 department of local government finance for emergency financial relief
3 for the ensuing calendar year at any time before:

- 4 (1) September 20; or
- 5 (2) in the case of a request described in IC 20-45-6-5, or
6 ~~IC 20-46-6-6~~, December 31;

7 of the calendar year immediately preceding the ensuing calendar year.

8 SECTION 79. IC 20-45-6-2, AS AMENDED BY P.L.224-2007,
9 SECTION 113, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2. (a) This
11 section applies with respect to every appeal petition of a school
12 corporation that:

- 13 (1) is delivered to the tax control board by the department of local
14 government finance under IC 6-1.1-19-4.1; and
- 15 (2) includes a request for emergency financial relief.

16 (b) This section does not apply to an appeal petition described in
17 section 5 or 6 of this chapter.

18 (c) The tax control board shall, after studying the appeal petition
19 and related materials, make an appropriate recommendation to the
20 department of local government finance.

21 (d) If the appeal petition requests a referendum under IC 20-46-1,
22 the tax control board shall expedite the tax control board's review as
23 necessary to permit the referendum to be conducted without a special
24 election.

25 (e) In respect to the appeal petition, the tax control board may make
26 to the department of local government finance any of the
27 recommendations described in IC 20-45-5-3, subject to the limitations
28 described in IC 20-45-5-6.

29 (f) In addition to a recommendation under subsection (c) or (e), if
30 the tax control board concludes that the appellant school corporation
31 cannot, in a calendar year, carry out the public educational duty
32 committed to the appellant school corporation by law if the appellant
33 school corporation does not receive emergency financial relief for the
34 calendar year, the tax control board may recommend to the department
35 of local government finance that:

- 36 (1) the order of the county board of tax adjustment (before
37 January 1, 2009), the county board of tax and capital projects
38 review (after December 31, 2008), or the county auditor in respect
39 of the budget, tax levy, or tax rate of the appellant school
40 corporation be:
 - 41 (A) approved; or
 - 42 (B) disapproved and modified;

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- 1 as specified in the tax control board's recommendation; and
- 2 (2) the appellant school corporation receive emergency financial
- 3 relief from the state:
- 4 (A) on terms to be specified by the tax control board in the tax
- 5 control board's recommendation; and
- 6 (B) in the form permitted under subsection (g).
- 7 (g) The tax control board may recommend emergency financial
- 8 relief for a school corporation under subsection (f) in the form of:
- 9 (1) a grant or grants from any funds of the state that are available
- 10 for that purpose;
- 11 (2) a loan or loans from any funds of the state that are available
- 12 for that purpose;
- 13 (3) permission to the appellant school corporation to borrow funds
- 14 from a source other than the state or assistance in obtaining the
- 15 loan;
- 16 (4) an advance or advances of funds that will become payable to
- 17 the appellant school corporation under any law providing for the
- 18 payment of state funds to school corporations;
- 19 (5) permission to the appellant school corporation to:
- 20 (A) cancel any unpaid obligation of the appellant school
- 21 corporation's general fund to the appellant school corporation's
- 22 capital projects fund; or
- 23 (B) use for general fund purposes:
- 24 (i) any unobligated balance in the appellant school
- 25 corporation's capital projects fund; and
- 26 (ii) the proceeds of any ~~levy~~ **distribution** made or to be
- 27 made by the school corporation for the school corporation's
- 28 capital projects fund;
- 29 (6) permission to use, for general fund purposes, any unobligated
- 30 balance in any debt service or other construction fund, including
- 31 any unobligated proceeds of a sale of the school corporation's
- 32 general obligation bonds; or
- 33 (7) a combination of the emergency financial relief described in
- 34 subdivisions (1) through (6).

35 SECTION 80. IC 20-48-1-2, AS AMENDED BY P.L.1-2007,
 36 SECTION 155, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2. (a) As
 38 used in this section, "retirement or severance liability" means the
 39 payments anticipated to be required to be made to employees of a
 40 school corporation upon or after termination of the employment of the
 41 employees by the school corporation under an existing or previous
 42 employment agreement.

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1 (b) This section applies to each school corporation that:
 2 (1) did not issue bonds under IC 20-5-4-1.7 before its repeal; or
 3 (2) issued bonds under IC 20-5-4-1.7:
 4 (A) before April 14, 2003; or
 5 (B) after April 13, 2003, if an order approving the issuance of
 6 the bonds was issued by the department of local government
 7 finance before April 14, 2003.

8 (c) In addition to the purposes set forth in section 1 of this chapter,
 9 a school corporation described in subsection (b) may issue bonds to
 10 implement solutions to contractual retirement or severance liability.
 11 The issuance of bonds for this purpose is subject to the following
 12 conditions:

13 (1) The school corporation may issue bonds under this section
 14 only one (1) time.

15 (2) A school corporation described in subsection (b)(1) or
 16 (b)(2)(A) must issue the bonds before July 1, 2006. A school
 17 corporation described in subsection (b)(2)(B) must file a petition
 18 with the department of local government finance under
 19 IC 6-1.1-19-8 (**repealed**) requesting approval to incur bond
 20 indebtedness under this section before July 1, 2006.

21 (3) The solution to which the bonds are contributing must be
 22 reasonably expected to reduce the school corporation's unfunded
 23 contractual liability for retirement or severance payments as it
 24 existed on June 30, 2001.

25 (4) The amount of the bonds that may be issued for the purpose
 26 described in this section may not exceed:

27 (A) two percent (2%) of the true tax value of property in the
 28 school corporation, for a school corporation that did not issue
 29 bonds under IC 20-5-4-1.7 (before its repeal); or
 30 (B) the remainder of:
 31 (i) two percent (2%) of the true tax value of property in the
 32 school corporation as of the date that the school corporation
 33 issued bonds under IC 20-5-4-1.7 (before its repeal); minus
 34 (ii) the amount of bonds that the school corporation issued
 35 under IC 20-5-4-1.7 (before its repeal);
 36 for a school corporation that issued bonds under IC 20-5-4-1.7
 37 as described in subsection (b)(2).

38 (5) Each year that a debt service levy is needed under this section,
 39 the school corporation shall reduce the total property tax levy for
 40 the school corporation's transportation ~~school bus replacement;~~
 41 ~~capital projects;~~ and art association and historical society funds,
 42 as appropriate, in an amount equal to the property tax levy needed

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1 for the debt service under this section. The property tax rate for
2 each of these funds shall be reduced each year until the bonds are
3 retired.

4 (6) The school corporation shall establish a separate debt service
5 fund for repayment of the bonds issued under this section.

6 **(7) The tax rate and levy for property taxes imposed in a**
7 **particular year for the repayment of bonds issued under this**
8 **section shall be determined as the tax rate and levy that is**
9 **sufficient to pay the principal and interest of the bonds as the**
10 **bonds become due after deducting any amounts payable from**
11 **the school bus replacement fund and capital projects fund**
12 **under an order issued by the department of local government**
13 **finance.**

14 (d) Bonds issued for the purpose described in this section shall be
15 issued in the same manner as other bonds of the school corporation.

16 (e) Bonds issued under this section are not subject to the petition
17 and remonstrance process under IC 6-1.1-20 or to the limitations
18 contained in IC 36-1-15.

19 SECTION 81. IC 20-49-4-18, AS ADDED BY P.L.2-2006,
20 SECTION 172, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 18. To
22 ensure timely payment of advances according to the terms, the state
23 may in its sole discretion withhold from funds due to school
24 corporations to which advances are made amounts necessary to pay the
25 advances and the interest on the advances in accordance with their
26 respective terms. The terms of the advances shall be established by the
27 state board after consulting with the department and upon the approval
28 of the budget agency in advance of the time the respective advances are
29 made. However, in the case of school corporations with advances
30 outstanding on July 1, 1993, the withholding may be adjusted to
31 conform with this chapter. To the extent available, funds shall first be
32 withheld from the **distribution for the capital projects fund or the**
33 **distribution of state tuition support, as determined by the state board**
34 **after consulting with the department and upon approval of the**
35 **budget agency.** However, if this distribution is not available or is
36 inadequate, funds may be withheld from the distribution of other state
37 funds to the school corporation to which the advance is made.

38 SECTION 82. IC 20-49-4-22, AS ADDED BY P.L.2-2006,
39 SECTION 172, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 22. A
41 school corporation to which an advance is made for an educational
42 technology program may annually **transfer money from the capital**

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1 **projects fund or** levy a property tax in the ~~capital projects fund or the~~
2 debt service fund to replace the amount deducted under this chapter in
3 the current year from the distribution of state tuition support. The
4 amount received from the tax must be transferred from the capital
5 projects fund or the debt service fund, as applicable, to the general
6 fund.

7 SECTION 83. IC 31-9-2-17.7 IS ADDED TO THE INDIANA
8 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
9 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 17.7.**

10 **"Child services" means the following:**

11 (1) **Child welfare services specifically provided for children**
12 **who are:**

13 (A) **adjudicated to be:**

- 14 (i) **children in need of services; or**
- 15 (ii) **delinquent children; or**

16 (B) **recipients of or are eligible for:**

- 17 (i) **informal adjustments;**
- 18 (ii) **service referral agreements; and**
- 19 (iii) **adoption assistance;**

20 **including the costs of using an institution or facility in Indiana**
21 **for providing educational services as described in either**
22 **IC 20-33-2-29 (if applicable) or IC 20-26-11-13 (if applicable),**
23 **all services required to be paid by a county under**
24 **IC 31-40-1-2, and all costs required to be paid by a county**
25 **under IC 20-26-11-12.**

26 (2) **Assistance awarded by a county to a destitute child under**
27 **IC 31-26-2.**

28 (3) **Child welfare services as described in IC 31-26-3.**

29 SECTION 84. IC 31-25-2-7, AS ADDED BY P.L.145-2006,
30 SECTION 271, IS AMENDED TO READ AS FOLLOWS
31 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 7.** The
32 department is responsible for the following:

- 33 (1) Providing child protection services under this article.
- 34 (2) Providing and administering child abuse and neglect
35 prevention services.
- 36 (3) Providing and administering child services. ~~(as defined in~~
37 ~~IC 12-19-7-1).~~
- 38 (4) Providing and administering family services.
- 39 (5) Providing family preservation services under IC 31-26-5.
- 40 (6) Regulating and licensing the following under IC 31-27:
 - 41 (A) Child caring institutions.
 - 42 (B) Foster family homes.

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- 1 (C) Group homes.
- 2 (D) Child placing agencies.
- 3 (7) Administering the state's plan for the administration of Title
- 4 IV-D of the federal Social Security Act (42 U.S.C. 651 et seq.).
- 5 (8) Administering foster care services.
- 6 (9) Administering independent living services (as described in 42
- 7 U.S.C. 677 et seq.).
- 8 (10) Administering adoption services.

9 SECTION 85. IC 31-25-2-17, AS ADDED BY P.L.145-2006,
 10 SECTION 271, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 17. (a) The
 12 department ~~may~~: **shall either:**

- 13 (1) **directly provide the services described in section 7 of this**
- 14 **chapter; or**
- 15 (2) establish a program to procure any of the services described
- 16 in section 7 of this chapter under a procurement agreement
- 17 administered by the department.

18 (b) The department may enter into procurement agreements that
 19 cover the delivery of one (1) or more categories of services to all the
 20 counties in a region determined by the department.

21 (c) **This subsection applies only to services delivered before**
 22 **January 1, 2008.** An agreement may provide for payment from state
 23 funds appropriated for the purpose or direct billing of services to the
 24 county receiving the service.

25 ~~(b)~~ (d) If the department enters into a procurement agreement
 26 covering a county, the county, including the county's juvenile court,
 27 shall procure all services covered by the procurement agreement in
 28 accordance with the regional procurement agreement and the policies
 29 prescribed by the department. With the approval of the department, a
 30 county may use services from an alternate provider.

31 ~~(c)~~ (e) **This subsection applies only to services delivered before**
 32 **January 1, 2008.** The costs incurred under a procurement agreement
 33 shall be shared by the counties covered by the procurement agreement.
 34 The department shall allocate the costs of a regional procurement
 35 agreement among the counties covered by the agreement in proportion
 36 to the use of the services by each county under the schedule prescribed
 37 by the department. A county shall pay the costs incurred under a
 38 procurement agreement **described in this subsection** from the

- 39 ~~(1)~~ family and children's fund or
- 40 ~~(2)~~ **the children's psychiatric residential treatment services fund,**
- 41 as appropriate.

42 ~~(d)~~ (f) **This subsection applies only to services delivered before**

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1 **January 1, 2008.** If the department pays the costs incurred under a
2 procurement contract from state funds appropriated for the purpose, the
3 department shall present a claim for reimbursement to the appropriate
4 county auditor. The county executive shall review and allow the full
5 amount of the claim in the manner provided in IC 36-2-6.

6 **(g) This subsection applies only to services delivered after**
7 **December 31, 2007. The department shall pay the costs incurred**
8 **under a procurement contract from state funds appropriated for**
9 **the purpose.**

10 SECTION 86. IC 31-26-2-10, AS ADDED BY P.L.145-2006,
11 SECTION 272, IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 10. (a)
13 Upon the completion of an investigation under section 9 of this chapter,
14 the county office shall do the following:

- 15 (1) Determine whether the child is eligible for assistance under
- 16 this chapter and the department's rules.
- 17 (2) Determine the amount of the assistance and the date on which
- 18 the assistance is to begin.
- 19 (3) Make an award, including any subsequent modification of the
- 20 award, with which the department shall comply until the award or
- 21 modified award is vacated.
- 22 (4) Notify the applicant and the department of the county office's
- 23 decision in writing.

24 (b) The county office shall provide assistance to the recipient at
25 least monthly upon warrant of the county auditor. The assistance must
26 be

- 27 ~~(1) made from the county family and children's fund; and~~
- 28 ~~(2) based on a verified schedule of the recipients.~~

29 (c) The director of the county office shall prepare and verify **to the**
30 **department** the amount payable to the recipient, in relation to the
31 awards made by the county office. The department shall prescribe the
32 form on which the schedule under subsection (b)(2) must be filed.

33 SECTION 87. IC 31-26-3-2, AS ADDED BY P.L.145-2006,
34 SECTION 272, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2. (a) This
36 section does not apply to a county office's:

- 37 (1) administrative expenses; or
- 38 (2) expenses regarding facilities, supplies, and equipment.

39 (b) Necessary expenses incurred in the administration of the child
40 welfare services under section 1 of this chapter shall be paid ~~out of the~~
41 ~~county welfare fund or the county family and children's fund~~
42 ~~(whichever is appropriate):~~ **by the department.**

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1 SECTION 88. IC 31-27-3-4, AS ADDED BY P.L.145-2006,
2 SECTION 273, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 4. (a) A
4 county may establish a child caring institution. The child caring
5 institution may be operated by:

- 6 (1) the county; or
- 7 (2) a public or private agency under contract with the county;
8 and must be operated under the rules adopted by the director under this
9 article.

10 (b) This section does not affect the following:

- 11 (1) IC 31-31-1-1, ~~or IC 31-40~~; requiring the county fiscal body to
12 appropriate sufficient money to ~~pay for services ordered by~~
13 **operate** the juvenile court.
- 14 (2) IC 31-31-8, authorizing the juvenile court to establish
15 detention and shelter care facilities.
- 16 (3) IC 12-13-5 and IC 12-19-1, requiring the division of family
17 resources, the office, and the ~~county departments~~ **department** to
18 provide care and treatment for delinquent children and children
19 in need of services.

20 SECTION 89. IC 31-27-5-5, AS ADDED BY P.L.145-2006,
21 SECTION 273, IS AMENDED TO READ AS FOLLOWS
22 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 5. (a) A
23 county may establish a child group home. The group home may be
24 operated by:

- 25 (1) the county; or
- 26 (2) a public or private agency under contract with the county;
27 and must be operated under the rules adopted by the director under this
28 article.

29 (b) This section does not affect the following:

- 30 (1) IC 31-31-1-1, ~~or IC 31-40~~; requiring the county fiscal body to
31 appropriate sufficient money to ~~pay for services ordered by~~
32 **operate** the juvenile court.
- 33 (2) IC 31-31-8, authorizing the juvenile court to establish
34 detention and shelter care facilities.
- 35 (3) IC 12-13-5 and IC 12-19-1, requiring the department ~~and the~~
36 ~~county office~~ to provide care and treatment for delinquent
37 children and children in need of services.

38 SECTION 90. IC 31-31-8-3 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
40 Sec. 3. (a) The juvenile court may establish juvenile detention and
41 shelter care facilities for children, except as provided by IC 31-31-9.

42 (b) The court may contract with other agencies to provide juvenile

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1 detention and shelter care facilities.

2 (c) If the juvenile court operates the juvenile detention and shelter
3 care facilities, the judge shall appoint staff and determine the budgets.

4 (d) The county shall pay all expenses. The expenses for the juvenile
5 detention facility shall be paid from the county general fund. ~~Payment~~
6 ~~of the expenses for the juvenile detention facility may not be paid from~~
7 ~~the county family and children's fund established by IC 12-19-7-3.~~

8 SECTION 91. IC 31-31-8-4 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
10 Sec. 4. (a) This section applies to a county having a population of more
11 than one hundred ten thousand (110,000) but less than one hundred
12 fifteen thousand (115,000).

13 (b) Notwithstanding section 3 of this chapter, the juvenile court
14 shall operate a juvenile detention facility or juvenile shelter care
15 facility established in the county. However, the county legislative body
16 shall determine the budget for the juvenile detention facility or juvenile
17 shelter care facility. The expenses for the juvenile detention facility
18 shall be paid from the county general fund. ~~Payment of the expenses for~~
19 ~~the juvenile detention facility may not be paid from the county family~~
20 ~~and children's fund established by IC 12-19-7-3.~~

21 SECTION 92. IC 31-32-16-9 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
23 Sec. 9. A parent, guardian, or custodian is required to pay court costs,
24 court fees, and the costs of assessment and treatment. ~~Neither~~ The
25 court, ~~nor~~ the **department, and the county is are not** liable for any
26 part of the costs of assessment or treatment under this chapter.

27 SECTION 93. IC 31-34-24-8, AS AMENDED BY P.L.145-2006,
28 SECTION 327, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 8. In
30 preparing the plan, the team shall review and consider existing publicly
31 and privately funded programs that are available or that could be made
32 available in the county to provide supportive services to or for the
33 benefit of children described in section 3 of this chapter without
34 removing the child from the family home, including programs funded
35 through the following:

- 36 (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- 37 (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- 38 (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- 39 (4) The Child Abuse Prevention and Treatment Act (42 U.S.C.
- 40 5106 et seq.).
- 41 (5) Community corrections programs under IC 11-12.
- 42 (6) Special education programs under IC 20-35-6-2.

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1 (7) All programs designed to prevent child abuse, neglect, or
2 delinquency, or to enhance child welfare and family preservation
3 administered by, or through funding provided by, the department,
4 county offices, prosecutors, or juvenile courts, including programs
5 funded under ~~IC 12-19-7~~ and IC 31-40.

6 (8) Probation user's fees under IC 31-40-2-1.

7 (9) Child advocacy fund under IC 12-17-17.

8 SECTION 94. IC 31-34-24-13 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
10 Sec. 13. (a) ~~Upon receiving the initial plan and each revised or updated~~
11 ~~plan, the county fiscal body shall consider the plan in developing the~~
12 ~~family and children's fund budget.~~

13 (b) ~~The county fiscal body may appropriate from the family and~~
14 ~~children's fund~~ **department may pay** any amounts necessary to
15 provide funding to implement the plan.

16 SECTION 95. IC 31-37-24-8, AS AMENDED BY P.L.145-2006,
17 SECTION 355, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 8. In
19 preparing the plan, the team shall review and consider existing publicly
20 and privately funded programs that are available or that could be made
21 available in the county to provide supportive services to or for the
22 benefit of children described in section 3 of this chapter without
23 removing the child from the family home, including programs funded
24 through the following:

- 25 (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- 26 (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- 27 (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- 28 (4) The Child Abuse Prevention and Treatment Act (42 U.S.C.
29 5106 et seq.).

30 (5) Community corrections programs under IC 11-12.

31 (6) Special education programs under IC 20-35-6-2.

32 (7) All programs designed to prevent child abuse, neglect, or
33 delinquency, or to enhance child welfare and family preservation
34 administered by, or through funding provided by, the department,
35 county offices, prosecutors, or juvenile courts, including programs
36 funded under ~~IC 12-19-7~~ and IC 31-40.

37 (8) Probation user's fees under IC 31-40-2-1.

38 (9) The child advocacy fund under IC 12-17-17.

39 SECTION 96. IC 31-37-24-13 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
41 Sec. 13. (a) ~~Upon receiving the initial plan and each revised or updated~~
42 ~~plan, the county fiscal body shall consider the plan in developing the~~

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family and children's fund budget.
(b) The county fiscal body **department** may appropriate from the family and children's fund pay any amounts necessary to provide funding to implement the plan.

SECTION 97. IC 31-40-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
Sec. 1. This article applies to a financial burden sustained by a county or the state as the result of costs paid by the county under section 2 of this chapter, including costs resulting from the institutional placement of a child adjudicated a delinquent child or a child in need of services.

SECTION 98. IC 31-40-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
Sec. 2. (a) The county shall pay from the county family and children's fund the cost of: **incurred before January 1, 2008, for:**

- (1) any services ordered by the juvenile court for any child or the child's parent, guardian, or custodian, other than secure detention; and
- (2) returning a child under IC 31-37-23.

(b) The county fiscal body shall provide sufficient money to meet the court's requirements **under this subsection.**

(b) The state shall pay the cost incurred after December 31, 2007, for:

- (1) any services ordered by a juvenile court for any child or the child's parent, guardian, or custodian, other than secure detention; and**
- (2) returning a child under IC 31-37-23.**

SECTION 99. IC 31-40-1-8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 8. A juvenile court may order a parent or guardian of the estate of a child to reimburse the state for costs described in section 2(b) of this chapter.**

SECTION 100. IC 31-40-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
Sec. 1. If the parent or guardian of the estate:
(1) defaults in reimbursing the county **or state;** or
(2) fails to pay a fee authorized by this article;
the juvenile court may find the parent or guardian in contempt and enter judgment for the amount due.

SECTION 101. IC 33-38-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:
Sec. 8. (a) The Indiana judicial center shall maintain a roster of in-state facilities that have the expertise to provide child services (as defined

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1 in ~~IC 12-19-7-1~~ **IC 31-9-2-17.7**) in a residential setting to:

2 (1) children in need of services (as described in IC 31-34-1); or

3 (2) delinquent children (as described in IC 31-37-1 and

4 IC 31-37-2).

5 (b) The roster under subsection (a) must include the information

6 necessary to allow a court having juvenile jurisdiction to select an

7 in-state placement of a child instead of placing the child in an

8 out-of-state facility under IC 31-34 or IC 31-37. The roster must

9 include at least the following information:

10 (1) Name, address, and telephone number of each facility.

11 (2) Owner and contact person for each facility.

12 (3) Description of the child services that each facility provides

13 and any limitations that the facility imposes on acceptance of a

14 child placed by a juvenile court.

15 (4) Number of children that each facility can serve on a

16 residential basis.

17 (5) Number of residential openings at each facility.

18 (c) The Indiana judicial center shall revise the information in the

19 roster at least monthly.

20 (d) The Indiana judicial center shall make the information in the

21 roster readily available to courts with juvenile jurisdiction.

22 SECTION 102. THE FOLLOWING ARE REPEALED

23 [EFFECTIVE JULY 1, 2007 (RETROACTIVE)]: IC 6-1.1-29-9;

24 IC 6-3.5-1.1-24; IC 6-3.5-1.5; IC 6-3.5-2; IC 6-3.5-6-30; IC 6-3.5-8.

25 SECTION 103. THE FOLLOWING ARE REPEALED

26 [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: IC 6-1.1-18-13;

27 IC 6-1.1-18.5-9.9; IC 11-10-2-3; IC 12-13-5-5; IC 12-13-7-17;

28 IC 12-13-8; IC 12-13-9; IC 12-19-5; IC 12-19-7; IC 12-19-7.5;

29 IC 16-35-3; IC 16-35-4; IC 16-35-5; IC 20-40-7-3; IC 20-40-8-4;

30 IC 20-46-3; IC 20-46-5; IC 20-46-6.

31 SECTION 104. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)] (a)

32 **An ordinance is void to the extent that it adopts a tax under**

33 **IC 6-3.5-1.1-24 or IC 6-3.5-6-30 or substitutes a certified**

34 **distribution payable for property tax levies. The 2008 certified**

35 **distribution to a county that imposed a tax under IC 6-3.5-1.1-24**

36 **or IC 6-3.5-6-30 shall be reduced by the amount of the certified**

37 **distribution attributable to the tax imposed under IC 6-3.5-1.1-24**

38 **or IC 6-3.5-6-30. Taxes paid to the department of state revenue,**

39 **estimated taxes deposited with the department of state revenue,**

40 **and wages withheld from an employee based on a tax imposed**

41 **under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 shall be treated after March**

42 **31, 2008, as taxes paid, estimated taxes deposited, or wages**

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1 withheld for the taxpayer's state adjusted gross income tax liability
2 under IC 6-3.

3 (b) Notwithstanding IC 6-3.5-1.1-25 and IC 6-3.5-6-31, a county
4 council may adopt an additional county adjusted gross income tax
5 rate under IC 6-3.5-1.1-25 without imposing an additional tax rate
6 under IC 6-3.5-1.1-24 (repealed) and a county option income tax
7 council, or the Lake county council may adopt an additional county
8 option income tax rate under IC 6-3.5-6-31 without imposing an
9 additional tax rate under IC 6-3.5-6-30 (repealed).

10 (c) A taxpayer that is subject in a taxable year to different local
11 adjusted gross income tax rates as a result of the repeal of
12 IC 6-3.5-1.1-24 or IC 6-3.5-6-30 by this act shall pay taxes at each
13 rate equal to the product of:

14 (1) the amount of adjusted gross income taxes that the
15 taxpayer would owe if the particular tax rate had been
16 imposed during the taxpayer's entire taxable year; multiplied
17 by

18 (2) a fraction:
19 (A) the numerator of the fraction equals the number of
20 days during the taxpayer's taxable year during which the
21 tax rate was in effect; and

22 (B) the denominator of the fraction equals the total
23 number of days in the taxpayer's taxable year.

24 The department of state revenue shall provide instructions to
25 employers and taxpayers to implement this subsection.

26 (d) The department of state revenue shall waive interest and
27 penalties, as the department of state revenue determines
28 appropriate, for an underpayment before May 1, 2008, of
29 estimated taxes or wage withholding that is due solely to the effect
30 of the amendment of IC 6-3-2-1 by this act.

31 (e) For purposes of:
32 (1) IC 6-2.5-2-2, as amended by this act;
33 (2) IC 6-2.5-6-7, as amended by this act;
34 (3) IC 6-2.5-6-8, as amended by this act;
35 (4) IC 6-2.5-6-10, as amended by this act;
36 (5) IC 6-2.5-7-3, as amended by this act; and
37 (6) IC 6-2.5-7-5, as amended by this act;

38 all transactions, except the furnishing of public utility, telephone,
39 or cable television services and commodities by retail merchants
40 described in IC 6-2.5-4-5, IC 6-2.5-4-6, and IC 6-2.5-4-11, shall be
41 considered as having occurred after March 31, 2008, to the extent
42 that delivery of the property or services constituting selling at

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1 retail is made after that date to the purchaser or to the place of
2 delivery designated by the purchaser. However, a transaction shall
3 be considered as having occurred before April 1, 2008, to the extent
4 that the agreement of the parties to the transaction was entered
5 into before April 1, 2008, and payment for the property or services
6 furnished in the transaction is made before April 1, 2008,
7 notwithstanding the delivery of the property or services after
8 March 31, 2008.

9 (f) With respect to a transaction constituting the furnishing of
10 public utility, telephone, or cable television services and
11 commodities, only transactions for which the charges are collected
12 upon original statements and billings dated after October 31, 2008,
13 shall be considered as having occurred after March 31, 2008.

14 (g) This SECTION applies notwithstanding any other law.
15 SECTION 105. [EFFECTIVE JANUARY 1, 2008
16 (RETROACTIVE)] (a) A county may not impose a property tax levy
17 for any of the following funds after December 31, 2007:

- 18 (1) County medical assistance to wards fund established under
- 19 IC 12-13-8-2 (repealed).
- 20 (2) Family and children's fund established by IC 12-19-7-3
- 21 (repealed).
- 22 (3) Children's psychiatric residential treatment services fund
- 23 established by IC 12-19-7.5-5 (repealed).
- 24 (4) Children with special health care needs county fund
- 25 established by IC 16-35-3-1 (repealed).
- 26 (5) County general fund to the extent that the levy is for the
- 27 reimbursement of the department of correction under
- 28 IC 11-10-2-3 or a related provision for the costs of keeping
- 29 delinquent offenders.

- 30 (b) The obligation to pay the costs of:
- 31 (1) medical assistance to wards (as described in IC 12-13-9-2
- 32 (repealed));
- 33 (2) child services (as defined in IC 31-9-2-17.7, as added by
- 34 this act);
- 35 (3) children's psychiatric residential treatment services (as
- 36 defined in IC 12-19-7.5-1 (repealed));
- 37 (4) assistance to children with special health care needs for
- 38 services (as described in IC 16-35-2); and
- 39 (5) keeping delinquent offenders (as defined in IC 11-8-1-9);
- 40 (to the extent that the costs are for services delivered after
- 41 December 31, 2007) is transferred from the counties to the state.
- 42 The obligation transferred include the costs of using after

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1 December 31, 2007, an institution or facility in Indiana for
2 providing educational services that, before January 1, 2010, were
3 chargeable to a county family and children's fund, a county office,
4 or a county under IC 20-26-11-12, IC 20-26-11-13, and
5 IC 20-33-2-29.

6 (c) Notwithstanding the repeal of IC 12-19-7 and IC 12-19-7.5
7 by this act, a county's obligation to pay for child services (as
8 defined in IC 12-19-7-1) or children's psychiatric residential
9 treatment services (as defined in IC 12-19-7.5-1) provided before
10 January 1, 2008, is not terminated. A county's obligation to levy
11 property taxes to pay principal, interest, and other costs of a loan
12 that were entered into or could have been entered into or bonds
13 that were issued or could have been issued under IC 12-19-5,
14 IC 12-19-7, or IC 12-19-7.5 (before their repeal) to meet these
15 obligations is transferred to the county's debt service fund.

16 (d) Notwithstanding the repeal of IC 12-13-8 and IC 16-35-3, a
17 county shall transfer all amounts levied under IC 12-13-8 and
18 IC 16-35-3 for an assessment date before January 15, 2008, to the
19 state in conformity with IC 12-13-8 and IC 16-35-3, as effective
20 December 31, 2007.

21 (e) A juvenile court shall order a parent or guardian to pay costs
22 transferred to the state to the same extent that the juvenile court
23 would order the parent or guardian under IC 31-40-1 to pay
24 similar costs when the costs were the obligation of a county. The
25 power to enter a judgment and order a person in contempt under
26 IC 31-40-4 applies to an order described in this subsection.

27 (f) The following definitions apply throughout this subsection:

28 (1) "Account" means an obligation of a county under
29 IC 11-10-2-3 (before its repeal by this act) or another law to
30 reimburse the state, including the department of correction,
31 for the cost of keeping a delinquent offender before January
32 1, 2009.

33 (2) "Delinquent account" means an account that has not been
34 paid to the state before six (6) months after the account is
35 forwarded under this SECTION or IC 4-24-7-4 (before its
36 amendment by this act).

37 All accounts accruing before January 1, 2009, and not previously
38 forwarded to a county auditor, and any reconciliations for any
39 period before January 1, 2009, shall be forwarded to the county
40 auditor before March 16, 2009. Upon receipt of an account, the
41 county auditor shall draw a warrant on the treasurer of the county
42 for the payment of the account, which shall be paid from the funds

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1 of the county that were appropriated for the payment. The county
 2 council of each county shall annually appropriate sufficient funds
 3 to pay these accounts. If a county has a delinquent account, the
 4 auditor of state shall, notwithstanding anything to the contrary in
 5 IC 6-1.1-21, reduce the next distribution of property tax
 6 replacement credits under IC 6-1.1-21 to the county and withhold
 7 the amount owed on the account. The auditor of state shall credit
 8 the withheld amount to the state general fund for the purpose of
 9 curing the default. The account is then considered paid. A county
 10 that has the county's distribution reduced under this subsection
 11 shall apply the withheld amount only to the county unit's share of
 12 the distribution and may not reduce a distribution to any other
 13 civil taxing unit or school corporation within the county. The
 14 department of correction may reduce the amount of financial aid
 15 otherwise due to a county under IC 11-12-2 and offset the
 16 reduction against any part of the amount of a delinquent account
 17 due from the county.

- 18 (g) A county and any combination of:
 19 (1) the division of family resources;
 20 (2) the department of child services;
 21 (3) the department of correction; and
 22 (4) the state department of health;

23 may enter into agreements to resolve any issues arising under this
 24 act concerning payments to vendors, payments to the county,
 25 payments to the state, collection of amounts due to a county or the
 26 state from a parent, guardian, or custodian, and other matters
 27 affected by this act. Notwithstanding this act, the agreement, if
 28 approved by the governor and the county fiscal body, governs the
 29 responsibilities of the state and the county.

30 (h) An allocation of tax incentive revenues that are lost to a
 31 special fund as a result of property taxes terminated by this act
 32 may be replaced in the same manner as tax increment revenues are
 33 replaced under IC 6-1.1-21.2. However, the lost revenue may be
 34 replaced only to the extent that the district has insufficient revenue
 35 to pay bonds, notes, other evidences of indebtedness, or leases
 36 issued or entered into before April 1, 2008. After March 31, 2008,
 37 property taxes or allocations from property taxes terminated by
 38 this act may not be pledged to the payment of bonds, notes, other
 39 evidences of indebtedness, or leases for any year after December
 40 31, 2007.

41 (i) This SECTION applies notwithstanding any other law.
 42 SECTION 106. [EFFECTIVE UPON PASSAGE] (a) The

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1 department of local government finance shall adjust a civil taxing
2 unit's:

- 3 (1) maximum permissible levy under IC 6-1.1-18.5-3;
- 4 (2) property tax levies;
- 5 (3) property tax rates;
- 6 (4) property tax replacement credit percentages;
- 7 (5) homestead credit percentages; and
- 8 (6) other related calculations;

9 for years beginning after December 31, 2007, as necessary, to
10 reflect the termination of property tax, county adjusted gross
11 income tax, and county option income tax levies and rates by this
12 act and the enactment of additional credits by this act. In a county
13 that adopted a tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30, the
14 department of local government finance shall adjust the certified
15 property tax levies and property tax rates to raise the amount of
16 the 2008 certified distribution to the county attributable to the tax
17 rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30.

18 (b) The property tax replacement fund board shall adjust
19 distributions under IC 6-1.1-21, as necessary, to reflect the
20 adjustments under subsection (a).

21 (c) A county auditor:

- 22 (1) may apply an adjustment under subsection (a) equally to
- 23 all installments of property taxes first due from the taxpayer;
- 24 or
- 25 (2) if application of the adjustments to the first installment
- 26 would delay the delivery of tax statements more than thirty
- 27 (30) days after the date that the tax statements would
- 28 otherwise be mailed or transmitted, may:
 - 29 (A) issue revised tax statements and apply the entire
 - 30 adjustment to the property tax due in a later installment;
 - 31 or
 - 32 (B) apply the adjustment when the person pays the
 - 33 person's property tax liability without mailing or
 - 34 transmitting a revised tax statement.

35 IC 6-1.1-22.5-6 does not apply if a county auditor elects to proceed
36 under subdivision (2). However, a county may use the provisional
37 property tax statement procedures in IC 6-1.1-22.5 to implement
38 the adjustments. If, after the application of an adjustment, a
39 taxpayer has overpaid the amount of the taxpayer's property tax
40 liability on property and the taxpayer has not filed a claim for a
41 refund under IC 6-1.1-26, the county auditor shall, without
42 requiring the taxpayer to file a claim, without compliance with

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1 IC 6-1.1-26, or without an appropriation, apply the overpayment
2 as a credit to the tax liability that would otherwise be due on the
3 property for the March 1, 2008, or January 15, 2009, assessment
4 date.

5 (d) Notwithstanding the termination of property tax levies by
6 this act:

7 (1) financial institution excise tax revenue (IC 6-5.5), motor
8 vehicle excise taxes (IC 6-6-5), commercial vehicle excise taxes
9 (IC 6-6-5.5), boat excise tax (IC 6-6-11), and aircraft excise
10 tax (IC 6-6-6.5) shall be allocated in 2008 and 2009 to a school
11 corporation and a county; and

12 (2) certified shares under IC 6-3.5-1.1, and certified
13 distributions under IC 6-3.5-6 (other than the part of the
14 certified distribution distributed for homestead credits) in
15 2008 and 2009 shall be allocated to a county;

16 as if the levies terminated by this act had not be terminated.
17 Revenue allocated under this SECTION may be used for the same
18 purposes for which the revenue could have been used if levies had
19 not been terminated by this chapter. If the money would have been
20 used for an obligation that is assumed by the state under this act,
21 as determined by the department of local government finance, the
22 money shall be transferred to the levy excess fund for the county
23 and used as a levy excess under IC 6-1.1-18.5-17 may be used.

24 (e) IC 6-1.1-21.1, as added by this act, applies to property taxes
25 imposed for an assessment date after January 15, 2008.
26 IC 6-1.1-46, as added by this act, applies to property taxes imposed
27 for an assessment date after January 15, 2007.

28 (f) The department of local government finance may prescribe
29 procedures to implement this act. County auditors and county
30 treasurers shall comply with the procedures prescribed under this
31 SECTION.

32 (g) This SECTION applies notwithstanding any other law.

33 SECTION 107. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)] (a)
34 In addition to the amount appropriated to the division of family
35 resources in P.L.234-2007, there is appropriated to the division of
36 family resources a sufficient amount from the state general fund to
37 replace the revenue lost to the division of family resources, after
38 December 31, 2007, and before July 1, 2009, for medical assistance
39 to wards, as determined by the budget agency, from the repeal of
40 IC 12-13-8 by this act, beginning July 1, 2007, and ending June 30,
41 2009. The amount appropriated by this subsection shall be used for
42 the medical assistance to wards program in the same manner as

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proceeds from the levy would have been used.

(b) In addition to the amount appropriated to the department of child services in P.L.234-2007, there is appropriated to the department of child services a sufficient amount from the state general fund to replace the revenue lost to counties, after December 31, 2007, and before July 1, 2009, for child services from the repeal of IC 12-19-7 by this act, beginning July 1, 2007, and ending June 30, 2009. The amount appropriated by this subsection shall be used to reimburse costs incurred after December 31, 2007, that would have been paid from a county family and children's fund if IC 12-19-7 had not been repealed. Costs shall be paid in the manner determined by the department of child services. If a county paid a cost that the department of child services is required to reimburse, the department of child services shall reimburse the county. The county shall deposit the money in its levy excess fund and use the money in the same manner as levy excess must be used under IC 6-1.1-18.5-17.

(c) In addition to the amount appropriated to the division of family resources in P.L.234-2007, there is appropriated to the division of family resources a sufficient amount from the state general fund to replace the revenue lost to counties, after December 31, 2007, and before July 1, 2009, for children's psychiatric residential treatment services, as determined by the budget agency, from the repeal of IC 12-19-7.5 by this act, beginning July 1, 2007, and ending June 30, 2009. The amount appropriated by this subsection shall be used to reimburse costs incurred after December 31, 2007, that would have been paid from a county children's psychiatric residential treatment services fund if IC 12-19-7.5 had not been repealed. Costs shall be reimbursed in the manner determined by the division of family resources. If a county paid a cost that the division of family resources is required to reimburse, the division of family resources shall reimburse the county. The county shall deposit the money in its levy excess fund and use the money in the same manner as levy excess must be used under IC 6-1.1-18.5-17.

(d) In addition to the amount appropriated to the state department of health in P.L.234-2007, there is appropriated to the state department of health a sufficient amount from the state general fund to replace the revenue lost to the state department of health, after December 31, 2007, and before July 1, 2009, for assistance to children with special health care needs, as determined by the budget agency, from the repeal of IC 16-35-3 by this act,

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1 beginning July 1, 2007, and ending June 30, 2009. The amount
2 appropriated by this subsection shall be used for the children with
3 special health care needs program in the same manner as proceeds
4 from the levy would have been used.

5 (e) In addition to the amount appropriated to the department of
6 correction in P.L.234-2007, there is appropriated to the
7 department of correction a sufficient amount from the state
8 general fund to replace the revenue lost to the department of
9 correction, after December 31, 2007, and before July 1, 2009, for
10 keeping delinquent offenders, as determined by the budget agency,
11 from the repeal of IC 11-10-2-3 and related provisions by this act,
12 beginning July 1, 2007, and ending June 30, 2009. The amount
13 appropriated by this subsection shall be used for keeping
14 delinquent offenders in the same manner as proceeds from counties
15 would have been used.

16 (f) In addition to any other amount appropriated to the
17 department of education in P.L.234-2007, there is appropriated to
18 the department of education a sufficient amount from the state
19 general fund to replace the revenue lost to:

- 20 (1) the racial balance fund of each school corporation, after
21 December 31, 2007, and before July 1, 2009, for costs payable
22 from the racial balance fund, as determined by the budget
23 agency, from the repeal of IC 20-46-3 by this act;
- 24 (2) the transportation fund of each school corporation, after
25 December 31, 2007, and before July 1, 2009, for costs
26 attributable to transportation, as determined by the budget
27 agency, from the repeal of IC 20-46-5 by this act; and
- 28 (3) the capital projects fund of each school corporation, after
29 December 31, 2007, and before July 1, 2009, for costs payable
30 from the capital projects fund, as determined by the budget
31 agency, from the repeal of IC 20-46-6 by this act;

32 beginning July 1, 2007, and ending June 30, 2009. To the same
33 extent possible, the additional amount appropriated under this
34 subsection shall be distributed to school corporations on the
35 schedule determined by the department of education after
36 consultation with the budget agency. A school corporation shall
37 include a transfer of the amount needed after December 31, 2008,
38 for a racial balance fund in its plan for the school corporation's
39 capital projects fund. The amount transferred is not subject to the
40 limit in IC 20-43-2-2 on the maximum state distribution.
41 Distributions in 2008 shall be based on the plans adopted by the
42 school corporation and the levies, tax rates, and budgets certified

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1 by the department of local government finance, if any, for the
2 funds. Distributions after 2008 shall be based on the plans
3 approved under IC 20-43-11 and IC 20-43-12, both as added by
4 this act. Notwithstanding IC 20-43-11 and IC 20-43-12, both as
5 added by this act, the plans applicable to 2009 may be adopted
6 after June 30, 2008, if approved by the department of education.

7 (g) In addition to any other appropriation to the property tax
8 replacement fund board, there is appropriated to the property tax
9 replacement fund board a sufficient amount from the property tax
10 reduction trust fund to make distributions to taxing units to
11 replace the revenue lost from the residential property credit
12 granted by IC 6-1.1-46, as added by this act, beginning July 1,
13 2007, and ending June 30, 2009. A distribution described in this
14 subsection is not subject to any law limiting the maximum amount
15 that may be distributed under IC 6-1.1-21 and P.L.234-2007. The
16 amount distributed under this subsection is not included in the
17 amount used to determine the minimum amount that must be
18 distributed or the maximum amount that may be distributed by the
19 property tax replacement fund board under IC 6-1.1-21 and
20 P.L.234-2007.

21 SECTION 108. [EFFECTIVE JULY 1, 2008] The legislative
22 council shall provide for the preparation of legislation for
23 introduction in the 2009 session of the general assembly to amend
24 Indiana law, as necessary, to implement this act.

25 SECTION 109. An emergency is declared for this act.

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