



January 29, 2010

HOUSE BILL No. 1086

DIGEST OF HB 1086 (Updated January 25, 2010 10:01 pm - DI 51)

Citations Affected: IC 6-1.1; IC 6-3.5; IC 6-9; IC 12-20; IC 14-33; IC 20-46; IC 20-49; IC 36-2; IC 36-9; noncode.

Synopsis: Property and local income taxes. Specifies that the use of a cash balance to reduce a property tax rate does not reduce a civil taxing unit's maximum permissible levy. Permits an individual to receive both a senior citizen property tax deduction and a supplemental standard deduction. Requires payment of certain delinquent property taxes before removing property from the tax sale list or allowing a person to record a plat of a subdivision or a transfer of real property. Changes the deadline for filing a rehabilitation property tax deduction application. Extends the time in which an ordinance imposing, increasing, or decreasing a local income tax may be adopted. Permits fire protection territories to delay part of an increase in property taxes for up to three years. Requires surplus local option income tax revenue to be used as property tax replacement credits. Defines the term "mobile home community" for the purposes of the property tax laws. Corrects references to the definition of homestead, removes references to obsolete administrative rules related to inventory, and makes other technical changes property tax laws. Describes various solar heating and cooling systems that are eligible for the deduction. Changes the method by which solar heating and cooling systems are valued for purposes of a property tax deduction. Indicates that a mobile home owner does not need to annually file for a solar heating and cooling system exemption. Provides for a study of the allocation and distribution of local income taxes and for the preparation of corrective legislation to amend all laws affected by the change in the last date that local taxes can be imposed, increased, or decreased in a county.

Effective: Upon passage; March 1, 2008 (retroactive); January 1, 2009 (retroactive); January 1, 2010 (retroactive); March 1, 2010 (retroactive); July 1, 2010.

Welch, Turner, Crawford, Espich

January 5, 2010, read first time and referred to Committee on Rules and Legislative Procedures.
January 28, 2010, amended, reported — Do Pass.

HB 1086—LS 6787/DI 51+



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January 29, 2010

Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

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HOUSE BILL No. 1086

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

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

- 1 SECTION 1. IC 6-1.1-1-8.8 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 8.8. "Mobile home
4 community" has the meaning set forth in IC 16-41-27-5.**
5 SECTION 2. IC 6-1.1-3-22 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:
7 Sec. 22. (a) Except to the extent that it conflicts with a statute and
8 subject to subsection (f), 50 IAC 4.2 (as in effect January 1, 2001),
9 which was formerly incorporated by reference into this section, is
10 reinstated as a rule.
11 (b) Tangible personal property within the scope of 50 IAC 4.2 (as
12 in effect January 1, 2001) shall be assessed on the assessment dates in
13 calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as
14 in effect January 1, 2001).
15 (c) The publisher of the Indiana Administrative Code shall publish
16 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative
17 Code.

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1 (d) 50 IAC 4.3 and any other rule to the extent that it conflicts with
2 this section is void.

3 (e) A reference in 50 IAC 4.2 to a governmental entity that has been
4 terminated or a statute that has been repealed or amended shall be
5 treated as a reference to its successor.

6 (f) The department of local government finance may not amend or
7 repeal the following (all as in effect January 1, 2001):

8 (1) 50 IAC 4.2-4-3(f).

9 (2) 50 IAC 4.2-4-7.

10 (3) 50 IAC 4.2-4-9.

11 ~~(4) 50 IAC 4.2-5-7.~~

12 ~~(5) 50 IAC 4.2-5-13.~~

13 ~~(6) (4) 50 IAC 4.2-6-1.~~

14 ~~(7) (5) 50 IAC 4.2-6-2.~~

15 ~~(8) (6) 50 IAC 4.2-8-9.~~

16 SECTION 3. IC 6-1.1-5-3 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. Except as
18 provided in section 9 of this chapter, if any land is platted, the plat must
19 be presented to the county auditor before it is recorded. **Subject to**
20 **section 5.5 and 9 of this chapter**, the county auditor shall enter the
21 lots or parcels described in the plat on the tax lists in lieu of the land
22 included in the plat.

23 SECTION 4. IC 6-1.1-5-4 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Except as
25 provided in section 9 of this chapter, the county auditor shall keep a
26 transfer book, arranged by townships, cities, and towns. **Subject to**
27 **section 5.5 and 9 of this chapter**, in the transfer book ~~the~~ **the auditor**
28 shall enter a description, for the purpose of taxation, of land that is
29 conveyed by deed or partition, the date of the conveyance, the names
30 of the parties, and the post office address of the grantee.

31 (b) **Subject to section 5.5 and 9 of this chapter**, in addition, the
32 auditor shall endorse on the deed or instrument of conveyance the
33 words "duly entered for taxation subject to final acceptance for
34 transfer", "not taxable", "has already been listed for taxation", or "duly
35 entered for taxation". The deed or instrument must include on its face
36 the post office address of the grantee.

37 SECTION 5. IC 6-1.1-5-5 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. If a division,
39 partition, or change of ownership of any real property is made by
40 conveyance, sale, devise, or descent, the county auditor, ~~except as~~
41 ~~provided in~~ **subject to** sections 5.5 and 9 of this chapter and
42 IC 6-1.1-2-4, shall transfer the real property on the last assessment list.

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1 In addition, the auditor, ~~except as provided in subject to~~ sections 5.5
2 and 9 of this chapter, shall apportion the assessed value of the real
3 property ~~and all delinquent taxes on the real property~~ among the several
4 owners.

5 SECTION 6. IC 6-1.1-5-5.5 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) Before an
7 owner records:

8 (1) a transfer of an ownership interest in a parcel of real property
9 that is created after the person became owner of the real property
10 and is created either from a larger previously existing parcel or a
11 combination of previously existing smaller parcels; or

12 (2) **a division, partition, or change of ownership of any real**
13 **property is made by conveyance, sale, devise, descent, or other**
14 **transfer;**

15 the owner must submit, except as provided in section 9 of this chapter,
16 the instrument transferring **or platting** the real property to the county
17 auditor to be entered for taxation.

18 (b) The county auditor, except as provided in section 9 of this
19 chapter, shall endorse on the instrument "duly entered for taxation
20 subject to final acceptance for transfer" or another endorsement
21 authorized under section 4 of this chapter.

22 (c) A lien for and the duty to pay property taxes that are due and
23 owing is not released or otherwise extinguished if a county auditor
24 endorses an instrument of transfer under this section. Property taxes
25 that are due and owing on the affected parcel of property may be
26 collected as if the county auditor had not endorsed the instrument of
27 transfer.

28 (d) Except as provided in section 9 of this chapter, before the county
29 auditor may **enter or** transfer real property ~~described in subsection (a)~~
30 on the last assessment list, **consolidate parcels, subdivide parcels,** or
31 apportion the assessed value of the real property among the owners
32 **under this section, section 3 or 16 of this chapter, or any other law,**
33 the owner must pay or otherwise satisfy all property taxes for which the
34 due date has passed as of the date of transfer on each of the parcels of
35 real property from which the **entered, consolidated, subdivided, or**
36 transferred property is derived by paying the property tax to the county
37 treasurer of the county in which the real property is located. The county
38 auditor, ~~except as provided in subject to~~ section 9 of this chapter, may
39 not apportion delinquent taxes described in this subsection among the
40 owners.

41 SECTION 7. IC 6-1.1-5-16 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) **An action**

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1 **under this section is subject to section 5.5 of this chapter.**

2 (b) If an owner of existing contiguous parcels makes a written
3 request that includes a legal description of the existing contiguous
4 parcels sufficient for the assessing official to identify each parcel and
5 the area of all contiguous parcels, the assessing official shall
6 consolidate more than one (1) existing contiguous parcel into a single
7 parcel to the extent that the existing contiguous parcels are in a single
8 taxing district and the same section. For existing contiguous parcels in
9 more than one (1) taxing district or one (1) section, the assessing
10 official shall, upon written request by the owner, consolidate the
11 existing contiguous parcels in each taxing district and each section into
12 a single parcel. An assessing official shall consolidate more than one
13 (1) existing contiguous parcel into a single parcel if the assessing
14 official has knowledge that an improvement to the real property is
15 located on or otherwise significantly affects the parcels.

16 SECTION 8. IC 6-1.1-12-9, AS AMENDED BY P.L.144-2008,
17 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 MARCH 1, 2008 (RETROACTIVE)]: Sec. 9. (a) An individual may
19 obtain a deduction from the assessed value of the individual's real
20 property, or mobile home or manufactured home which is not assessed
21 as real property, if:

22 (1) the individual is at least sixty-five (65) years of age on or
23 before December 31 of the calendar year preceding the year in
24 which the deduction is claimed;

25 (2) the combined adjusted gross income (as defined in Section 62
26 of the Internal Revenue Code) of:

27 (A) the individual and the individual's spouse; or

28 (B) the individual and all other individuals with whom:

29 (i) the individual shares ownership; or

30 (ii) the individual is purchasing the property under a
31 contract;

32 as joint tenants or tenants in common;

33 for the calendar year preceding the year in which the deduction is
34 claimed did not exceed twenty-five thousand dollars (\$25,000);

35 (3) the individual has owned the real property, mobile home, or
36 manufactured home for at least one (1) year before claiming the
37 deduction; or the individual has been buying the real property,
38 mobile home, or manufactured home under a contract that
39 provides that the individual is to pay the property taxes on the real
40 property, mobile home, or manufactured home for at least one (1)
41 year before claiming the deduction, and the contract or a
42 memorandum of the contract is recorded in the county recorder's

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1 office;

2 (4) the individual and any individuals covered by subdivision

3 (2)(B) reside on the real property, mobile home, or manufactured

4 home;

5 (5) the assessed value of the real property, mobile home, or

6 manufactured home does not exceed one hundred eighty-two

7 thousand four hundred thirty dollars (\$182,430);

8 (6) the individual receives no other property tax deduction for the

9 year in which the deduction is claimed, except the deductions

10 provided by sections 1, 37, **37.5**, and 38 of this chapter; and

11 (7) the person:

12 ~~(1)~~ **(A)** owns the real property, mobile home, or manufactured

13 home; or

14 ~~(2)~~ **(B)** is buying the real property, mobile home, or

15 manufactured home under contract;

16 on the date the statement required by section 10.1 of this chapter

17 is filed.

18 (b) Except as provided in subsection (h), in the case of real property,

19 an individual's deduction under this section equals the lesser of:

20 (1) one-half (1/2) of the assessed value of the real property; or

21 (2) twelve thousand four hundred eighty dollars (\$12,480).

22 (c) Except as provided in subsection (h) and section 40.5 of this

23 chapter, in the case of a mobile home that is not assessed as real

24 property or a manufactured home which is not assessed as real

25 property, an individual's deduction under this section equals the lesser

26 of:

27 (1) one-half (1/2) of the assessed value of the mobile home or

28 manufactured home; or

29 (2) twelve thousand four hundred eighty dollars (\$12,480).

30 (d) An individual may not be denied the deduction provided under

31 this section because the individual is absent from the real property,

32 mobile home, or manufactured home while in a nursing home or

33 hospital.

34 (e) For purposes of this section, if real property, a mobile home, or

35 a manufactured home is owned by:

36 (1) tenants by the entirety;

37 (2) joint tenants; or

38 (3) tenants in common;

39 only one (1) deduction may be allowed. However, the age requirement

40 is satisfied if any one (1) of the tenants is at least sixty-five (65) years

41 of age.

42 (f) A surviving spouse is entitled to the deduction provided by this

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1 section if:

2 (1) the surviving spouse is at least sixty (60) years of age on or

3 before December 31 of the calendar year preceding the year in

4 which the deduction is claimed;

5 (2) the surviving spouse's deceased husband or wife was at least

6 sixty-five (65) years of age at the time of a death;

7 (3) the surviving spouse has not remarried; and

8 (4) the surviving spouse satisfies the requirements prescribed in

9 subsection (a)(2) through (a)(7).

10 (g) An individual who has sold real property to another person

11 under a contract that provides that the contract buyer is to pay the

12 property taxes on the real property may not claim the deduction

13 provided under this section against that real property.

14 (h) In the case of tenants covered by subsection (a)(2)(B), if all of

15 the tenants are not at least sixty-five (65) years of age, the deduction

16 allowed under this section shall be reduced by an amount equal to the

17 deduction multiplied by a fraction. The numerator of the fraction is the

18 number of tenants who are not at least sixty-five (65) years of age, and

19 the denominator is the total number of tenants.

20 SECTION 9. IC 6-1.1-12-24, AS AMENDED BY P.L.1-2009,

21 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

22 UPON PASSAGE]: Sec. 24. (a) A property owner who desires to

23 obtain the deduction provided by section 22 of this chapter must file a

24 certified deduction application, on forms prescribed by the department

25 of local government finance, with the auditor of the county in which the

26 property is located. The application may be filed in person or by mail.

27 If mailed, the mailing must be postmarked on or before the last day for

28 filing. Except as provided in subsection (b) and subject to section 45 of

29 this chapter, the application must be filed in the year in which the

30 addition to assessed valuation is made.

31 (b) If notice of the addition to assessed valuation for any year is not

32 given to the property owner before December ~~31~~ 1 of that year, the

33 application required by this section may be filed not later than thirty

34 (30) days after the date such a notice is mailed to the property owner

35 at the address shown on the records of the township or county assessor.

36 (c) The application required by this section shall contain the

37 following information:

38 (1) The name of the property owner.

39 (2) A description of the property for which a deduction is claimed

40 in sufficient detail to afford identification.

41 (3) The assessed value of the improvements on the property

42 before rehabilitation.

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1 (4) The increase in the assessed value of improvements resulting
 2 from the rehabilitation.
 3 (5) The amount of deduction claimed.
 4 (d) A deduction application filed under this section is applicable for
 5 the year in which the addition to assessed value is made and in the
 6 immediate following four (4) years without any additional application
 7 being filed.
 8 (e) On verification of the correctness of an application by the
 9 assessor of the township in which the property is located, or the county
 10 assessor if there is no township assessor for the township, the county
 11 auditor shall make the deduction.
 12 SECTION 10. IC 6-1.1-12-26 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE MARCH 1, 2010 (RETROACTIVE)]: Sec.
 14 26. (a) The owner of real property, or a mobile home which is not
 15 assessed as real property, which is equipped with a solar energy heating
 16 or cooling system may have deducted annually from the assessed value
 17 of the real property or mobile home an amount which is equal to the
 18 remainder of (1) the assessed value of the real property or mobile home
 19 with the solar energy heating or cooling system included; minus (2) the
 20 assessed value of the real property or mobile home without the system:
 21 **out-of-pocket expenditures by the owner or a previous owner of the**
 22 **real property or mobile home for:**
 23 **(1) the components; and**
 24 **(2) the labor involved in installing the**
 25 (b) The department of local government finance shall promulgate
 26 rules and regulations for determining the value of a solar energy
 27 heating or cooling system. The rules and regulations must provide the
 28 method of determining the value on the basis of:
 29 (1) the cost of the system components;
 30 that are unique to the system and that are needed to collect, store, or
 31 distribute solar energy. ~~and~~
 32 (2) any other factor that is a just and proper indicator of value.
 33 (b) **The tangible property to which subsection (a) applies**
 34 **includes a solar thermal air system and any solar energy heating**
 35 **or cooling system used for:**
 36 **(1) domestic hot water or space heat, or both, including pool**
 37 **heating; or**
 38 **(2) preheating for an industrial process.**
 39 (c) **Subsection (a) does not apply to tangible property that would**
 40 **not be subject to assessment and taxation under this article if this**
 41 **section did not apply.**
 42 (d) **For purposes of subsection (a), proof of out-of-pocket**

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1 **expenditures may be demonstrated by invoices or other evidence**
2 **of a purchase and installation.**

3 SECTION 11. IC 6-1.1-12-27.1, AS AMENDED BY P.L.1-2009,
4 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 MARCH 1, 2010 (RETROACTIVE)]: Sec. 27.1. Except as provided in
6 sections 36 and 44 of this chapter and subject to section 45 of this
7 chapter, a person who desires to claim the deduction provided by
8 section 26 of this chapter must file a certified statement in duplicate,
9 on forms prescribed by the department of local government finance,
10 with the auditor of the county in which the real property or mobile
11 home is subject to assessment. With respect to real property, the person
12 must file the statement during the year for which the person desires to
13 obtain the deduction. **Except as provided in sections 36 and 44 of this**
14 **chapter and subject to section 45 of this chapter,** with respect to a
15 mobile home which is not assessed as real property, the person must
16 file the statement during the twelve (12) months before March 31 of
17 each year for which the person desires to obtain the deduction. The
18 person must:

- 19 (1) own the real property, mobile home, or manufactured home;
- 20 or
- 21 (2) be buying the real property, mobile home, or manufactured
22 home under contract;

23 on the date the statement is filed under this section. The statement may
24 be filed in person or by mail. If mailed, the mailing must be postmarked
25 on or before the last day for filing. On verification of the statement by
26 the assessor of the township in which the real property or mobile home
27 is subject to assessment, or the county assessor if there is no township
28 assessor for the township, the county auditor shall allow the deduction.

29 SECTION 12. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006,
30 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2010 (RETROACTIVE)]: Sec. 1. As used in this
32 chapter:

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

36 "Adopting county" means any county in which the county adjusted
37 gross income tax is in effect.

38 "Civil taxing unit" means any taxing unit except a school
39 corporation.

40 "Maximum permissible ad valorem property tax levy for the
41 preceding calendar year" means the greater of:

- 42 (1) the remainder of:

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- 1 (A) the civil taxing unit's maximum permissible ad valorem
- 2 property tax levy for the calendar year immediately preceding
- 3 the ensuing calendar year, as that levy was determined under
- 4 section 3 of this chapter; minus
- 5 (B) one-half (1/2) of the remainder of:
- 6 (i) the civil taxing unit's maximum permissible ad valorem
- 7 property tax levy referred to in clause (A); minus
- 8 (ii) the civil taxing unit's ad valorem property tax levy for
- 9 the calendar year immediately preceding the ensuing
- 10 calendar year referred to in subdivision (2); or
- 11 (2) the civil taxing unit's ad valorem property tax levy for the
- 12 calendar year immediately preceding the ensuing calendar year,
- 13 as that levy was determined by the department of local
- 14 government finance in fixing the civil taxing unit's budget, levy,
- 15 and rate for that preceding calendar year under IC 6-1.1-17, and
- 16 after eliminating the effects of temporary excessive levy appeals
- 17 and temporary adjustments made to the working maximum levy
- 18 for the calendar year immediately preceding the ensuing calendar
- 19 year, as determined by the department of local government
- 20 finance.

21 **However, for purposes of determining a civil taxing unit's**
 22 **maximum permissible ad valorem property tax levy for the**
 23 **calendar year immediately preceding the ensuing calendar under**
 24 **subdivision (1) or a civil taxing unit's ad valorem property tax levy**
 25 **for the calendar year immediately preceding the ensuing calendar**
 26 **year under subdivision (2), a cash balance used in a calendar year**
 27 **after December 31, 2009, to temporarily reduce ad valorem**
 28 **property taxes subject to section 3 of this chapter shall be treated**
 29 **as if it were part of the ad valorem property tax levy imposed for**
 30 **that calendar year.**

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

36 "Unadjusted assessed value" means the assessed value of a civil
 37 taxing unit as determined by local assessing officials and the
 38 department of local government finance in a particular calendar year
 39 before the application of an annual adjustment under IC 6-1.1-4-4.5 for
 40 that particular calendar year or any calendar year since the last general
 41 reassessment preceding the particular calendar year.

42 SECTION 13. IC 6-1.1-18.5-10.5, AS AMENDED BY

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1 P.L.182-2009(ss), SECTION 129, IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.5. (a) The ad
 3 valorem property tax levy limits imposed by section 3 of this chapter
 4 do not apply to ad valorem property taxes imposed by a civil taxing
 5 unit for fire protection services within a fire protection territory under
 6 IC 36-8-19, if the civil taxing unit is a participating unit in a fire
 7 protection territory established before August 1, 2001. For purposes of
 8 computing the ad valorem property tax levy limits imposed on a civil
 9 taxing unit by section 3 of this chapter on a civil taxing unit that is a
 10 participating unit in a fire protection territory, established before
 11 August 1, 2001, the civil taxing unit's ad valorem property tax levy for
 12 a particular calendar year does not include that part of the levy imposed
 13 under IC 36-8-19.

14 (b) This subsection applies to a participating unit in a fire protection
 15 territory established under ~~IC 36-8-19~~ after July 31, 2001. The ad
 16 valorem property tax levy limits imposed by section 3 of this chapter
 17 do not apply to ad valorem property taxes imposed by a civil taxing
 18 unit for fire protection services within a fire protection territory under
 19 ~~IC 36-8-19~~ for the three (3) calendar years in which the participating
 20 unit levies a tax to support the territory. For purposes of computing the
 21 ad valorem property tax levy limits imposed on a civil taxing unit by
 22 section 3 of this chapter for the three (3) calendar years for which the
 23 participating unit levies a tax to support the territory, the civil taxing
 24 unit's ad valorem property tax levy for a particular calendar year does
 25 not include that part of the levy imposed under ~~IC 36-8-19~~.

26 (c) This subsection applies to property taxes first due and payable
 27 after ~~December 31, 2008~~. Except as provided in subsection (d),
 28 notwithstanding subsections (a) and (b) or any other law, Any property
 29 taxes imposed by a civil taxing unit that are exempted by this section
 30 **subsection** from the ad valorem property tax levy limits imposed by
 31 section 3 of this chapter **and first due and payable after December**
 32 **31, 2008**, may not increase annually by a percentage greater than the
 33 result of:

- 34 (1) the assessed value growth quotient determined under section
- 35 2 of this chapter; minus
- 36 (2) one (1).

37 (d) The limits specified in subsection (c) do not apply to a civil
 38 taxing unit in the first year in which the civil taxing unit becomes a
 39 participating unit in a fire protection territory established under
 40 ~~IC 36-8-19~~. In the first year in which A civil taxing unit becomes a
 41 participating unit in a fire protection territory, the civil taxing unit shall
 42 submit its proposed budget, proposed ad valorem property tax levy, and

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1 proposed property tax rate for the fire protection territory to the
2 department of local government finance. (b) The department of local
3 government finance may, under this subsection, increase the
4 maximum permissible ad valorem property tax levy that would
5 otherwise apply to a civil taxing unit under section 3 of this chapter
6 to meet the civil taxing unit's obligations to a fire protection
7 territory established under IC 36-8-19. To obtain an increase in the
8 civil taxing unit's maximum permissible ad valorem property tax
9 levy, a civil taxing unit shall submit a petition to the department of
10 local government finance in the year immediately preceding the
11 first year in which the civil taxing unit levies a tax to support the
12 fire protection territory. The petition must be filed before the date
13 specified in section 12(a)(1) of this chapter of that year. The
14 department of local government finance shall make a final
15 determination of the civil taxing unit's budget, ad valorem property tax
16 levy, and property tax rate for the fire protection territory for ~~that~~ the
17 ensuing calendar year. In making its determination under this
18 subsection, the department of local government finance shall consider
19 the amount that the civil taxing unit is obligated to provide to meet the
20 expenses of operation and maintenance of the fire protection services
21 within the territory, ~~plus a~~ including the participating unit's
22 reasonable share of an operating balance not to exceed twenty percent
23 (20%) of the budgeted expenses for the fire protection territory. The
24 department of local government finance shall determine the entire
25 amount of the allowable adjustment in the final determination. The
26 department shall order the adjustment implemented in the
27 amounts and over the number of years, not exceeding three (3),
28 requested by the petitioning civil taxing unit. However, the
29 department of local government finance may not approve under this
30 subsection a property tax levy greater than zero (0) if the civil taxing
31 unit did not exist as of the March 1 assessment date for which the tax
32 levy will be imposed. For purposes of applying this subsection ~~(c)~~
33 to the civil taxing unit's maximum permissible ad valorem property tax
34 levy for the fire protection territory in subsequent calendar years, the
35 department of local government finance may determine not to consider
36 part or all of the part of the first year property tax levy imposed to
37 establish an the operating balance of the fire protection territory.

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38 SECTION 14. IC 6-1.1-24-1, AS AMENDED BY P.L.169-2006,
39 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]: Sec. 1. (a) On or before July 1 of each year or
41 fifty-one (51) days after the tax payment due date, the county treasurer
42 (or county executive, in the case of property described in subdivision



1 (2)) shall certify to the county auditor a list of real property on which
 2 any of the following exist:

3 (1) In the case of real property other than real property described
 4 in subdivision (2), any property taxes or special assessments
 5 certified to the county auditor for collection by the county
 6 treasurer from the prior year's spring installment or before are
 7 delinquent as determined under IC 6-1.1-37-10.

8 (2) In the case of real property for which a county executive has
 9 certified to the county auditor that the real property is:

10 (A) vacant; or
 11 (B) abandoned;
 12 any property taxes or special assessments from the prior year's fall
 13 installment or before that are delinquent as determined under
 14 IC 6-1.1-37-10. The county executive must make a certification
 15 under this subdivision not later than sixty-one (61) days before
 16 the earliest date on which application for judgment and order for
 17 sale may be made.

18 (3) Any unpaid costs are due under section 2(b) of this chapter
 19 from a prior tax sale.

20 (b) The county auditor shall maintain a list of all real property
 21 eligible for sale. ~~Unless the taxpayer pays to the county treasurer the~~
 22 ~~amounts in subsection (a);~~ **Except as provided in section 1.2 or**
 23 **another provision of this chapter,** the taxpayer's property shall remain
 24 on the list. The list must:

25 (1) describe the real property by parcel number and common
 26 address, if any;
 27 (2) for a tract or item of real property with a single owner,
 28 indicate the name of the owner; and
 29 (3) for a tract or item with multiple owners, indicate the name of
 30 at least one (1) of the owners.

31 (c) Except as otherwise provided in this chapter, the real property
 32 so listed is eligible for sale in the manner prescribed in this chapter.

33 (d) Not later than fifteen (15) days after the date of the county
 34 treasurer's certification under subsection (a), the county auditor shall
 35 mail by certified mail a copy of the list described in subsection (b) to
 36 each mortgagee who requests from the county auditor by certified mail
 37 a copy of the list. Failure of the county auditor to mail the list under
 38 this subsection does not invalidate an otherwise valid sale.

39 SECTION 15. IC 6-1.1-24-1.2 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.2. (a) Except as
 41 provided in subsection (c), a tract or an item of real property may not
 42 be removed from the list certified under section 1 of this chapter before

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1 the tax sale unless all:

2 (1) delinquent taxes **and** special assessments **due before the date**

3 **the list on which the property appears was certified under**

4 **section 1 of this chapter; and**

5 (2) penalties due on the delinquency, interest, and costs directly

6 attributable to the tax sale;

7 have been paid in full.

8 (b) A county treasurer may accept partial payments of delinquent

9 property taxes, assessments, penalties, interest, or costs under

10 subsection (a) after the list of real property is certified under section 1

11 of this chapter. **However a partial payment does not remove a tract**

12 **or an item from the list certified under section 1 of this chapter**

13 **unless the taxpayer complies with subsection (a) or (c) before the**

14 **date of the tax sale.**

15 (c) The county auditor in a county having a population of more than

16 four hundred thousand (400,000) but less than seven hundred thousand

17 (700,000) may remove a tract or an item of real property from the list

18 certified under section 1 of this chapter before the tax sale if the county

19 treasurer and the taxpayer agree to a mutually satisfactory arrangement

20 for the payment of the delinquent taxes.

21 (d) The county treasurer may remove the tract or item from the list

22 certified under section 1 of this chapter if the arrangement described in

23 subsection (c):

24 (1) is in writing;

25 (2) is signed by the taxpayer; and

26 (3) requires the taxpayer to pay the delinquent taxes in full within

27 one (1) year of the date the agreement is signed.

28 (e) If the taxpayer fails to make a payment under the arrangement

29 described in subsection (c), the county auditor shall immediately place

30 the tract or item of real property on the list of real property eligible for

31 sale at a tax sale.

32 (f) If the tract or item of real property subject to a payment

33 arrangement is within the jurisdiction of a:

34 (1) city having a population of more than ninety thousand

35 (90,000) but less than one hundred five thousand (105,000);

36 (2) city having a population of more than thirty-two thousand

37 (32,000) but less than thirty-two thousand eight hundred (32,800);

38 or

39 (3) city having a population of more than seventy-five thousand

40 (75,000) but less than ninety thousand (90,000);

41 the county auditor shall notify the mayor of the city of the arrangement.

42 SECTION 16. IC 6-3.5-1.1-1.5 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
2 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) Notwithstanding any**
3 **other provision of this chapter, a power granted by this chapter to**
4 **adopt an ordinance to:**

- 5 (1) **impose, increase, decrease, or rescind a tax or tax rate; or**
- 6 (2) **grant, increase, decrease, rescind, or change a homestead**
7 **credit or property tax replacement credit authorized under**
8 **this chapter;**

9 **may be exercised at any time in a year before November 1 of that**
10 **year.**

11 (b) **Notwithstanding any other provision of this chapter, an**
12 **ordinance authorized by this chapter that imposes or increases a**
13 **tax or a tax rate takes effect as follows:**

14 (1) **An ordinance adopted after December 31 of the**
15 **immediately preceding year and before October 1 of the**
16 **current year takes effect October 1 of the current year.**

17 (2) **An ordinance adopted after September 30 and before**
18 **October 16 of the current year takes effect November 1 of the**
19 **current year.**

20 (3) **An ordinance adopted after October 15 and before**
21 **November 1 of the current year takes effect December 1 of the**
22 **current year.**

23 (c) **Notwithstanding any other provision of this chapter, an**
24 **ordinance authorized by this chapter that decreases or rescinds a**
25 **tax or a tax rate takes effect as follows:**

26 (1) **An ordinance adopted after December 31 of the**
27 **immediately preceding year and before October 1 of the**
28 **current year takes effect on the later of October 1 of the**
29 **current year or the first day of the month in the current year**
30 **as the month in which the last increase in the tax or tax rate**
31 **occurred.**

32 (2) **An ordinance adopted after September 30 and before**
33 **October 16 of the current year takes effect on the later of**
34 **November 1 of the current year or the first day of the month**
35 **in the current year as the month in which the last increase in**
36 **the tax or tax rate occurred.**

37 (3) **An ordinance adopted after October 15 and before**
38 **November 1 of the current year takes effect December 1 of the**
39 **current year.**

40 (d) **Notwithstanding any other provision of this chapter, an**
41 **ordinance authorized by this chapter that grants, increases,**
42 **decreases, rescinds, or changes a homestead credit or property tax**

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replacement credit authorized under this chapter takes effect for and applies to property taxes first due and payable in the year immediately following the year in which the ordinance is adopted.

SECTION 17. IC 6-3.5-1.1-9, AS AMENDED BY P.L.182-2009(ss), SECTION 210, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Revenue derived from the imposition of the county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the budget agency determines has been:

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

as adjusted for refunds of county adjusted gross income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the budget agency shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), (g), and (h). The budget agency shall provide the county council with an informative summary of the calculations used to determine the certified distribution. The summary of calculations must include:

- (1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;
- (2) adjustments for over distributions in prior years;
- (3) adjustments for clerical or mathematical errors in prior years;
- (4) adjustments for tax rate changes; and
- (5) the amount of excess account balances to be distributed under IC 6-3.5-1.1-21.1.

The budget agency shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter. This information must be certified to the county auditor, the department, and the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section

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1 24, 25, or 26 of this chapter may be used only as specified in those
2 provisions.

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

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

16 (e) The budget agency shall adjust the certified distribution of a
17 county to provide the county with the distribution required under
18 section 10(b) of this chapter.

19 (f) This subsection applies to a county that
20 ~~(1) initially imposes, the county adjusted gross income increases,~~
21 ~~decreases, or rescinds a tax or tax rate or~~
22 ~~(2) increases the county adjusted income tax rate;~~

23 under this chapter **before November 1** in the same calendar year in
24 which the budget agency makes a certification under this section. The
25 budget agency shall adjust the certified distribution of a county to
26 provide for a distribution in the immediately following calendar year
27 and in each calendar year thereafter. The budget agency shall provide
28 for a full transition to certification of distributions as provided in
29 subsection (a)(1) through (a)(2) in the manner provided in subsection
30 (c). **If the county imposes, increases, decreases, or rescinds a tax or**
31 **tax rate under this chapter after the date for which a certification**
32 **under subsection (b) is based, the budget agency shall adjust the**
33 **certified distribution of the county after August 1 of the calendar**
34 **year. The adjustment shall reflect any other adjustment required**
35 **under subsections (c), (d), (e), (g), and (h). The adjusted**
36 **certification shall be treated as the county's "certified distribution"**
37 **for the immediately succeeding calendar year. The budget agency**
38 **shall certify the adjusted certified distribution to the county**
39 **auditor for the county and provide the county council with an**
40 **informative summary of the calculations that revises the**
41 **informative summary provided in subsection (b) and reflects the**
42 **changes made in the adjustment.**

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1 (g) The budget agency shall adjust the certified distribution of a
2 county to provide the county with the distribution required under
3 section 3.3 of this chapter beginning not later than the tenth month after
4 the month in which additional revenue from the tax authorized under
5 section 3.3 of this chapter is initially collected.

6 (h) This subsection applies in the year in which a county initially
7 imposes a tax rate under section 24 of this chapter. Notwithstanding
8 any other provision, the budget agency shall adjust the part of the
9 county's certified distribution that is attributable to the tax rate under
10 section 24 of this chapter to provide for a distribution in the
11 immediately following calendar year equal to the result of:

- 12 (1) the sum of the amounts determined under STEP ONE through
- 13 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county
- 14 initially imposes a tax rate under section 24 of this chapter;
- 15 multiplied by
- 16 (2) two (2).

17 SECTION 18. IC 6-3.5-6-1.5 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) Notwithstanding any**
20 **other provision of this chapter, a power granted by this chapter to**
21 **adopt an ordinance to:**

- 22 (1) **impose, increase, decrease, or rescind a tax or tax rate; or**
- 23 (2) **grant, increase, decrease, rescind, or change a homestead**
- 24 **credit or property tax replacement credit authorized under**
- 25 **this chapter;**

26 **may be exercised at any time in a year before November 1 of that**
27 **year.**

28 (b) **Notwithstanding any other provision of this chapter, an**
29 **ordinance authorized by this chapter that imposes or increases a**
30 **tax or a tax rate takes effect as follows:**

- 31 (1) **An ordinance adopted after December 31 of the**
- 32 **immediately preceding year and before October 1 of the**
- 33 **current year takes effect October 1 of the current year.**
- 34 (2) **An ordinance adopted after September 30 and before**
- 35 **October 16 of the current year takes effect November 1 of the**
- 36 **current year.**
- 37 (3) **An ordinance adopted after October 15 and before**
- 38 **November 1 of the current year takes effect December 1 of the**
- 39 **current year.**

40 (c) **Notwithstanding any other provision of this chapter, an**
41 **ordinance authorized by this chapter that decreases or rescinds a**
42 **tax or a tax rate takes effect as follows:**

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1 (1) An ordinance adopted after December 31 of the
2 immediately preceding year and before October 1 of the
3 current year takes effect on the later of October 1 of the
4 current year or the first day of the month in the current year
5 as the month in which the last increase in the tax or tax rate
6 occurred.

7 (2) An ordinance adopted after September 30 and before
8 October 16 of the current year takes effect on the later of
9 November 1 of the current year or the first day of the month
10 in the current year as the month in which the last increase in
11 the tax or tax rate occurred.

12 (3) An ordinance adopted after October 15 and before
13 November 1 of the current year takes effect December 1 of the
14 current year.

15 (d) Notwithstanding any other provision of this chapter, an
16 ordinance authorized by this chapter that grants, increases,
17 decreases, rescinds, or changes a homestead credit or property tax
18 replacement credit authorized under this chapter takes effect for
19 and applies to property taxes first due and payable in the year
20 immediately following the year in which the ordinance is adopted.

21 SECTION 19. IC 6-3.5-6-17, AS AMENDED BY P.L.182-2009(ss),
22 SECTION 219, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Revenue derived from
24 the imposition of the county option income tax shall, in the manner
25 prescribed by this section, be distributed to the county that imposed it.
26 The amount that is to be distributed to a county during an ensuing
27 calendar year equals the amount of county option income tax revenue
28 that the budget agency determines has been:

29 (1) received from that county for a taxable year ending in a
30 calendar year preceding the calendar year in which the
31 determination is made; and

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

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

38 (b) Before August 2 of each calendar year, the budget agency shall
39 certify to the county auditor of each adopting county the amount
40 determined under subsection (a) plus the amount of interest in the
41 county's account that has accrued and has not been included in a
42 certification made in a preceding year. The amount certified is the

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1 county's "certified distribution" for the immediately succeeding
 2 calendar year. The amount certified shall be adjusted, as necessary,
 3 under subsections (c), (d), (e), and (f). The budget agency shall provide
 4 the county council with an informative summary of the calculations
 5 used to determine the certified distribution. The summary of
 6 calculations must include:

- 7 (1) the amount reported on individual income tax returns
 8 processed by the department during the previous fiscal year;
 9 (2) adjustments for over distributions in prior years;
 10 (3) adjustments for clerical or mathematical errors in prior years;
 11 (4) adjustments for tax rate changes; and
 12 (5) the amount of excess account balances to be distributed under
 13 IC 6-3.5-6-17.3.

14 The budget agency shall also certify information concerning the part of
 15 the certified distribution that is attributable to a tax rate under section
 16 30, 31, or 32 of this chapter. This information must be certified to the
 17 county auditor and to the department of local government finance not
 18 later than September 1 of each calendar year. The part of the certified
 19 distribution that is attributable to a tax rate under section 30, 31, or 32
 20 of this chapter may be used only as specified in those provisions.

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

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

34 (e) This subsection applies to a county that

- 35 ~~(1) initially imposed the county option income imposes,~~
 36 ~~increases, decreases, or rescinds a tax or tax rate or~~
 37 ~~(2) increases the county option income tax rate;~~

38 under this chapter **before November 1** in the same calendar year in
 39 which the budget agency makes a certification under this section. The
 40 budget agency shall adjust the certified distribution of a county to
 41 provide for a distribution in the immediately following calendar year
 42 and in each calendar year thereafter. The budget agency shall provide

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1 for a full transition to certification of distributions as provided in
 2 subsection (a)(1) through (a)(2) in the manner provided in subsection
 3 **(c). If the county imposes, increases, decreases, or rescinds a tax or**
 4 **tax rate under this chapter after the date for which a certification**
 5 **under subsection (b) is based, the budget agency shall adjust the**
 6 **certified distribution of the county after August 1 of the calendar**
 7 **year. The adjustment shall reflect any other adjustment required**
 8 **under subsections (c), (d), and (f). The adjusted certification shall**
 9 **be treated as the county's "certified distribution" for the**
 10 **immediately succeeding calendar year. The budget agency shall**
 11 **certify the adjusted certified distribution to the county auditor for**
 12 **the county and provide the county council with an informative**
 13 **summary of the calculations that revises the informative summary**
 14 **provided in subsection (b) and reflects the changes made in the**
 15 **adjustment.**

16 (f) This subsection applies in the year a county initially imposes a
 17 tax rate under section 30 of this chapter. Notwithstanding any other
 18 provision, the budget agency shall adjust the part of the county's
 19 certified distribution that is attributable to the tax rate under section 30
 20 of this chapter to provide for a distribution in the immediately
 21 following calendar year equal to the result of:

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

26 (2) the following:

27 (A) In a county containing a consolidated city, one and
 28 five-tenths (1.5).

29 (B) In a county other than a county containing a consolidated
 30 city, two (2).

31 (g) One-twelfth (1/12) of each adopting county's certified
 32 distribution for a calendar year shall be distributed from its account
 33 established under section 16 of this chapter to the appropriate county
 34 treasurer on the first day of each month of that calendar year.

35 (h) Upon receipt, each monthly payment of a county's certified
 36 distribution shall be allocated among, distributed to, and used by the
 37 civil taxing units of the county as provided in sections 18 and 19 of this
 38 chapter.

39 (i) All distributions from an account established under section 16 of
 40 this chapter shall be made by warrants issued by the auditor of state to
 41 the treasurer of state ordering the appropriate payments.

42 SECTION 20. IC 6-3.5-6-32, AS AMENDED BY P.L.146-2008,

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1 SECTION 343, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 32. (a) A
3 county income tax council may impose a tax rate under this section to
4 provide property tax relief to ~~political subdivisions~~ **taxpayers** in the
5 county. A county income tax council is not required to impose any
6 other tax before imposing a tax rate under this section.

7 (b) A tax rate under this section may be imposed in increments of
8 five-hundredths of one percent (0.05%) determined by the county
9 income tax council. A tax rate under this section may not exceed one
10 percent (1%).

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

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

18 (e) A tax rate under this section may be imposed, increased,
19 decreased, or rescinded at the same time and in the same manner that
20 the county income tax council may impose or increase a tax rate under
21 section 30 of this chapter.

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

25 (1) The tax revenue may be used to provide local property tax
26 replacement credits at a uniform rate to all taxpayers in the
27 county. The local property tax replacement credits shall be treated
28 for all purposes as property tax levies. The county auditor shall
29 determine the local property tax replacement credit percentage for
30 a particular year based on the amount of tax revenue that will be
31 used under this subdivision to provide local property tax
32 replacement credits in that year. A county income tax council may
33 not adopt an ordinance determining that tax revenue shall be used
34 under this subdivision to provide local property tax replacement
35 credits at a uniform rate to all taxpayers in the county unless the
36 county council has done the following:

37 (A) Made available to the public the county council's best
38 estimate of the amount of property tax replacement credits to
39 be provided under this subdivision to homesteads, other
40 residential property, commercial property, industrial property,
41 and agricultural property.

42 (B) Adopted a resolution or other statement acknowledging

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that some taxpayers in the county that do not pay the tax rate under this section will receive a property tax replacement credit that is funded with tax revenue from the tax rate under this section.

(2) The tax revenue may be used to uniformly increase (before January 1, ~~2009~~ **2011**) or uniformly provide (after December 31, ~~2008~~ **2010**) the homestead credit percentage in the county. The homestead credits shall be treated for all purposes as property tax levies. The homestead credits do not reduce the basis for determining ~~the any~~ state homestead credit. ~~under IC 6-1.1-20.9 (before its repeal)~~. The 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. The ~~department of local government finance~~ **county auditor** shall determine the homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4 before January 1, 2009, and as defined in section 1 of this chapter after December 31, 2008) in the county. The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year.

(4) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used for any of the following:

(A) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.

(B) To provide local property tax replacement credits in Lake County in the following manner:

(i) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that

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municipality.
(ii) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county.

- (C) To provide property tax credits in the following manner:
 - (i) Sixty percent (60%) of the tax revenue under this section shall be used as provided in clause (B).
 - (ii) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax replacement credits against property tax levies of the county and each township and municipality in the county. The percentage of the tax revenue distributed under this item that shall be used as credits against the county's levies or against a particular township's or municipality's levies is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

The Lake County council shall determine whether the credits under clause (A), (B), or (C) shall be provided to homesteads, to all qualified residential property, or to all taxpayers. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of property tax credits under this subdivision. Except as provided in subsection (g), the tax revenue under this section that is used to provide credits under this subdivision shall be treated for all purposes as property tax levies.

The county income tax council may ~~before October 1~~ of a year adopt an ordinance changing the purposes for which tax revenue attributable to a tax rate under this section shall be used in the following year.

- (g) The tax rate under this section shall not be considered for purposes of computing:
 - (1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter;
 - (2) the maximum permissible property tax levy under STEP

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EIGHT of IC 6-1.1-18.5-3(b); or
 (3) the credit under IC 6-1.1-20.6.

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies. **To the extent the county auditor determines that there is income tax revenue remaining from the tax under this section after providing the property tax replacement, the excess shall be credited to a dedicated county account and may be used only for property tax replacement under this section in subsequent years.**

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

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

SECTION 21. IC 6-3.5-7-4.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.9. (a) Notwithstanding any other provision of this chapter, a power granted by this chapter to adopt an ordinance to:**

(1) impose, increase, decrease, or rescind a tax or tax rate; or
(2) grant, increase, decrease, rescind, or change a homestead credit or property tax replacement credit authorized under this chapter;

may be exercised at any time in a year before November 1 of that year.

(b) Notwithstanding any other provision of this chapter, an ordinance authorized by this chapter that imposes or increases a tax or a tax rate takes effect as follows:

(1) An ordinance adopted after December 31 of the immediately preceding year and before October 1 of the current year takes effect October 1 of the current year.
(2) An ordinance adopted after September 30 and before October 16 of the current year takes effect November 1 of the current year.
(3) An ordinance adopted after October 15 and before November 1 of the current year takes effect December 1 of the current year.

(c) Notwithstanding any other provision of this chapter, an

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1 **ordinance authorized by this chapter that decreases or rescinds a**
2 **tax or a tax rate takes effect as follows:**

3 (1) **An ordinance adopted after December 31 of the**
4 **immediately preceding year and before October 1 of the**
5 **current year takes effect on the later of October 1 of the**
6 **current year or the first day of the month in the current year**
7 **as the month in which the last increase in the tax or tax rate**
8 **occurred.**

9 (2) **An ordinance adopted after September 30 and before**
10 **October 16 of the current year takes effect on the later of**
11 **November 1 of the current year or the first day of the month**
12 **in the current year as the month in which the last increase in**
13 **the tax or tax rate occurred.**

14 (3) **An ordinance adopted after October 15 and before**
15 **November 1 of the current year takes effect December 1 of the**
16 **current year.**

17 (d) **Notwithstanding any other provision of this chapter, an**
18 **ordinance authorized by this chapter that grants, increases,**
19 **decreases, rescinds, or changes a homestead credit or property tax**
20 **replacement credit authorized under this chapter takes effect for**
21 **and applies to property taxes first due and payable in the year**
22 **immediately following the year in which the ordinance is adopted.**

23 SECTION 22. IC 6-3.5-7-11, AS AMENDED BY P.L.182-2009(ss),
24 SECTION 228, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Revenue derived from
26 the imposition of the county economic development income tax shall,
27 in the manner prescribed by this section, be distributed to the county
28 that imposed it.

29 (b) Before August 2 of each calendar year, the budget agency, shall
30 certify to the county auditor of each adopting county the sum of the
31 amount of county economic development income tax revenue that the
32 budget agency determines has been:

33 (1) received from that county for a taxable year ending before the
34 calendar year in which the determination is made; and

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

38 as adjusted for refunds of county economic development income tax
39 made in the state fiscal year plus the amount of interest in the county's
40 account that has been accrued and has not been included in a
41 certification made in a preceding year. The amount certified is the
42 county's certified distribution, which shall be distributed on the dates

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1 specified in section 16 of this chapter for the following calendar year.

2 (c) The amount certified under subsection (b) shall be adjusted
3 under subsections (d), (e), (f), (g), and (h). The budget agency shall
4 provide the county council with an informative summary of the
5 calculations used to determine the certified distribution. The summary
6 of calculations must include:

7 (1) the amount reported on individual income tax returns
8 processed by the department during the previous fiscal year;

9 (2) adjustments for over distributions in prior years;

10 (3) adjustments for clerical or mathematical errors in prior years;

11 (4) adjustments for tax rate changes; and

12 (5) the amount of excess account balances to be distributed under
13 IC 6-3.5-7-17.3.

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

21 (e) The budget agency shall adjust the certified distribution of a
22 county to correct for any clerical or mathematical errors made in any
23 previous certification under this section. The budget agency may
24 reduce the amount of the certified distribution over several calendar
25 years so that any adjustment under this subsection is offset over several
26 years rather than in one (1) lump sum.

27 (f) The budget agency shall adjust the certified distribution of a
28 county to provide the county with the distribution required under
29 section 16(b) of this chapter.

30 (g) The budget agency shall adjust the certified distribution of a
31 county to provide the county with the amount of any tax increase
32 imposed under section 25 or 26 of this chapter to provide additional
33 homestead credits as provided in those provisions.

34 (h) This subsection applies to a county that

35 ~~(1) initially imposed the county economic development income~~
36 ~~imposes, increases, decreases, or rescinds a tax or tax rate or~~

37 ~~(2) increases the county economic development income rate;~~

38 under this chapter **before November 1** in the same calendar year in
39 which the budget agency makes a certification under this section. The
40 budget agency shall adjust the certified distribution of a county to
41 provide for a distribution in the immediately following calendar year
42 and in each calendar year thereafter. The budget agency shall provide

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1 for a full transition to certification of distributions as provided in
 2 subsection (b)(1) through (b)(2) in the manner provided in subsection
 3 (d). **If the county imposes, increases, decreases, or rescinds a tax or**
 4 **tax rate under this chapter after the date for which a certification**
 5 **under subsection (b) is based, the budget agency shall adjust the**
 6 **certified distribution of the county after August 1 of the calendar**
 7 **year. The adjustment shall reflect any other adjustment authorized**
 8 **under subsections (c), (d), (e), (f), and (g). The adjusted**
 9 **certification shall be treated as the county's "certified distribution"**
 10 **for the immediately succeeding calendar year. The budget agency**
 11 **shall certify the adjusted certified distribution to the county**
 12 **auditor for the county and provide the county council with an**
 13 **informative summary of the calculations that revises the**
 14 **informative summary provided in subsection (c) and reflects the**
 15 **changes made in the adjustment.**

16 SECTION 23. IC 6-9-2-2, AS AMENDED BY P.L.223-2007,
 17 SECTION 6, AND AS AMENDED BY P.L.211-2007, SECTION 45,
 18 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The revenue received by
 20 the county treasurer under this chapter shall be allocated to the Lake
 21 County convention and visitor bureau, Indiana University-Northwest,
 22 Purdue University-Calumet, municipal public safety departments,
 23 municipal physical and economic development divisions, and the cities
 24 and towns in the county as provided in this section. Subsections (b)
 25 through (g) do not apply to the distribution of revenue received under
 26 section 1 of this chapter from hotels, motels, inns, tourist camps, tourist
 27 cabins, and other lodgings or accommodations built or refurbished after
 28 June 30, 1993, that are located in the largest city of the county.

29 (b) The Lake County convention and visitor bureau shall establish
 30 a convention, tourism, and visitor promotion fund (referred to in this
 31 chapter as the "promotion fund"). The county treasurer shall transfer to
 32 the Lake County convention and visitor bureau for deposit in the
 33 promotion fund *thirty-five* *thirty-six* percent (~~35%~~) (36%) of the first
 34 one million two hundred *fifty* thousand dollars (~~\$1,200,000~~)
 35 (\$1,250,000) of revenue received from the tax imposed under this
 36 chapter in each year. The promotion fund consists of:

- 37 (1) money in the promotion fund on June 30, 2005;
- 38 (2) revenue deposited in the promotion fund under this subsection
 39 after June 30, 2005; and
- 40 (3) investment income earned on the promotion fund's assets.

41 Money in the *promotion fund bureau's funds* may be expended *only* to
 42 promote and encourage conventions, trade shows, special events,

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1 recreation, and visitors. ~~within the county.~~ Money may be paid from the
 2 promotion fund by claim in the same manner as municipalities may pay
 3 claims under IC 5-11-10-1.6.

4 (c) This subsection applies to the first one million two hundred *fifty*
 5 thousand dollars ~~(\$1,200,000)~~ *(\$1,250,000)* of revenue received from
 6 the tax imposed under this chapter in each year. During each year, the
 7 county treasurer shall transfer to Indiana University-Northwest
 8 ~~forty-four forty-two~~ and ~~thirty-three~~ *seventy-seven* hundredths percent
 9 ~~(44.33%)~~ *(42.77%)* of the revenue received under this chapter for that
 10 year to be used as follows:

11 (1) Seventy-five percent (75%) of the revenue received under this
 12 subsection may be used only for the university's medical
 13 education programs.

14 (2) Twenty-five percent (25%) of the revenue received under this
 15 subsection may be used only for the university's allied health
 16 education programs.

17 ~~The amount for each year shall be transferred in four (4)~~
 18 ~~approximately equal quarterly installments.~~

19 (d) This subsection applies to the first one million two hundred *fifty*
 20 thousand dollars ~~(\$1,200,000)~~ *(\$1,250,000)* of revenue received from
 21 the tax imposed under this chapter in each year. During each year, the
 22 county treasurer shall allocate among the cities and towns throughout
 23 the county ~~nine and sixty-eight hundredths percent (9%)~~ *(9.68%)* of the
 24 revenue received under this chapter for that year. ~~The amount of each~~
 25 ~~city's or town's allocation is~~ as follows:

26 (1) ~~Ten Nine~~ percent ~~(10%)~~ *(9%)* of the revenue covered by this
 27 subsection shall be ~~transferred~~ *distributed* to cities having a
 28 population of more than ninety thousand (90,000) but less than
 29 one hundred five thousand (105,000).

30 (2) ~~Ten Nine~~ percent ~~(10%)~~ *(9%)* of the revenue covered by this
 31 subsection shall be ~~transferred~~ *distributed* to cities having a
 32 population of more than seventy-five thousand (75,000) but less
 33 than ninety thousand (90,000).

34 (3) ~~Ten Nine~~ percent ~~(10%)~~ *(9%)* of the revenue covered by this
 35 subsection shall be ~~transferred~~ *distributed* to cities having a
 36 population of more than thirty-two thousand (32,000) but less
 37 than thirty-two thousand eight hundred (32,800).

38 (4) ~~Seventy percent (70%) of~~ The remaining revenue ~~covered by~~
 39 ~~that must be allocated among the cities and towns located in the~~
 40 ~~county under~~ this subsection shall be ~~transferred~~ *distributed* in
 41 equal amounts to each town and each city not receiving a ~~transfer~~
 42 ~~distribution~~ under subdivisions (1) through (3).

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1 The money ~~transferred~~ *distributed* under this subsection may be used
 2 only for *tourism and* economic development projects. The county
 3 treasurer shall make the ~~transfers~~ *distributions* on or before December
 4 1 of each year.

5 (e) This subsection applies to the first one million two hundred *fifty*
 6 thousand dollars ~~(\$1,200,000)~~ *(\$1,250,000)* of revenue received from
 7 the tax imposed under this chapter in each year. During each year, the
 8 county treasurer shall transfer to Purdue University-Calumet ~~nine~~ *eight*
 9 *and eighty-eight hundredths* percent ~~(9%)~~ *(8.88%)* of the revenue
 10 received under this chapter for that year. The money received by
 11 Purdue University-Calumet may be used by the university only for
 12 nursing education programs.

13 (f) This subsection applies to the first one million two hundred *fifty*
 14 thousand dollars ~~(\$1,200,000)~~ *(\$1,250,000)* of revenue received from
 15 the tax imposed under this chapter in each year. During each year, the
 16 county treasurer shall transfer two and sixty-seven hundredths percent
 17 *(2.67%)* of the revenue received under this chapter for that year to the
 18 following cities:

19 (1) Fifty percent (50%) of the revenue covered by this subsection
 20 shall be transferred to cities having a population of more than
 21 ninety thousand (90,000) but less than one hundred five thousand
 22 (105,000).

23 (2) Fifty percent (50%) of the revenue covered by this subsection
 24 shall be transferred to cities having a population of more than
 25 seventy-five thousand (75,000) but less than ninety thousand
 26 (90,000).

27 Money transferred under this subsection may be used only for
 28 convention facilities located within the city. In addition, the money may
 29 be used only for facility marketing, sales, and public relations
 30 programs. Money transferred under this subsection may not be used for
 31 salaries, facility operating costs, or capital expenditures related to the
 32 convention facilities. The county treasurer shall make the transfers on
 33 or before December 1 of each year.

34 (g) This subsection applies to the revenue received from the tax
 35 imposed under this chapter in each year that exceeds one million two
 36 hundred *fifty* thousand dollars ~~(\$1,200,000)~~ *(\$1,250,000)*. During each
 37 year, the county treasurer shall distribute money in the promotion fund
 38 as follows:

39 (1) Eighty-five percent (85%) of the revenue covered by this
 40 subsection shall be deposited in the convention, tourism, and
 41 visitor promotion fund. The money deposited in the fund under
 42 this subdivision may be used only for the purposes for which

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other money in the fund may be used.

(2) Five percent (5%) of the revenue covered by this subsection shall be transferred to Purdue University-Calumet. The money received by Purdue University-Calumet under this subdivision may be used by the university only for nursing education programs.

(3) Five percent (5%) of the revenue covered by this subsection shall be transferred to Indiana University-Northwest. The money received by Indiana University-Northwest under this subdivision may be used only for the university's medical education programs.

(4) Five percent (5%) of the revenue covered by this subsection shall be transferred to Indiana University-Northwest. The money received by Indiana University-Northwest under this subdivision may be used only for the university's allied health education programs.

(h) The county treasurer may estimate the amount that will be received under this chapter for the year to determine the amount to be transferred under this section.

(i) (h) This subsection applies only to the distribution of revenue received from the tax imposed under section 1 of this chapter from hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or accommodations built or refurbished after June 30, 1993, that are located in the largest city of the county. During each year, the county treasurer shall transfer:

(1) seventy-five percent (75%) of the revenues under this subsection to the department of public safety; and

(2) twenty-five percent (25%) of the revenues under this subsection to the division of physical and economic development; of the largest city of the county.

(i) (i) The Lake County convention and visitor bureau shall assist the county treasurer, as needed, with the calculation of the amounts that must be deposited and transferred under this section.

SECTION 24. IC 12-20-25-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 45. (a) Notwithstanding IC 6-3.5-6, after the termination of the controlled status of all townships located in a county as provided in section 41 of this chapter and if the county option income tax is imposed under this chapter, the county fiscal body may adopt an ordinance to:

(1) ~~increase the percentage grant a credit allowed~~ for homesteads **that are eligible for a standard deduction under IC 6-1.1-12-37** in the county; ~~under IC 6-1.1-20-9-2;~~ or

(2) reduce the county option income tax rate for resident county

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1 taxpayers to a rate not less than the greater of:
 2 (A) the minimum rate necessary to satisfy the requirements of
 3 section 43 of this chapter; or
 4 (B) the minimum rate necessary to satisfy the requirements of
 5 sections 43 and 46(2) of this chapter if an ordinance is adopted
 6 under subdivision (1).

7 (b) A county fiscal body may not ~~increase the percentage~~ grant a
 8 credit ~~allowed~~ for homesteads ~~in such a manner that more than eight~~
 9 ~~percent (8%) is added to~~ ~~exceeds~~ the percentage ~~established~~ ~~permitted~~
 10 ~~under IC 6-1.1-20.9-2(d).~~ **IC 6-3.5-6-13 for a county option income**
 11 **tax imposed under IC 6-3.5-6.**

12 (c) The increase in the homestead credit percentage must be uniform
 13 for all homesteads in a county.

14 (d) In an ordinance that increases the homestead credit percentage,
 15 the county fiscal body may provide for a series of increases or
 16 decreases to take place for each of a group of succeeding calendar
 17 years.

18 (e) An ordinance may be adopted under this section after January 1
 19 but before June 1 of a calendar year.

20 (f) An ordinance adopted under this section takes effect January 1
 21 of the next calendar year.

22 (g) An ordinance adopted under this section for a county is not
 23 applicable for a year if on January 1 of that year the county option
 24 income tax is not in effect.

25 SECTION 25. IC 12-20-25-46 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 46. After the
 27 termination of the controlled status of all townships located in a county
 28 as provided in section 41 of this chapter, if the county adjusted gross
 29 income tax or the county option income tax is imposed under this
 30 chapter, any revenues from the county adjusted gross income tax or the
 31 county option income tax imposed under this chapter shall be
 32 distributed in the following priority:

- 33 (1) To satisfy the requirements of section 43 of this chapter.
- 34 (2) If the county option income tax imposed under this chapter is
 35 in effect, to replace the amount, if any, of property tax revenue
 36 lost due to the allowance of ~~an increased~~ a homestead credit
 37 within the county **under an ordinance adopted under section 45**
 38 **of this chapter.**
- 39 (3) To be used as a certified distribution as provided in
 40 IC 6-3.5-1.1 or IC 6-3.5-6, whichever applies.

41 SECTION 26. IC 14-33-10-3, AS AMENDED BY P.L.67-2006,
 42 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 UPON PASSAGE]: Sec. 3. (a) An assessment not paid in full shall be
2 paid in annual installments over the time commensurate with the term
3 of the bond issue or other financing determined by resolution adopted
4 by the board. Interest shall be charged on the unpaid balance at the
5 same rate per year as the ~~penalty interest~~ charged on delinquent
6 property tax payments under ~~IC 6-1.1-37-10(a)~~; **IC 6-1.1-37-9(b)**. All
7 payments of installments, interest, and penalties shall be entered on the
8 assessment roll in the office of the district.

9 (b) Upon payment in full of the assessment, including interest and
10 penalties, the board shall have the lien released and satisfied on the
11 records in the office of the recorder of the county in which the real
12 property assessed is located.

13 (c) The procedure for collecting assessments for maintenance and
14 operation is the same as for the original assessment, except that the
15 assessments may not be paid in installments.

16 SECTION 27. IC 20-46-1-10, AS ADDED BY P.L.2-2006,
17 SECTION 169, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE UPON PASSAGE]: Sec. 10. The question to be
19 submitted to the voters in the referendum must read as follows:

20 "For the __ (insert number) calendar year or years immediately
21 following the holding of the referendum, shall the school
22 corporation impose a property tax rate that does not exceed
23 _____ (insert amount) cents (\$0.____) (insert amount) on
24 each one hundred dollars (\$100) of assessed valuation and that is
25 in addition to **all other property tax levies imposed by the**
26 ~~school corporation's normal tuition support tax rate?":~~
27 **corporation?"**.

28 SECTION 28. IC 20-49-4-7, AS ADDED BY P.L.2-2006,
29 SECTION 172, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE UPON PASSAGE]: Sec. 7. As used in this chapter,
31 "school building construction program" means the purchase, lease, or
32 financing of land, the construction and equipping of school buildings,
33 and the remodeling, repairing, or improving of school buildings by a
34 school corporation:

- 35 (1) that sustained a loss from a disaster;
- 36 (2) whose adjusted assessed valuation (as determined under
37 IC 6-1.1-34-8) per ADM is within the lowest forty percent (40%)
38 of the assessed valuation per ADM when compared with all
39 school corporation adjusted assessed valuation (as ~~determined~~
40 **adjusted (if applicable)** under IC 6-1.1-34-8) per ADM; or
- 41 (3) with an advance under this chapter outstanding on July 1,
42 1993, that bears interest of at least seven and one-half percent

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1 (7.5%).
 2 The term does not include facilities used or to be used primarily for
 3 interscholastic or extracurricular activities.
 4 SECTION 29. IC 20-49-4-9, AS ADDED BY P.L.2-2006,
 5 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 9. Priority of advances for
 7 school building construction programs shall be made to school
 8 corporations that have the least amount of adjusted assessed valuation
 9 (as ~~determined~~ **adjusted (if applicable)** under IC 6-1.1-34-8) per
 10 student in ADM.
 11 SECTION 30. IC 36-2-11-14, AS AMENDED BY P.L.106-2007,
 12 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 14. (a) The recorder may record:
 14 (1) a deed of partition;
 15 (2) a conveyance of land; or
 16 (3) an affidavit of transfer to real estate;
 17 only if, **subject to IC 6-1.1-5-9**, it ~~has been endorsed by~~ the auditor of
 18 the proper county as "duly entered for taxation subject to final
 19 acceptance for transfer", "not taxable", or "duly entered for taxation" as
 20 provided ~~has complied with IC 6-1.1-5-4, IC 6-1.1-5-5, and~~
 21 **IC 6-1.1-5-5.5 and performed the endorsement required by**
 22 IC 36-2-9-18.
 23 (b) A recorder who violates this section shall forfeit the sum of five
 24 dollars (\$5), to be recovered by an action in the name of the county, for
 25 the benefit of the common school fund.
 26 SECTION 31. IC 36-9-36-37, AS AMENDED BY P.L.67-2006,
 27 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: Sec. 37. (a) Except as provided in section 38 of
 29 this chapter, the entire assessment is payable in cash without interest
 30 not later than thirty (30) days after the approval of the assessment roll
 31 by the works board if an agreement has not been signed and filed under
 32 section 36 of this chapter.
 33 (b) If the assessment is not paid when due, the total assessment
 34 becomes delinquent and bears interest at the rate prescribed by
 35 ~~IC 6-1.1-37-10(a)~~ **IC 6-1.1-37-9(b)** per year from the date of the final
 36 acceptance of the completed improvement by the works board.
 37 SECTION 32. IC 36-9-36-55, AS AMENDED BY P.L.67-2006,
 38 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 UPON PASSAGE]: Sec. 55. (a) An irregularity or error in making a
 40 foreclosure sale under this chapter does not make the sale ineffective,
 41 unless the irregularity or error substantially prejudiced the property
 42 owner.

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1 (b) A property owner has two (2) years from the date of sale in
2 which to redeem the owner's property. The property owner may redeem
3 the owner's property by paying the principal, interest, and costs of the
4 judgment, plus interest on the principal, interest, and costs at the rate
5 prescribed by ~~IC 6-1.1-37-10(a)~~. **IC 6-1.1-37-9(b)**.

6 (c) If the property is not redeemed, the sheriff shall execute a deed
7 to the purchaser. The deed relates back to the final letting of the
8 contract for the improvement and is superior to all liens, claims, and
9 interests, except liens for taxes.

10 SECTION 33. IC 36-9-37-19, AS AMENDED BY P.L.67-2006,
11 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 UPON PASSAGE]: Sec. 19. (a) If a person defaults in the payment of
13 a waived installment of principal or interest of an assessment, the
14 municipal fiscal officer shall mail notice of the default to the person.
15 The notice must meet the following conditions:

- 16 (1) Be mailed not more than sixty (60) days after the default.
- 17 (2) Show the amount of the default, plus interest on that amount
18 for the number of months the person is in default at one-half (1/2)
19 the rate prescribed by ~~IC 6-1.1-37-10(a)~~. **IC 6-1.1-37-9(b)**.

20 (3) State that the amount of the default, plus interest, is due by the
21 date determined as follows:

- 22 (A) If the person selected monthly installments under section
23 8.5(a)(2) of this chapter, within sixty (60) days after the date
24 the notice is mailed.
- 25 (B) If the person selected annual installments under section
26 8.5(a)(1) of this chapter, within six (6) months after the date
27 the notice is mailed.

28 (b) A notice that is mailed to the person in whose name the property
29 is assessed and addressed to the person within the municipality is
30 sufficient notice. However, the fiscal officer shall also attempt to
31 determine the name and address of the current owner of the property
32 and send a similar notice to the current owner.

33 (c) Failure to send the notice required by this section does not
34 preclude or otherwise affect the following:

- 35 (1) The sale of the property for delinquency as prescribed by
36 IC 6-1.1-24.
- 37 (2) The foreclosure of the assessment lien by the bondholder.
- 38 (3) The preservation of the assessment lien under section 22.5 of
39 this chapter.

40 SECTION 34. IC 36-9-37-20, AS AMENDED BY P.L.67-2006,
41 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 UPON PASSAGE]: Sec. 20. (a) If any principal and interest, or an

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1 installment of principal and interest, is not paid in full when due, the
2 municipal fiscal officer shall enforce payment of the following:

- 3 (1) The unpaid amount of principal and interest.
- 4 (2) A penalty of interest at the rate prescribed by subsection (b).
- 5 (b) If payment is made after a default, the municipal fiscal officer
- 6 shall also collect a penalty of interest on the delinquent amount at
- 7 one-half (1/2) the rate prescribed by ~~IC 6-1.1-37-10(a)~~
- 8 **IC 6-1.1-37-9(b)** for each six (6) month period, or fraction of a six (6)
- 9 month period, from the date when payment should have been made.

10 **SECTION 35. [EFFECTIVE UPON PASSAGE] (a) The legislative**
 11 **council, with the assistance of the code revision commission, shall**
 12 **provide for the preparation of corrective legislation for**
 13 **introduction in the 2011 session of the general assembly to make**
 14 **changes to IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7, as necessary or**
 15 **appropriate, to reflect the changes made by IC 6-3.5-1.1-1.5,**
 16 **IC 6-3.5-6-1.5, and IC 6-3.5-7-4.9, all as added by this act. The code**
 17 **revision commission may as part of its review consider the relevant**
 18 **amendments to IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7 proposed in**
 19 **the introduced version of HB 1086-2010. Until the general**
 20 **assembly enacts corrective legislation, the department of local**
 21 **government finance may adopt rules under IC 4-22-2, including**
 22 **emergency rules adopted under IC 4-22-2-37.1, and prescribe**
 23 **procedures for the implementation of IC 6-3.5-1.1-1.5,**
 24 **IC 6-3.5-6-1.5, and IC 6-3.5-7-4.9, all as added by this act.**

25 (b) The commission on state tax and financing policy established
 26 under IC 2-5-3 shall, during the interim in 2010 between sessions
 27 of the general assembly, study the allocation and distribution of
 28 county adjusted gross income taxes (IC 6-3.5-1.1), county option
 29 income taxes (IC 6-3.5-6), and county economic development
 30 income taxes (IC 6-3.5-7) to civil taxing units within a county,
 31 including the allocation of revenues derived from a public safety
 32 tax rate imposed under IC 6-3.5-1.1-25 or IC 6-3.5-6-31.

33 (c) This SECTION expires January 1, 2011.

34 SECTION 36. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred House Bill 1086, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 29.

Page 2, delete lines 34 through 42.

Delete page 3.

Page 4, delete lines 1 through 22.

Page 10, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 12. IC 6-1.1-12-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2010 (RETROACTIVE)]: Sec. 26. (a) The owner of real property, or a mobile home which is not assessed as real property, which is equipped with a solar energy heating or cooling system may have deducted annually from the assessed value of the real property or mobile home an amount which is equal to the remainder of (1) the assessed value of the real property or mobile home with the solar energy heating or cooling system included; minus (2) the assessed value of the real property or mobile home without the system: **out-of-pocket expenditures by the owner or a previous owner of the real property or mobile home for:**

(1) the components; and

(2) the labor involved in installing the

(b) The department of local government finance shall promulgate rules and regulations for determining the value of a solar energy heating or cooling system. The rules and regulations must provide the method of determining the value on the basis of:

(1) the cost of the system components;

that are unique to the system and that are needed to collect, store, or distribute solar energy. ~~and~~

(2) any other factor that is a just and proper indicator of value.

(b) The tangible property to which subsection (a) applies includes a solar thermal air system and any solar energy heating or cooling system used for:

(1) domestic hot water or space heat, or both, including pool heating; or

(2) preheating for an industrial process.

(c) Subsection (a) does not apply to tangible property that would not be subject to assessment and taxation under this article if this section did not apply.

(d) For purposes of subsection (a), proof of out-of-pocket

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expenditures may be demonstrated by invoices or other evidence of a purchase and installation.

SECTION 13. IC 6-1.1-12-27.1, AS AMENDED BY P.L.1-2009, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2010 (RETROACTIVE)]: Sec. 27.1. Except as provided in sections 36 and 44 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided by section 26 of this chapter 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 real property or mobile home is subject to assessment. With respect to real property, the person must file the statement during the year for which the person desires to obtain the deduction. **Except as provided in sections 36 and 44 of this chapter and subject to section 45 of this chapter**, with respect to a mobile home which is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. The person must:

- (1) own the real property, mobile home, or manufactured home; or
- (2) be buying the real property, mobile home, or manufactured home under contract;

on the date the statement is filed under this section. 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. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction."

Page 12, line 21, delete "permanently".

Page 13, delete lines 14 through 42.

Page 16, line 7, delete "Except as otherwise" and insert **"Notwithstanding any other provision of"**.

Page 16, line 8, delete "provided by".

Page 16, line 16, delete "Except as otherwise provided by" and insert **"Notwithstanding any other provision of"**.

Page 16, line 28, delete "Except as otherwise provided by" and insert **"Notwithstanding any other provision of"**.

Page 17, line 3, delete "Except as otherwise provided by" and insert **"Notwithstanding any other provision of"**.

Page 17, delete lines 9 through 42.

Delete pages 18 through 21.

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Page 22, delete lines 1 through 7.
 Page 24, delete lines 21 through 42.
 Delete pages 25 through 37.
 Page 38, delete lines 1 through 32.
 Page 38, line 35, delete "Except as otherwise" and insert **"Notwithstanding any other provision of"**.
 Page 38, line 36, delete "provided by".
 Page 39, line 2, delete "Except as otherwise provided by" and insert **"Notwithstanding any other provision of"**.
 Page 39, line 14, delete "Except as otherwise provided by" and insert **"Notwithstanding any other provision of"**.
 Page 39, line 31, delete "Except as otherwise provided by" and insert **"Notwithstanding any other provision of"**.
 Page 39, delete lines 37 through 42.
 Delete pages 40 through 44.
 Page 45, delete lines 1 through 6.
 Page 47, delete lines 28 through 42.
 Delete pages 48 through 57.
 Page 58, delete lines 1 through 20.
 Page 61, delete lines 40 through 42.
 Delete page 62.
 Page 63, delete lines 1 through 22.
 Page 63, line 25, delete "Except as otherwise" and insert **"Notwithstanding any other provision of"**.
 Page 63, line 26, delete "provided by".
 Page 63, line 34, delete "Except as otherwise provided by" and insert **"Notwithstanding any other provision of"**.
 Page 64, line 4, delete "Except as otherwise provided by" and insert **"Notwithstanding any other provision of"**.
 Page 64, line 21, delete "Except as otherwise provided by" and insert **"Notwithstanding any other provision of"**.
 Page 64, delete lines 27 through 42.
 Delete pages 65 through 69.
 Page 70, delete lines 1 through 35.
 Page 72, delete lines 29 through 42.
 Delete pages 73 through 87.
 Page 88, delete lines 1 through 21.
 Page 94, delete lines 32 through 42.
 Delete pages 95 through 108.
 Page 109, delete lines 1 through 39.
 Page 111, between lines 23 and 24, begin a new paragraph and insert:

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"SECTION 77. [EFFECTIVE UPON PASSAGE] (a) The legislative council, with the assistance of the code revision commission, shall provide for the preparation of corrective legislation for introduction in the 2011 session of the general assembly to make changes to IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7, as necessary or appropriate, to reflect the changes made by IC 6-3.5-1.1-1.5, IC 6-3.5-6-1.5, and IC 6-3.5-7-4.9, all as added by this act. The code revision commission may as part of its review consider the relevant amendments to IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7 proposed in the introduced version of HB 1086-2010. Until the general assembly enacts corrective legislation, the department of local government finance may adopt rules under IC 4-22-2, including emergency rules adopted under IC 4-22-2-37.1, and prescribe procedures for the implementation of IC 6-3.5-1.1-1.5, IC 6-3.5-6-1.5, and IC 6-3.5-7-4.9, all as added by this act.

(b) The commission on state tax and financing policy established under IC 2-5-3 shall, during the interim in 2010 between sessions of the general assembly, study the allocation and distribution of county adjusted gross income taxes (IC 6-3.5-1.1), county option income taxes (IC 6-3.5-6), and county economic development income taxes (IC 6-3.5-7) to civil taxing units within a county, including the allocation of revenues derived from a public safety tax rate imposed under IC 6-3.5-1.1-25 or IC 6-3.5-6-31.

(c) This SECTION expires January 1, 2011."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1086 as introduced.)

GIAQUINTA, Chair

Committee Vote: yeas 10, nays 0.

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