



Reprinted  
March 29, 2011

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## HOUSE BILL No. 1484

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DIGEST OF HB 1484 (Updated March 28, 2011 5:44 pm - DI 51)

**Citations Affected:** IC 5-11; IC 6-1.1; IC 6-1.5; IC 6-3.5; IC 20-40; IC 20-46; noncode.

**Synopsis:** Property taxes. Prohibits the department of local government finance from approving a budget until a taxing unit files a financial report with the state board of accounts in the immediately preceding year. Corrects a reference to the date of the 2015 general reassessment. Establishes a procedure for a taxpayer to appeal an error in a circuit breaker or other property tax credit. Changes the methodology for: (1) a civil taxing unit's maximum permissible ad valorem property tax levy for the ensuing calendar year; and (2) adjusting a maximum permissible property tax rate after a reassessment that does not result in an increase in the assessed value of a taxing unit. Allows a treasurer to include a statement of delinquent taxes and special assessments, interest, and penalties on a provisional statement or reconciling statement. Specifies that the full amount of property taxes imposed after being approved in a referendum shall be deposited in the fund for which the property taxes were imposed without reduction for the circuit breaker credits granted to taxpayers. Provides that if the debt service fund has a deficiency as the result of the application of circuit breaker credits, the amount of the deficit must be  
(Continued next page)

**Effective:** Upon passage; January 1, 2010 (retroactive); January 1, 2011 (retroactive); July 1, 2011; October 1, 2011; January 1, 2012.

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### Espich, Welch, Cherry

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January 20, 2011, read first time and referred to Committee on Ways and Means.  
February 17, 2011, amended, reported — Do Pass.  
March 28, 2011, read second time, amended, ordered engrossed.

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HB 1484—LS 7551/DI 51+



Digest Continued

appropriated and paid from another fund. Requires certain surplus local option income tax revenue to be used as property tax replacement credits. Requires a proposed school referendum levy to specify whether the levy is to be used for the general purposes of the school or to replace revenue lost because of the application of circuit breaker credits. Requires the department of local government finance to approve the language to be placed on the ballot for a referendum concerning a capital project of a political subdivision or a referendum for an additional school operating levy, and limits the extent to which explanatory information may be added to the public question. Permits a person to appeal an error in the application of a property tax credit. Corrects a reference to the deadline for adopting a school bus replacement fund plan or a capital projects fund plan. Repeals certain provisions concerning civil government property tax controls.

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Reprinted  
March 29, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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## HOUSE BILL No. 1484

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 5-11-1-4, AS AMENDED BY P.L.176-2009,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2011]: Sec. 4. (a) The state examiner shall require from every  
4 municipality and every state or local governmental unit, entity, or  
5 instrumentality financial reports covering the full period of each fiscal  
6 year. These reports shall be prepared, verified, and filed with the state  
7 examiner not later than sixty (60) days after the close of each fiscal  
8 year. The reports must be filed electronically, in a manner prescribed  
9 by the state examiner that is compatible with the technology employed  
10 by the political subdivision.

11 (b) **The department of local government finance may not**  
12 **approve the budget of a political subdivision or a supplemental**  
13 **appropriation for a political subdivision until the political**  
14 **subdivision files an annual report under subsection (a) for the**  
15 **preceding calendar year.**

HB 1484—LS 7551/DI 51+



1 SECTION 2. IC 5-11-13-1, AS AMENDED BY P.L.169-2006,  
 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2011]: Sec. 1. **(a)** Every state, county, city, town, township, or  
 4 school official, elective or appointive, who is the head of or in charge  
 5 of any office, department, board, or commission of the state or of any  
 6 county, city, town, or township, and every state, county, city, town, or  
 7 township employee or agent who is the head of, or in charge of, or the  
 8 executive officer of any department, bureau, board, or commission of  
 9 the state, county, city, town, or township, and every executive officer  
 10 by whatever title designated, who is in charge of any state educational  
 11 institution or of any other state, county, or city institution, shall during  
 12 the month of January of each year prepare, make, and sign a written or  
 13 printed certified report, correctly and completely showing the names  
 14 and business addresses of each and all officers, employees, and agents  
 15 in their respective offices, departments, boards, commissions, and  
 16 institutions, and the respective duties and compensation of each, and  
 17 shall forthwith file said report in the office of the state examiner of the  
 18 state board of accounts. However, no more than one (1) report covering  
 19 the same officers, employees, and agents need be made from the state  
 20 or any county, city, town, township, or school unit in any one year.

21 **(b) The department of local government finance may not**  
 22 **approve the budget of a county, city, town, or township or a**  
 23 **supplemental appropriation for a county, city, town, or township**  
 24 **until the county, city, town, or township files an annual report**  
 25 **under subsection (a) for the preceding calendar year.**

26 SECTION 3. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008,  
 27 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2011]: Sec. 27.5. (a) The auditor of each county shall establish  
 29 a property reassessment fund. The county treasurer shall deposit all  
 30 collections resulting from the property taxes that the county levies for  
 31 the county's property reassessment fund.

32 (b) With respect to the general reassessment of real property that is  
 33 to commence on July 1, ~~2009~~, **2010**, the county council of each county  
 34 shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in  
 35 each year against all the taxable property in the county an amount equal  
 36 to one-fourth (1/4) of the remainder of:

- 37 (1) the estimated costs referred to in section 28.5(a) of this
- 38 chapter; minus
- 39 (2) the amount levied under this section by the county council for
- 40 property taxes due in 2004 and 2005.

41 (c) With respect to a general reassessment of real property that is to  
 42 commence on July 1, ~~2014~~, **2015**, and each fifth year thereafter, the

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1 county council of each county shall, for property taxes due in the year  
2 that the general reassessment is to commence and the four (4) years  
3 preceding that year, levy against all the taxable property in the county  
4 an amount equal to one-fifth (1/5) of the estimated costs of the general  
5 reassessment under section 28.5 of this chapter.

6 (d) The department of local government finance shall give to each  
7 county council notice, before January 1 in a year, of the tax levies  
8 required by this section for that year.

9 (e) The department of local government finance may raise or lower  
10 the property tax levy under this section for a year if the department  
11 determines it is appropriate because the estimated cost of:

- 12 (1) a general reassessment; or
- 13 (2) making annual adjustments under section 4.5 of this chapter;  
14 has changed.

15 (f) The county assessor may petition the county fiscal body to  
16 increase the levy under subsection (b) or (c) to pay for the costs of:

- 17 (1) a general reassessment;
- 18 (2) verification under 50 IAC 21-3-2 of sales disclosure forms  
19 forwarded to the county assessor under IC 6-1.1-5.5-3; or
- 20 (3) processing annual adjustments under section 4.5 of this  
21 chapter.

22 The assessor must document the needs and reasons for the increased  
23 funding.

24 (g) If the county fiscal body denies a petition under subsection (f),  
25 the county assessor may appeal to the department of local government  
26 finance. The department of local government finance shall:

- 27 (1) hear the appeal; and
- 28 (2) determine whether the additional levy is necessary.

29 SECTION 4. IC 6-1.1-15-12, AS AMENDED BY P.L.182-2009(ss),  
30 SECTION 112, IS AMENDED TO READ AS FOLLOWS  
31 [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) Subject to the limitations  
32 contained in subsections (c) and (d), a county auditor shall correct  
33 errors which are discovered in the tax duplicate for any one (1) or more  
34 of the following reasons:

- 35 (1) The description of the real property was in error.
- 36 (2) The assessment was against the wrong person.
- 37 (3) Taxes on the same property were charged more than one (1)  
38 time in the same year.
- 39 (4) There was a mathematical error in computing the taxes or  
40 penalties on the taxes.
- 41 (5) There was an error in carrying delinquent taxes forward from  
42 one (1) tax duplicate to another.

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- 1 (6) The taxes, as a matter of law, were illegal.
- 2 (7) There was a mathematical error in computing an assessment.
- 3 (8) Through an error of omission by any state or county officer,
- 4 the taxpayer was not given:
- 5 (A) the proper credit for under IC 6-1.1-20.6-7.5 for
- 6 property taxes imposed for an assessment date after
- 7 January 15, 2011;
- 8 (B) any other credit permitted by law;
- 9 (C) an exemption permitted by law; or
- 10 (D) a deduction permitted by law.
- 11 (b) The county auditor shall correct an error described under
- 12 subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county
- 13 auditor finds that the error exists.
- 14 (c) If the tax is based on an assessment made or determined by the
- 15 department of local government finance, the county auditor shall not
- 16 correct an error described under subsection (a)(6), (a)(7), or (a)(8) until
- 17 after the correction is either approved by the department of local
- 18 government finance or ordered by the tax court.
- 19 (d) If the tax is not based on an assessment made or determined by
- 20 the department of local government finance, the county auditor shall
- 21 correct an error described under subsection (a)(6), (a)(7), or (a)(8) only
- 22 if the correction is first approved by at least two (2) of the following
- 23 officials:
- 24 (1) The township assessor (if any).
- 25 (2) The county auditor.
- 26 (3) The county assessor.
- 27 If two (2) of these officials do not approve such a correction, the county
- 28 auditor shall refer the matter to the county board for determination. The
- 29 county board shall provide a copy of the determination to the taxpayer
- 30 and to the county auditor.
- 31 (e) A taxpayer may appeal a determination of the county board to
- 32 the Indiana board for a final administrative determination. An appeal
- 33 under this section shall be conducted in the same manner as appeals
- 34 under sections 4 through 8 of this chapter. The Indiana board shall send
- 35 the final administrative determination to the taxpayer, the county
- 36 auditor, the county assessor, and the township assessor (if any).
- 37 (f) If a correction or change is made in the tax duplicate after it is
- 38 delivered to the county treasurer, the county auditor shall transmit a
- 39 certificate of correction to the county treasurer. The county treasurer
- 40 shall keep the certificate as the voucher for settlement with the county
- 41 auditor.
- 42 (g) A taxpayer that files a personal property tax return under

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1 IC 6-1.1-3 may not petition under this section for the correction of an  
2 error made by the taxpayer on the taxpayer's personal property tax  
3 return. If the taxpayer wishes to correct an error made by the taxpayer  
4 on the taxpayer's personal property tax return, the taxpayer must  
5 instead file an amended personal property tax return under  
6 IC 6-1.1-3-7.5.

7 (h) A taxpayer that files a statement under IC 6-1.1-8-19 may not  
8 petition under this section for the correction of an error made by the  
9 taxpayer on the taxpayer's statement. If the taxpayer wishes to correct  
10 an error made by the taxpayer on the taxpayer's statement, the taxpayer  
11 must instead initiate an objection under IC 6-1.1-8-28 or an appeal  
12 under IC 6-1.1-8-30.

13 SECTION 5. IC 6-1.1-17-16.2 IS ADDED TO THE INDIANA  
14 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
15 [EFFECTIVE JULY 1, 2011]: **Sec. 16.2. The department of local**  
16 **government finance may not approve the budget of a taxing unit or**  
17 **a supplemental appropriation for a taxing unit until the taxing unit**  
18 **files an annual report under IC 5-11-1-4 or IC 5-11-13 for the**  
19 **preceding calendar year, unless the taxing unit did not exist as of**  
20 **March 1 of the calendar year preceding the ensuing calendar year**  
21 **by two (2) years. This section applies to a taxing unit that is the**  
22 **successor to another taxing unit or the result of a consolidation or**  
23 **merger of more than one (1) taxing unit, if an annual report under**  
24 **IC 5-11-1-4 or IC 5-11-13 has not been filed for each predecessor**  
25 **taxing unit.**

26 SECTION 6. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008,  
27 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
28 [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) For purposes of this section,  
29 "maximum rate" refers to the maximum:

- 30 (1) property tax rate or rates; or
- 31 (2) special benefits tax rate or rates;
- 32 referred to in the statutes listed in subsection (d).
- 33 (b) The maximum rate for taxes first due and payable after 2003 is  
34 the maximum rate that would have been determined under subsection  
35 (e) for taxes first due and payable in 2003 if subsection (e) had applied  
36 for taxes first due and payable in 2003.
- 37 (c) The maximum rate must be adjusted each year to account for the  
38 change in assessed value of real property that results from:
  - 39 (1) an annual adjustment of the assessed value of real property  
40 under IC 6-1.1-4-4.5; or
  - 41 (2) a general reassessment of real property under IC 6-1.1-4-4.
- 42 (d) The statutes to which subsection (a) refers are:

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- 1 (1) IC 8-10-5-17;
- 2 (2) IC 8-22-3-11;
- 3 (3) IC 8-22-3-25;
- 4 (4) IC 12-29-1-1;
- 5 (5) IC 12-29-1-2;
- 6 (6) IC 12-29-1-3;
- 7 (7) IC 12-29-3-6;
- 8 (8) IC 13-21-3-12;
- 9 (9) IC 13-21-3-15;
- 10 (10) IC 14-27-6-30;
- 11 (11) IC 14-33-7-3;
- 12 (12) IC 14-33-21-5;
- 13 (13) IC 15-14-7-4;
- 14 (14) IC 15-14-9-1;
- 15 (15) IC 15-14-9-2;
- 16 (16) IC 16-20-2-18;
- 17 (17) IC 16-20-4-27;
- 18 (18) IC 16-20-7-2;
- 19 (19) IC 16-22-14;
- 20 (20) IC 16-23-1-29;
- 21 (21) IC 16-23-3-6;
- 22 (22) IC 16-23-4-2;
- 23 (23) IC 16-23-5-6;
- 24 (24) IC 16-23-7-2;
- 25 (25) IC 16-23-8-2;
- 26 (26) IC 16-23-9-2;
- 27 (27) IC 16-41-15-5;
- 28 (28) IC 16-41-33-4;
- 29 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 30 (30) IC 20-46-6-5;
- 31 (31) IC 20-49-2-10;
- 32 (32) IC 36-1-19-1;
- 33 (33) IC 23-14-66-2;
- 34 (34) IC 23-14-67-3;
- 35 (35) IC 36-7-13-4;
- 36 (36) IC 36-7-14-28;
- 37 (37) IC 36-7-15.1-16;
- 38 (38) IC 36-8-19-8.5;
- 39 (39) IC 36-9-6.1-2;
- 40 (40) IC 36-9-17.5-4;
- 41 (41) IC 36-9-27-73;
- 42 (42) IC 36-9-29-31;

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

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1 in STEP FOUR by three (3).  
 2 STEP SIX: Determine the greater of the following:  
 3 (A) Zero (0).  
 4 (B) The result of the STEP TWO percentage minus the STEP  
 5 FIVE percentage.  
 6 STEP SEVEN: Determine the quotient of the STEP ONE tax rate  
 7 divided by the sum of one (1) plus the STEP SIX percentage  
 8 increase.  
 9 (f) The department of local government finance shall compute the  
 10 maximum rate allowed under subsection (e) and provide the rate to  
 11 each political subdivision with authority to levy a tax under a statute  
 12 listed in subsection (d).  
 13 **(g) This subsection applies to STEP TWO and STEP FOUR of**  
 14 **subsection (e) for taxes first due and payable after 2011. If the**  
 15 **assessed value change used in the STEP was not an increase, the**  
 16 **STEP is applied using instead:**  
 17 **(1) the actual percentage decrease (rounded to the nearest**  
 18 **one-hundredth percent (0.01%)) in the assessed value (before**  
 19 **the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable**  
 20 **property; or**  
 21 **(2) zero (0) if the assessed value did not increase or decrease.**  
 22 SECTION 7. IC 6-1.1-18.5-3, AS AMENDED BY P.L.146-2008,  
 23 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
 24 [EFFECTIVE JANUARY 1, 2012]: Sec. 3. (a) A civil taxing unit that  
 25 is treated as not being located in an adopting county under section 4 of  
 26 this chapter may not impose an ad valorem property tax levy for an  
 27 ensuing calendar year that exceeds the amount determined in the last  
 28 STEP of the following STEPS:  
 29 STEP ONE: ~~Add~~ **Determine** the civil taxing unit's maximum  
 30 permissible ad valorem property tax levy for the preceding  
 31 calendar year. ~~to the part of the civil taxing unit's certified share;~~  
 32 ~~if any, that was used to reduce the civil taxing unit's ad valorem~~  
 33 ~~property tax levy under STEP EIGHT of subsection (b) for that~~  
 34 ~~preceding calendar year.~~  
 35 STEP TWO: Multiply the amount determined in STEP ONE by  
 36 the amount determined in the last STEP of section 2(b) of this  
 37 chapter.  
 38 STEP THREE: Determine the lesser of one and fifteen hundredths  
 39 (1.15) or the quotient (rounded to the nearest ten-thousandth  
 40 (0.0001)), of the assessed value of all taxable property subject to  
 41 the civil taxing unit's ad valorem property tax levy for the ensuing  
 42 calendar year, divided by the assessed value of all taxable

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1 property that is subject to the civil taxing unit's ad valorem  
 2 property tax levy for the ensuing calendar year and that is  
 3 contained within the geographic area that was subject to the civil  
 4 taxing unit's ad valorem property tax levy in the preceding  
 5 calendar year.

6 STEP FOUR: Determine the greater of the amount determined in  
 7 STEP THREE or one (1).

8 STEP FIVE: Multiply the amount determined in STEP TWO by  
 9 the amount determined in STEP FOUR.

10 STEP SIX: Add the amount determined under STEP TWO to the  
 11 amount determined under subsection (c):

12 STEP SEVEN: Determine the greater of the amount determined  
 13 under STEP FIVE or the amount determined under STEP SIX:

14 **STEP SIX: Add the amount determined under STEP TWO to  
 15 the amount of an excessive levy appeal granted under section  
 16 13 of this chapter for the ensuing calendar year.**

17 **STEP SEVEN: Determine the greater of STEP FIVE or STEP  
 18 SIX.**

19 (b) Except as otherwise provided in this chapter, a civil taxing unit  
 20 that is treated as being located in an adopting county under section 4 of  
 21 this chapter may not impose an ad valorem property tax levy for an  
 22 ensuing calendar year that exceeds the amount determined in the last  
 23 STEP of the following STEPS:

24 STEP ONE: Add the civil taxing unit's maximum permissible ad  
 25 valorem property tax levy for the preceding calendar year to the  
 26 part of the civil taxing unit's certified share, if any, used to reduce  
 27 the civil taxing unit's ad valorem property tax levy under STEP  
 28 EIGHT of this subsection for that preceding calendar year.

29 STEP TWO: Multiply the amount determined in STEP ONE by  
 30 the amount determined in the last STEP of section 2(b) of this  
 31 chapter:

32 STEP THREE: Determine the lesser of one and fifteen hundredths  
 33 (1.15) or the quotient of the assessed value of all taxable property  
 34 subject to the civil taxing unit's ad valorem property tax levy for  
 35 the ensuing calendar year divided by the assessed value of all  
 36 taxable property that is subject to the civil taxing unit's ad  
 37 valorem property tax levy for the ensuing calendar year and that  
 38 is contained within the geographic area that was subject to the  
 39 civil taxing unit's ad valorem property tax levy in the preceding  
 40 calendar year.

41 STEP FOUR: Determine the greater of the amount determined in  
 42 STEP THREE or one (1):

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

10 (c) The amount to be entered under STEP SIX of subsection (a) or  
 11 STEP SIX of subsection (b); as applicable, equals the sum of the  
 12 following:

13 (1) If a civil taxing unit in the immediately preceding calendar  
 14 year provided an area outside its boundaries with services on a  
 15 contractual basis and in the ensuing calendar year that area has  
 16 been annexed by the civil taxing unit, the amount paid by the  
 17 annexed area during the immediately preceding calendar year for  
 18 services that the civil taxing unit must provide to that area during  
 19 the ensuing calendar year as a result of the annexation.

20 (2) If the civil taxing unit has had an excessive levy appeal  
 21 approved under section 13(a)(1) of this chapter for the ensuing  
 22 calendar year, an amount determined by the civil taxing unit for  
 23 the ensuing calendar year that does not exceed the amount of that  
 24 excessive levy.

25 In all other cases, the amount to be entered under STEP SIX of  
 26 subsection (a) or STEP SIX of subsection (b); as the case may be,  
 27 equals zero (0).

28 (d) This subsection applies only to civil taxing units located in a  
 29 county having a county adjusted gross income tax rate for resident  
 30 county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as  
 31 of January 1 of the ensuing calendar year. For each civil taxing unit, the  
 32 amount to be added to the amount determined in subsection (e), STEP  
 33 FOUR, is determined using the following formula:

34 STEP ONE: Multiply the civil taxing unit's maximum permissible  
 35 ad valorem property tax levy for the preceding calendar year by  
 36 two percent (2%).

37 STEP TWO: For the determination year, the amount to be used as  
 38 the STEP TWO amount is the amount determined in subsection  
 39 (f) for the civil taxing unit. For each year following the  
 40 determination year the STEP TWO amount is the lesser of:

- 41 (A) the amount determined in STEP ONE; or
- 42 (B) the amount determined in subsection (f) for the civil taxing

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1 unit.  
2 STEP THREE: Determine the greater of:  
3 (A) zero (0); or  
4 (B) the civil taxing unit's certified share for the ensuing  
5 calendar year minus the greater of:  
6 (i) the civil taxing unit's certified share for the calendar year  
7 that immediately precedes the ensuing calendar year; or  
8 (ii) the civil taxing unit's base year certified share.  
9 STEP FOUR: Determine the greater of:  
10 (A) zero (0); or  
11 (B) the amount determined in STEP TWO minus the amount  
12 determined in STEP THREE.  
13 Add the amount determined in STEP FOUR to the amount determined  
14 in subsection (c); STEP THREE, as provided in subsection (c); STEP  
15 FOUR.  
16 (e) For each civil taxing unit, the amount to be subtracted under  
17 subsection (b); STEP EIGHT, is determined using the following  
18 formula:  
19 STEP ONE: Determine the lesser of the civil taxing unit's base  
20 year certified share for the ensuing calendar year, as determined  
21 under section 5 of this chapter, or the civil taxing unit's certified  
22 share for the ensuing calendar year.  
23 STEP TWO: Determine the greater of:  
24 (A) zero (0); or  
25 (B) the remainder of:  
26 (i) the amount of federal revenue sharing money that was  
27 received by the civil taxing unit in 1985; minus  
28 (ii) the amount of federal revenue sharing money that will be  
29 received by the civil taxing unit in the year preceding the  
30 ensuing calendar year.  
31 STEP THREE: Determine the lesser of:  
32 (A) the amount determined in STEP TWO; or  
33 (B) the amount determined in subsection (f) for the civil taxing  
34 unit.  
35 STEP FOUR: Add the amount determined in subsection (d);  
36 STEP FOUR, to the amount determined in STEP THREE.  
37 STEP FIVE: Subtract the amount determined in STEP FOUR  
38 from the amount determined in STEP ONE.  
39 (f) As used in this section, a taxing unit's "determination year"  
40 means the latest of:  
41 (1) calendar year 1987, if the taxing unit is treated as being  
42 located in an adopting county for calendar year 1987 under

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- 1 section 4 of this chapter;
- 2 (2) the taxing unit's base year, as defined in section 5 of this
- 3 chapter; if the taxing unit is treated as not being located in an
- 4 adopting county for calendar year 1987 under section 4 of this
- 5 chapter; or
- 6 (3) the ensuing calendar year following the first year that the
- 7 taxing unit is located in a county that has a county adjusted gross
- 8 income tax rate of more than one-half percent (0.5%) on July 1 of
- 9 that year.

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

20 **COUNTIES WITH A TAX RATE OF 1/2%**

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

25 **COUNTIES WITH A TAX RATE OF 3/4%**

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

30 **COUNTIES WITH A TAX RATE OF 1.0%**

31	Subsection (d)	Subsection (e)
32	Year	Factor
33	For the determination year	1/6
34	For the ensuing calendar year	
35	following the determination year	1/4
36	For the ensuing calendar year	
37	following the determination year	
38	by two (2) years	1/3

39 (g) (b) This subsection applies only to property taxes first due and  
 40 payable after December 31, 2007. This subsection applies only to a  
 41 civil taxing unit that is located in a county for which a county adjusted  
 42 gross income tax rate is first imposed or is increased in a particular

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1 year under IC 6-3.5-1.1-24 or a county option income tax rate is first  
 2 imposed or is increased in a particular year under IC 6-3.5-6-30.  
 3 Notwithstanding any provision in this section or any other section of  
 4 this chapter and except as provided in subsection ~~(h)~~; **(c)**, the maximum  
 5 permissible ad valorem property tax levy calculated under this section  
 6 for the ensuing calendar year for a civil taxing unit subject to this  
 7 section is equal to the civil taxing unit's maximum permissible ad  
 8 valorem property tax levy for the current calendar year.

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

11 (1) is partially located in a county for which a county adjusted  
 12 gross income tax rate is first imposed or is increased in a  
 13 particular year under IC 6-3.5-1.1-24 or a county option income  
 14 tax rate is first imposed or is increased in a particular year under  
 15 IC 6-3.5-6-30; and

16 (2) is partially located in a county that is not described in  
 17 subdivision (1);

18 the department of local government finance shall, notwithstanding  
 19 subsection ~~(g)~~; **(b)**, adjust the portion of the civil taxing unit's  
 20 maximum permissible ad valorem property tax levy that is attributable  
 21 (as determined by the department of local government finance) to the  
 22 county or counties described in subdivision (2). The department of  
 23 local government finance shall adjust this portion of the civil taxing  
 24 unit's maximum permissible ad valorem property tax levy so that,  
 25 notwithstanding subsection ~~(g)~~; **(b)**, this portion is allowed to increase  
 26 as otherwise provided in this section. If the department of local  
 27 government finance increases the civil taxing unit's maximum  
 28 permissible ad valorem property tax levy under this subsection, any  
 29 additional property taxes imposed by the civil taxing unit under the  
 30 adjustment shall be paid only by the taxpayers in the county or counties  
 31 described in subdivision (2).

32 SECTION 8. IC 6-1.1-18.5-4 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 4. For purposes of  
 34 determining whether a civil taxing unit is subject to the levy limit  
 35 imposed by section ~~3(a) or 3(b)~~ **3** of this chapter for an ensuing  
 36 calendar year, the civil taxing unit shall be treated as being located in  
 37 an adopting county if on September 1 of the preceding calendar year  
 38 the county adjusted gross income tax was in effect in the county in  
 39 which the civil taxing unit is located. In all other cases, civil taxing  
 40 units shall be treated as not being located in an adopting county for an  
 41 ensuing budget year.

42 SECTION 9. IC 6-1.1-18.5-6, AS AMENDED BY P.L.3-2008,

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1 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 2 JULY 1, 2011]: Sec. 6. For purposes of STEP THREE of section 3(a)  
 3 of this chapter and STEP THREE of section 3(b) of this chapter, 3 of  
 4 this chapter, the assessed value of taxable property is the assessed  
 5 value of that property as determined by the department of local  
 6 government finance in fixing the civil taxing unit's budget, levy, and  
 7 rate for the applicable calendar year, excluding deductions allowed  
 8 under IC 6-1.1-12 or IC 6-1.1-12.1.

9 SECTION 10. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007,  
 10 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2011]: Sec. 9.8. (a) For purposes of determining the property  
 12 tax levy limit imposed on a city, town, or county under section 3 of this  
 13 chapter, the city, town, or county's ad valorem property tax levy for a  
 14 particular calendar year does not include an amount equal to the lesser  
 15 of:

16 (1) the amount of ad valorem property taxes that would be first  
 17 due and payable to the city, town, or county during the ensuing  
 18 calendar year if the taxing unit imposed the maximum permissible  
 19 property tax rate per one hundred dollars (\$100) of assessed  
 20 valuation that the civil taxing unit may impose for the particular  
 21 calendar year under the authority of IC 36-9-14.5 (in the case of  
 22 a county) or IC 36-9-15.5 (in the case of a city or town); or

23 (2) the excess, if any, of:  
 24 (A) the property taxes imposed by the city, town, or county  
 25 under the authority of:

- 26 IC 3-11-6-9;
- 27 IC 8-16-3;
- 28 IC 8-16-3.1;
- 29 IC 8-22-3-25;
- 30 IC 14-27-6-48;
- 31 IC 14-33-9-3;
- 32 IC 16-22-8-41;
- 33 IC 16-22-5-2 through IC 16-22-5-15;
- 34 IC 16-23-1-40;
- 35 IC 36-8-14;
- 36 IC 36-9-4-48;
- 37 IC 36-9-14;
- 38 IC 36-9-14.5;
- 39 IC 36-9-15;
- 40 IC 36-9-15.5;
- 41 IC 36-9-16;
- 42 IC 36-9-16.5;

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1 IC 36-9-17;  
 2 IC 36-9-26;  
 3 IC 36-9-27-100;  
 4 IC 36-10-3-21; or  
 5 IC 36-10-4-36;  
 6 that are first due and payable during the ensuing calendar year;  
 7 over  
 8 (B) the property taxes imposed by the city, town, or county  
 9 under the authority of the citations listed in clause (A) that  
 10 were first due and payable during calendar year 1984.  
 11 (b) The maximum property tax rate levied under the statutes listed  
 12 in subsection (a) must be adjusted each year to account for the change  
 13 in assessed value of real property that results from:  
 14 (1) an annual adjustment of the assessed value of real property  
 15 under IC 6-1.1-4-4.5; or  
 16 (2) a general reassessment of real property under IC 6-1.1-4-4.  
 17 (c) The new maximum rate under a statute listed in subsection (a)  
 18 is the tax rate determined under STEP SEVEN of the following  
 19 formula:  
 20 STEP ONE: Determine the maximum rate for the political  
 21 subdivision levying a property tax under the statute for the year  
 22 preceding the year in which the annual adjustment or general  
 23 reassessment takes effect.  
 24 STEP TWO: **Subject to subsection (e)**, determine the actual  
 25 percentage ~~increase~~ **change** (rounded to the nearest  
 26 one-hundredth percent (0.01%)) in the assessed value (before the  
 27 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property  
 28 from the year preceding the year the annual adjustment or general  
 29 reassessment takes effect to the year that the annual adjustment or  
 30 general reassessment is effective.  
 31 STEP THREE: Determine the three (3) calendar years that  
 32 immediately precede the ensuing calendar year and in which a  
 33 statewide general reassessment of real property does not first  
 34 become effective.  
 35 STEP FOUR: **Subject to subsection (e)**, compute separately, for  
 36 each of the calendar years determined in STEP THREE, the actual  
 37 percentage ~~increase~~ **change** (rounded to the nearest  
 38 one-hundredth percent (0.01%)) in the assessed value (before the  
 39 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property  
 40 from the preceding year.  
 41 STEP FIVE: Divide the sum of the three (3) quotients computed  
 42 in STEP FOUR by three (3).

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1 STEP SIX: Determine the greater of the following:  
 2 (A) Zero (0).  
 3 (B) The result of the STEP TWO percentage minus the STEP  
 4 FIVE percentage.  
 5 STEP SEVEN: Determine the quotient of the STEP ONE tax rate  
 6 divided by the sum of one (1) plus the STEP SIX percentage  
 7 increase.  
 8 (d) The department of local government finance shall compute the  
 9 maximum rate allowed under subsection (c) and provide the rate to  
 10 each political subdivision with authority to levy a tax under a statute  
 11 listed in subsection (a).  
 12 **(e) This subsection applies to STEP TWO and STEP FOUR of**  
 13 **subsection (c) for taxes first due and payable after 2011. If the**  
 14 **assessed value change used in the STEP was not an increase, the**  
 15 **STEP is applied using instead:**  
 16 **(1) the actual percentage decrease (rounded to the nearest**  
 17 **one-hundredth percent (0.01%)) in the assessed value (before**  
 18 **the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable**  
 19 **property; or**  
 20 **(2) zero (0) if the assessed value did not increase or decrease.**  
 21 SECTION 11. IC 6-1.1-20-3.1, AS AMENDED BY P.L.41-2010,  
 22 SECTION 2, AND AS AMENDED BY P.L.113-2010, SECTION 33,  
 23 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 24 [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) This section applies  
 25 only to the following:  
 26 (1) A controlled project (as defined in section 1.1 of this chapter  
 27 as in effect June 30, 2008) for which the proper officers of a  
 28 political subdivision make a preliminary determination in the  
 29 manner described in subsection (b) before July 1, 2008.  
 30 (2) An elementary school building, middle school building, or  
 31 other school building for academic instruction that:  
 32 (A) is a controlled project;  
 33 (B) will be used for any combination of kindergarten through  
 34 grade 8;  
 35 (C) will not be used for any combination of grade 9 through  
 36 grade 12; and  
 37 (D) will not cost more than ten million dollars (\$10,000,000).  
 38 (3) A high school building or other school building for academic  
 39 instruction that:  
 40 (A) is a controlled project;  
 41 (B) will be used for any combination of grade 9 through grade  
 42 12;

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- 1 (C) will not be used for any combination of kindergarten
- 2 through grade 8; and
- 3 (D) will not cost more than twenty million dollars
- 4 (\$20,000,000).
- 5 (4) Any other controlled project that:
- 6 (A) is not a controlled project described in subdivision (1), (2),
- 7 or (3); and
- 8 (B) will not cost the political subdivision more than the lesser
- 9 of the following:
- 10 (i) Twelve million dollars (\$12,000,000).
- 11 (ii) An amount equal to one percent (1%) of the total gross
- 12 assessed value of property within the political subdivision
- 13 on the last assessment date, if that amount is at least one
- 14 million dollars (\$1,000,000).
- 15 (b) A political subdivision may not impose property taxes to pay
- 16 debt service on bonds or lease rentals on a lease for a controlled project
- 17 without completing the following procedures:
- 18 (1) The proper officers of a political subdivision shall:
- 19 (A) publish notice in accordance with IC 5-3-1; and
- 20 (B) send notice by first class mail to *the circuit court clerk and*
- 21 *to any organization that delivers to the officers, before January*
- 22 *1 of that year, an annual written request for such notices;*
- 23 *of any meeting to consider adoption of a resolution or an*
- 24 *ordinance making a preliminary determination to issue bonds or*
- 25 *enter into a lease and shall conduct a public hearing on a*
- 26 *preliminary determination before adoption of the resolution or*
- 27 *ordinance.*
- 28 (2) When the proper officers of a political subdivision make a
- 29 preliminary determination to issue bonds or enter into a lease for
- 30 a controlled project, the officers shall give notice of the
- 31 preliminary determination by:
- 32 (A) publication in accordance with IC 5-3-1; and
- 33 (B) first class mail to *the circuit court clerk and to the*
- 34 *organizations described in subdivision (1)(B).*
- 35 (3) A notice under subdivision (2) of the preliminary
- 36 determination of the political subdivision to issue bonds or enter
- 37 into a lease for a controlled project must include the following
- 38 information:
- 39 (A) The maximum term of the bonds or lease.
- 40 (B) The maximum principal amount of the bonds or the
- 41 maximum lease rental for the lease.
- 42 (C) The estimated interest rates that will be paid and the total

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interest costs associated with the bonds or lease.  
(D) The purpose of the bonds or lease.  
(E) A statement that any owners of *reat* property within the political subdivision or registered voters residing within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.  
(F) With respect to bonds issued or a lease entered into to open:  
    (i) a new school facility; or  
    (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;  
the estimated costs the school corporation expects to incur annually to operate the facility.  
(G) A statement of whether the school corporation expects to appeal for a new facility adjustment (as defined in IC 20-45-1-16 (**repealed**) before January 1, 2009) for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).  
(H) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.  
(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:  
    (A) one hundred (100) persons who are either owners of *reat* property within the political subdivision or registered voters residing within the political subdivision; or  
    (B) five percent (5%) of the registered voters residing within the political subdivision.  
(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of *reat* property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter.

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Each form must be accompanied by instructions detailing the requirements that:

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

Persons requesting forms may be required to identify themselves as owners of ~~real~~ property or registered voters and may be allowed to pick up additional copies to distribute to other ~~property~~ owners of ~~property~~ or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of ~~real~~ property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as ~~a real an owner of~~ property ~~owner~~ must indicate the address of the ~~real~~ property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. The county voter registration office shall, not more than fifteen (15) business days after receiving a petition, forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

- (A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of ~~real~~ property in the political subdivision; and
- (B) whether a person who signed the petition as an owner of ~~real~~ property within the political subdivision does in fact own

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1           ~~real~~ property within the political subdivision.  
2           (9) The county voter registration office shall, not more than ten  
3           (10) business days after receiving the statement from the county  
4           auditor under subdivision (8), make the final determination of the  
5           number of petitioners that are registered voters in the political  
6           subdivision and, based on the statement provided by the county  
7           auditor, the number of petitioners that own ~~real~~ property within  
8           the political subdivision. Whenever the name of an individual  
9           who signs a petition form as a registered voter contains a minor  
10          variation from the name of the registered voter as set forth in the  
11          records of the county voter registration office, the signature is  
12          presumed to be valid, and there is a presumption that the  
13          individual is entitled to sign the petition under this section. Except  
14          as otherwise provided in this chapter, in determining whether an  
15          individual is a registered voter, the county voter registration office  
16          shall apply the requirements and procedures used under IC 3 to  
17          determine whether a person is a registered voter for purposes of  
18          voting in an election governed by IC 3. However, an individual is  
19          not required to comply with the provisions concerning providing  
20          proof of identification to be considered a registered voter for  
21          purposes of this chapter. A person is entitled to sign a petition  
22          only one (1) time in a particular petition and remonstrance  
23          process under this chapter, regardless of whether the person owns  
24          more than one (1) parcel of real property, *mobile home assessed*  
25          *as personal property, or manufactured home assessed as*  
26          *personal property, or a combination of those types of property*  
27          within the subdivision and regardless of whether the person is  
28          both a registered voter in the political subdivision and the owner  
29          of ~~real~~ property within the political subdivision. Notwithstanding  
30          any other provision of this section, if a petition is presented to the  
31          county voter registration office within forty-five (45) days before  
32          an election, the county voter registration office may defer acting  
33          on the petition, and the time requirements under this section for  
34          action by the county voter registration office do not begin to run  
35          until five (5) days after the date of the election.  
36          (10) The county voter registration office must file a certificate and  
37          each petition with:  
38                (A) the township trustee, if the political subdivision is a  
39                township, who shall present the petition or petitions to the  
40                township board; or  
41                (B) the body that has the authority to authorize the issuance of  
42                the bonds or the execution of a lease, if the political

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1 subdivision is not a township;  
2 within thirty-five (35) business days of the filing of the petition  
3 requesting a petition and remonstrance process. The certificate  
4 must state the number of petitioners that are owners of *real*  
5 property within the political subdivision and the number of  
6 petitioners who are registered voters residing within the political  
7 subdivision.

8 If a sufficient petition requesting a petition and remonstrance process  
9 is not filed by owners of *real* property or registered voters as set forth  
10 in this section, the political subdivision may issue bonds or enter into  
11 a lease by following the provisions of law relating to the bonds to be  
12 issued or lease to be entered into.

13 **(c) This subsection applies only to a political subdivision that,**  
14 **after April 30, 2011, adopts an ordinance or a resolution making a**  
15 **preliminary determination to issue bonds or enter into a lease**  
16 **subject to this section and section 3.2 of this chapter. A political**  
17 **subdivision may not artificially divide a capital project into**  
18 **multiple capital projects in order to avoid the requirements of this**  
19 **section and section 3.2 of this chapter.**

20 SECTION 12. IC 6-1.1-20-3.6, AS AMENDED BY P.L.113-2010,  
21 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 JULY 1, 2011]: Sec. 3.6. (a) Except as provided in sections 3.7 and 3.8  
23 of this chapter, this section applies only to a controlled project  
24 described in section 3.5(a) of this chapter.

25 (b) If a sufficient petition requesting the application of the local  
26 public question process has been filed as set forth in section 3.5 of this  
27 chapter, a political subdivision may not impose property taxes to pay  
28 debt service on bonds or lease rentals on a lease for a controlled project  
29 unless the political subdivision's proposed debt service or lease rental  
30 is approved in an election on a local public question held under this  
31 section.

32 (c) Except as provided in subsection (j), the following question shall  
33 be submitted to the eligible voters at the election conducted under this  
34 section:

35 "Shall \_\_\_\_\_ (insert the name of the political subdivision)  
36 issue bonds or enter into a lease to finance \_\_\_\_\_ (insert  
37 a brief description of the controlled project), which is estimated  
38 to cost not more than \_\_\_\_\_ (insert the total cost of the project)  
39 and is estimated to increase the property tax rate for debt service  
40 by \_\_\_\_\_ (insert increase in tax rate as determined by the  
41 department of local government finance)?"

42 The public question must appear on the ballot in the form approved by

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1 the county election board. If the political subdivision proposing to issue  
 2 bonds or enter into a lease is located in more than one (1) county, the  
 3 county election board of each county shall jointly approve the form of  
 4 the public question that will appear on the ballot in each county. ~~The~~  
 5 ~~form approved by the county election board may differ from the~~  
 6 ~~language certified to the county election board by the county auditor.~~  
 7 ~~If Before~~ the county election board approves the language of a public  
 8 question under this subsection after June 30, ~~2010~~, **2011**, the county  
 9 election board shall submit the language to the department of local  
 10 government finance for review. The department of local government  
 11 finance ~~shall review~~ **may approve** the **submitted ballot** language of  
 12 ~~the public question to evaluate whether the description of the~~  
 13 ~~controlled project is accurate and is not biased against either a vote in~~  
 14 ~~favor of the controlled project or a vote against the controlled project.~~  
 15 ~~The department of local government finance may recommend that the~~  
 16 ~~ballot language be used as submitted or recommend modifications to~~  
 17 ~~the ballot language as necessary to ensure that the description of the~~  
 18 ~~controlled project is accurate and is not biased.~~ **or (if the submitted**  
 19 **ballot language does not have an accurate description of the**  
 20 **proposed levy or its purposes or is biased against either a vote in**  
 21 **favor of imposing a levy or against imposing a levy) disapprove the**  
 22 **submitted ballot language. The department of local government**  
 23 **finance may approve proposed ballot language only if it is in the**  
 24 **form specified in this section without any additional explanatory**  
 25 **text or other changes.** The department of local government finance  
 26 shall send its ~~recommendations~~ **written notice of its approval or**  
 27 **disapproval** to the **political subdivision and the county auditor and**  
 28 **the county election board for each county in which the political**  
 29 **subdivision is located** not more than ten (10) days after the language  
 30 of the public question is submitted to the department for review. **If the**  
 31 **department of local government finance disapproves the proposed**  
 32 **ballot language, the county election board may resubmit**  
 33 **replacement ballot language for consideration under section 8 of**  
 34 **this chapter.** After reviewing the recommendations of the department  
 35 of local government finance **approves proposed ballot language**  
 36 under this subsection, the county election board shall take final action  
 37 to ~~approve~~ **place the approved** ballot language ~~The finally adopted~~  
 38 ~~ballot language may differ from the recommendations made by the~~  
 39 ~~department of local government finance.~~ **on the ballot. The same**  
 40 **language must be placed on the ballot in each county where the**  
 41 **school corporation is located.**

42 (d) The county auditor shall certify the finally approved public

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1 question described in subsection (c) under IC 3-10-9-3 to the county  
 2 election board of each county in which the political subdivision is  
 3 located. The certification must occur not later than noon:

4 (1) sixty (60) days before a primary election if the public question  
 5 is to be placed on the primary or municipal primary election  
 6 ballot; or

7 (2) August 1 if the public question is to be placed on the general  
 8 or municipal election ballot.

9 Subject to the certification requirements and deadlines under this  
 10 subsection and except as provided in subsection (j), the public question  
 11 shall be placed on the ballot at the next primary election, general  
 12 election, or municipal election in which all voters of the political  
 13 subdivision are entitled to vote. However, if a primary election, general  
 14 election, or municipal election will not be held during the first year in  
 15 which the public question is eligible to be placed on the ballot under  
 16 this section and if the political subdivision requests the public question  
 17 to be placed on the ballot at a special election, the public question shall  
 18 be placed on the ballot at a special election to be held on the first  
 19 Tuesday after the first Monday in May or November of the year. The  
 20 certification must occur not later than noon sixty (60) days before a  
 21 special election to be held in May (if the special election is to be held  
 22 in May) or noon on August 1 (if the special election is to be held in  
 23 November). However, in 2009, a political subdivision may hold a  
 24 special election under this section on any date scheduled for the special  
 25 election if notice of the special election was given before July 1, 2009,  
 26 to the election division of the secretary of state's office as provided in  
 27 IC 3-10-8-4. The fiscal body of the political subdivision that requests  
 28 the special election shall pay the costs of holding the special election.  
 29 The county election board shall give notice under IC 5-3-1 of a special  
 30 election conducted under this subsection. A special election conducted  
 31 under this subsection is under the direction of the county election  
 32 board. The county election board shall take all steps necessary to carry  
 33 out the special election.

34 (e) The circuit court clerk shall certify the results of the public  
 35 question to the following:

36 (1) The county auditor of each county in which the political  
 37 subdivision is located.

38 (2) The department of local government finance.

39 (f) Subject to the requirements of IC 6-1.1-18.5-8, the political  
 40 subdivision may issue the proposed bonds or enter into the proposed  
 41 lease rental if a majority of the eligible voters voting on the public  
 42 question vote in favor of the public question.

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1 (g) If a majority of the eligible voters voting on the public question  
2 vote in opposition to the public question, both of the following apply:

3 (1) The political subdivision may not issue the proposed bonds or  
4 enter into the proposed lease rental.

5 (2) Another public question under this section on the same or a  
6 substantially similar project may not be submitted to the voters  
7 earlier than one (1) year after the date of the election.

8 (h) IC 3, to the extent not inconsistent with this section, applies to  
9 an election held under this section.

10 (i) A political subdivision may not artificially divide a capital  
11 project into multiple capital projects in order to avoid the requirements  
12 of this section and section 3.5 of this chapter.

13 (j) This subsection applies to a political subdivision for which a  
14 petition requesting a public question has been submitted under section  
15 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of  
16 the political subdivision may adopt a resolution to withdraw a  
17 controlled project from consideration in a public question. If the  
18 legislative body provides a certified copy of the resolution to the county  
19 auditor and the county election board not later than forty-nine (49) days  
20 before the election at which the public question would be on the ballot,  
21 the public question on the controlled project shall not be placed on the  
22 ballot and the public question on the controlled project shall not be  
23 held, regardless of whether the county auditor has certified the public  
24 question to the county election board. If the withdrawal of a public  
25 question under this subsection requires the county election board to  
26 reprint ballots, the political subdivision withdrawing the public  
27 question shall pay the costs of reprinting the ballots. If a political  
28 subdivision withdraws a public question under this subsection that  
29 would have been held at a special election and the county election  
30 board has printed the ballots before the legislative body of the political  
31 subdivision provides a certified copy of the withdrawal resolution to  
32 the county auditor and the county election board, the political  
33 subdivision withdrawing the public question shall pay the costs  
34 incurred by the county in printing the ballots. If a public question on a  
35 controlled project is withdrawn under this subsection, a public question  
36 under this section on the same controlled project or a substantially  
37 similar controlled project may not be submitted to the voters earlier  
38 than one (1) year after the date the resolution withdrawing the public  
39 question is adopted.

40 (k) If a public question regarding a controlled project is placed on  
41 the ballot to be voted on at a public question under this section, the  
42 political subdivision shall submit to the department of local

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1 government finance, at least thirty (30) days before the election, the  
2 following information regarding the proposed controlled project for  
3 posting on the department's Internet web site:

4 (1) The cost per square foot of any buildings being constructed as  
5 part of the controlled project.

6 (2) The effect that approval of the controlled project would have  
7 on the political subdivision's property tax rate.

8 (3) The maximum term of the bonds or lease.

9 (4) The maximum principal amount of the bonds or the maximum  
10 lease rental for the lease.

11 (5) The estimated interest rates that will be paid and the total  
12 interest costs associated with the bonds or lease.

13 (6) The purpose of the bonds or lease.

14 (7) In the case of a controlled project proposed by a school  
15 corporation:

16 (A) the current and proposed square footage of school building  
17 space per student;

18 (B) enrollment patterns within the school corporation; and

19 (C) the age and condition of the current school facilities.

20 SECTION 13. IC 6-1.1-20-12 IS ADDED TO THE INDIANA  
21 CODE AS A NEW SECTION TO READ AS FOLLOWS  
22 [EFFECTIVE JULY 1, 2011]: **Sec. 12. (a) This section applies to a  
23 political subdivision that, after June 30, 2011, adopts an ordinance  
24 or a resolution making a preliminary determination to issue bonds  
25 or enter into a lease subject to:**

26 (1) sections 3.1 and 3.2 of this chapter; or

27 (2) sections 3.5 and 3.6 of this chapter.

28 (b) **An action may be filed by any person in any court with  
29 jurisdiction to:**

30 (1) **obtain a declaratory judgment concerning a matter related  
31 to section 10 or 10.1 of this chapter;**

32 (2) **enjoin continuing, threatened, or future violations of  
33 section 10 or 10.1 of this chapter; or**

34 (3) **void any policy, decision, or final action taken under this  
35 chapter affected by a violation of section 10 or 10.1 of this  
36 chapter.**

37 **The plaintiff need not allege or prove special damage different  
38 from that suffered by the public at large.**

39 (c) **Any action described in subsection (b)(2) or (b)(3) must be  
40 commenced not later than thirty (30) days after the later of the  
41 following:**

42 (1) **The date of the act or failure to act complained of**

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occurred.

(2) The date that the plaintiff knew or should have known that the act or failure to act complained of had occurred.

(d) If a court finds that a political subdivision has violated section 10 or 10.1 of this chapter, the court shall enjoin the political subdivision from initiating another public question under this chapter for a period not exceeding one (1) year after the date of the violation.

(e) If a court declares a policy, decision, or final action of a governing body of a public agency void, the court shall enjoin the governing body from subsequently acting upon the subject matter of the voided act until it has been given substantial reconsideration at a meeting or meetings that comply with this chapter.

(f) In any action filed under this section, a court shall award reasonable attorney's fees, court costs, and other reasonable expenses of litigation to the prevailing party if:

- (1) the plaintiff prevails; or
- (2) the defendant prevails and the court finds that the action is frivolous and vexatious.

(g) A court shall expedite the hearing of an action filed under this section.

SECTION 14. IC 6-1.1-20.6-9.5, AS ADDED BY P.L.162-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) This section applies only to credits under this chapter against property taxes first due and payable after December 31, 2006.

(b) The application of the credit under this chapter results in a reduction of the property tax collections of each political subdivision in which the credit is applied. **Except as provided in IC 20-46-1**, a political subdivision may not increase its property tax levy to make up for that reduction.

(c) The county auditor shall in each calendar year notify each political subdivision in which the credit under this chapter is applied of the reduction of property tax collections referred to in subsection (b) for the political subdivision for that year.

(d) A political subdivision may not borrow money to compensate the political subdivision or any other political subdivision for the reduction of property tax collections referred to in subsection (b).

SECTION 15. IC 6-1.1-20.6-9.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: **Sec. 9.8. (a) This section applies to property taxes first due and payable after**

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December 31, 2009.

(b) As used in this section:

(1) "exempt taxes" refers to property taxes that are exempted from the application of a credit granted under section 7 or 7.5 of this chapter by section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or another law; and

(2) "nonexempt taxes" refers to property taxes that are not exempt taxes.

(c) The total amount collected from exempt taxes shall be allocated to the fund for which the exempt taxes were imposed as if no credit were granted under section 7 or 7.5 of this chapter. The total amount of the loss in revenue resulting from the granting of credits under section 7 or 7.5 of this chapter must reduce only the amount of nonexempt property taxes distributed to a fund in proportion to the nonexempt rate tax imposed for that fund relative to the total of all nonexempt tax rates imposed by the taxing unit.

SECTION 16. IC 6-1.1-20.6-10, AS ADDED BY P.L.146-2008, SECTION 226, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 10. (a) As used in this section, "debt service obligations of a political subdivision" refers to:

(1) the principal and interest payable during a calendar year on bonds; and

(2) lease rental payments payable during a calendar year on leases;

of a political subdivision payable from ad valorem property taxes.

(b) Political subdivisions are required by law to fully fund the payment of their debt obligations in an amount sufficient to pay any debt service or lease rentals on outstanding obligations, regardless of any reduction in property tax collections due to the application of tax credits granted under this chapter. ~~Any reduction in collections must be applied to the other funds of the political subdivision after debt service or lease rentals have been fully funded. If the amount deposited in a fund from which debt service obligations of the political subdivision are paid is reduced as a result of the application of a credit granted under this chapter below the amount needed to meet the debt service obligations of a political subdivision as they come due, the political subdivision shall appropriate and pay the deficiency from one (1) or more of the other funds of the political subdivision.~~

(c) Upon the failure of a political subdivision to pay any of the

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1 political subdivision's debt service obligations during a calendar year  
2 when due, the treasurer of state, upon being notified of the failure by  
3 a claimant, shall pay the unpaid debt service obligations that are due  
4 from money in the possession of the state that would otherwise be  
5 available for distribution to the political subdivision under any other  
6 law, deducting the payment from the amount distributed. A deduction  
7 under this subsection must be made:

8 (1) first from distributions of county adjusted gross income tax  
9 distributions under IC 6-3.5-1.1, county option income tax  
10 distributions under IC 6-3.5-6, or county economic development  
11 income tax distributions under IC 6-3.5-7 that would otherwise be  
12 distributed to the county under the schedule in IC 6-3.5-1.1-10,  
13 IC 6-3.5-1.1-21.1, IC 6-3.5-6-16, IC 6-3.5-6-17.3, IC 6-3.5-7-17,  
14 and IC 6-3.5-7-17.3; and

15 (2) second from any other undistributed funds of the political  
16 subdivision in the possession of the state.

17 (d) This section shall be interpreted liberally so that the state shall  
18 to the extent legally valid ensure that the debt service obligations of  
19 each political subdivision are paid when due. However, this section  
20 does not create a debt of the state.

21 SECTION 17. IC 6-1.1-22.5-8, AS AMENDED BY P.L.89-2010,  
22 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 UPON PASSAGE]: Sec. 8. (a) Subject to subsection (c), a provisional  
24 statement must:

25 (1) be on a form prescribed by the department of local  
26 government finance;

27 (2) except as provided in emergency rules adopted under section  
28 20 of this chapter and subsection (b):

29 (A) for property taxes first due and payable after 2010 and  
30 billed using a provisional statement under section 6 of this  
31 chapter, indicate:

32 (i) that the first installment of the taxpayer's tax liability is  
33 an amount equal to fifty percent (50%) of the tax liability  
34 that was payable in the same year as the assessment date for  
35 the property for which the provisional statement is issued,  
36 subject to any adjustments to the tax liability authorized by  
37 the department of local government finance under  
38 subsection (e) and approved by the county treasurer; and

39 (ii) that the second installment is either the amount specified  
40 in a reconciling statement or, if a reconciling statement is  
41 not sent until after the second installment is due, an amount  
42 equal to fifty percent (50%) of the tax liability that was

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1 payable in the same year as the assessment date for the  
 2 property for which the provisional statement is issued,  
 3 subject to any adjustments to the tax liability authorized by  
 4 the department of local government finance under  
 5 subsection (e) and approved by the county treasurer; and  
 6 (B) for property taxes billed using a provisional statement  
 7 under section 6.5 of this chapter, except as provided in  
 8 subsection (d), indicate tax liability in an amount determined  
 9 by the department of local government finance based on:  
 10 (i) subject to subsection (c), for the cross-county entity, the  
 11 property tax rate of the cross-county entity for taxes first due  
 12 and payable in the immediately preceding calendar year; and  
 13 (ii) for all other taxing units that make up the taxing district  
 14 or taxing districts that comprise the cross-county area, the  
 15 property tax rates of the taxing units for taxes first due and  
 16 payable in the current calendar year;  
 17 (3) indicate:  
 18 (A) that the tax liability under the provisional statement is  
 19 determined as described in subdivision (2); and  
 20 (B) that property taxes billed on the provisional statement:  
 21 (i) are due and payable in the same manner as property  
 22 billed on a tax statement under IC 6-1.1-22-8.1; and  
 23 (ii) will be credited against a reconciling statement;  
 24 (4) for property taxes billed using a provisional statement under  
 25 section 6 of this chapter, include a statement in the following or  
 26 a substantially similar form, as determined by the department of  
 27 local government finance:  
 28 "Under Indiana law, \_\_\_\_\_ County (insert county) has sent  
 29 provisional statements. The statement is due to be paid in  
 30 installments on \_\_\_\_\_ (insert date) and \_\_\_\_\_ (insert  
 31 date). The first installment is equal to fifty percent (50%) of your  
 32 tax liability for taxes payable in \_\_\_\_\_ (insert year), subject to  
 33 adjustment to the tax liability authorized by the department of  
 34 local government finance and approved by the county treasurer.  
 35 The second installment is either the amount specified in a  
 36 reconciling statement that will be sent to you, or (if a reconciling  
 37 statement is not sent until after the second installment is due) an  
 38 amount equal to fifty percent (50%) of your tax liability for taxes  
 39 payable in \_\_\_\_\_ (insert year), subject to adjustment to the tax  
 40 liability authorized by the department of local government finance  
 41 and approved by the county treasurer. After the abstract of  
 42 property is complete, you will receive a reconciling statement in

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1 the amount of your actual tax liability for taxes payable in \_\_\_\_\_  
 2 (insert year) minus the amount you pay under this provisional  
 3 statement.";

4 (5) for property taxes billed using a provisional statement under  
 5 section 6.5 of this chapter, include a statement in the following or  
 6 a substantially similar form, as determined by the department of  
 7 local government finance:  
 8 "Under Indiana law, \_\_\_\_\_ County (insert county) has elected  
 9 to send provisional statements for the territory of  
 10 \_\_\_\_\_ (insert cross-county entity) located in  
 11 \_\_\_\_\_ County (insert county) because the property tax rate for  
 12 \_\_\_\_\_ (insert cross-county entity) was not available  
 13 in time to prepare final tax statements. The statement is due to be  
 14 paid in installments on \_\_\_\_\_ (insert date) and \_\_\_\_\_  
 15 (insert date). The statement is based on the property tax rate of  
 16 \_\_\_\_\_ (insert cross-county entity) for taxes first  
 17 due and payable in \_\_\_\_\_ (insert immediately preceding calendar  
 18 year). After the property tax rate of \_\_\_\_\_ (insert  
 19 cross-county entity) is determined, you will receive a reconciling  
 20 statement in the amount of your actual tax liability for taxes  
 21 payable in \_\_\_\_\_ (insert year) minus the amount you pay under  
 22 this provisional statement.";

23 ~~(6) in the case of a reconciling statement only,~~ indicate **any**  
 24 **adjustment to tax liability under subdivision (2) authorized by**  
 25 **the department of local government finance under subsection**  
 26 **(e) and approved by the county treasurer** for:  
 27 (A) delinquent:  
 28 (i) taxes; and  
 29 (ii) special assessments;  
 30 (B) penalties; and  
 31 (C) interest;

32 ~~is allowed to appear on the tax statement under IC 6-1.1-22-8.1~~  
 33 ~~for the first installment of property taxes in the year in which the~~  
 34 ~~provisional tax statement is issued;~~

35 (7) in the case of a reconciling statement only, include:  
 36 (A) a checklist that shows:  
 37 (i) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or  
 38 another law and all property tax deductions; and  
 39 (ii) whether each homestead credit and property tax  
 40 deduction ~~was~~ **were** applied in the current provisional  
 41 statement;  
 42 (B) an explanation of the procedure and deadline that a

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1 taxpayer must follow and the forms that must be used if a  
2 credit or deduction has been granted for the property and the  
3 taxpayer is no longer eligible for the credit or deduction; and  
4 (C) an explanation of the tax consequences and applicable  
5 penalties if a taxpayer unlawfully claims a standard deduction  
6 under IC 6-1.1-12-37 on:

- 7 (i) more than one (1) parcel of property; or
- 8 (ii) property that is not the taxpayer's principal place of  
9 residence or is otherwise not eligible for a standard  
10 deduction; and

11 (8) include any other information the county treasurer requires.

12 (b) ~~This subsection applies to property taxes first due and payable~~  
13 ~~for assessment dates after January 15, 2009.~~ The county may apply a  
14 standard deduction, supplemental standard deduction, or homestead  
15 credit calculated by the county's property system on a provisional bill  
16 for a qualified property. If a provisional bill has been used for property  
17 tax billings for two (2) consecutive years and a property qualifies for  
18 a standard deduction, supplemental standard deduction, or homestead  
19 credit for the second year a provisional bill is used, the county shall  
20 apply the standard deduction, supplemental standard deduction, or  
21 homestead credit calculated by the county's property system on the  
22 provisional bill.

23 (c) For purposes of this section, property taxes that are:

- 24 (1) first due and payable in the current calendar year on a  
25 provisional statement under section 6 or 6.5 of this chapter; and
- 26 (2) based on property taxes first due and payable in the  
27 immediately preceding calendar year or on a percentage of those  
28 property taxes;

29 are determined after excluding from the property taxes first due and  
30 payable in the immediately preceding calendar year property taxes  
31 imposed by one (1) or more taxing units in which the tangible property  
32 is located that are attributable to a levy that no longer applies for  
33 property taxes first due and payable in the current calendar year.

34 (d) If there was no property tax rate of the cross-county entity for  
35 taxes first due and payable in the immediately preceding calendar year  
36 for use under subsection (a)(2)(B), the department of local government  
37 finance shall provide an estimated tax rate calculated to approximate  
38 the actual tax rate that will apply when the tax rate is finally  
39 determined.

40 (e) The department of local government finance shall:

- 41 (1) authorize the types of adjustments to tax liability that a county  
42 treasurer may approve under subsection (a)(2)(A) including:

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- 1 (A) adjustments for any new construction on the property or
- 2 any damage to the property; ~~and~~
- 3 (B) any necessary adjustments for credits, deductions, or local
- 4 option income taxes;
- 5 **(C) adjustments to include current year special**
- 6 **assessments or exclude special assessments payable in the**
- 7 **year of the assessment date but not payable in the current**
- 8 **year;**
- 9 **(D) adjustments to include delinquent:**
- 10 **(i) taxes; and**
- 11 **(ii) special assessments;**
- 12 **(E) adjustments to include penalties that are due and**
- 13 **owing; and**
- 14 **(F) adjustments to include interest that is due and owing;**
- 15 **and**
- 16 (2) notify county treasurers in writing of the types of adjustments
- 17 authorized under subdivision (1).

18 SECTION 18. IC 6-1.1-22.5-9, AS AMENDED BY P.L.89-2010,  
 19 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 UPON PASSAGE]: Sec. 9. (a) Except as provided in section 12(b) of  
 21 this chapter, ~~property taxes~~ **tax liability** billed on a provisional  
 22 statement are due in two (2) equal installments on May 10 and  
 23 November 10 of the year following the assessment date covered by the  
 24 provisional statement.

25 (b) The county treasurer may mail or transmit the provisional  
 26 statement one (1) time each year at least fifteen (15) days before the  
 27 date on which the first installment is due under subsection (a) in the  
 28 manner provided in IC 6-1.1-22-8.1, regardless of whether the notice  
 29 required under section 6(b) of this chapter has been published.

30 (c) This subsection applies to a provisional statement issued under  
 31 section 6 of this chapter. Except when the second installment of a  
 32 provisional statement is replaced by a final reconciling statement  
 33 providing for taxes to be due on November 10, the amount of tax  
 34 **liability** due for each installment of a provisional statement issued for  
 35 a year after 2010 is fifty percent (50%) of the tax that was due for the  
 36 immediately preceding year under IC 6-1.1-22 subject to any  
 37 adjustments to the tax liability as prescribed by the department of local  
 38 government finance. If no bill was issued in the prior year, the  
 39 provisional bill shall be based on the amount that would have been due  
 40 if a provisional tax statement had been issued for the immediately  
 41 preceding year. The department of local government finance may  
 42 prescribe standards to implement this subsection, including a method

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1 of calculating the taxes due when an abstract or other information is not  
2 complete.

3 (d) This subsection applies only if a provisional statement for  
4 payment of property taxes, ~~and~~ special assessments, **and any**  
5 **adjustment included in the provisional statement under section 8(e)**  
6 **of this chapter** by electronic mail is transmitted to a person under  
7 IC 6-1.1-22-8.1(h). If a response to the transmission of electronic mail  
8 to a person indicates that the electronic mail was not received, the  
9 county treasurer shall mail to the person a hard copy of the provisional  
10 statement in the manner required by this chapter for persons who do  
11 not opt to receive statements by electronic mail. The due date for the  
12 property taxes, ~~and~~ special assessments, **and any adjustment included**  
13 **in the provisional statement under section 8(e) of this chapter** under  
14 a provisional statement mailed to a person under this subsection is the  
15 due date indicated in the statement transmitted to the person by  
16 electronic mail.

17 SECTION 19. IC 6-1.1-22.5-12, AS AMENDED BY  
18 P.L.182-2009(ss), SECTION 163, IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as  
20 provided by subsection (c), each reconciling statement must be on a  
21 form prescribed by the department of local government finance and  
22 must indicate:

- 23 (1) the actual property tax liability under this article for the
- 24 calendar year for which the reconciling statement is issued;
- 25 (2) the total amount paid under the provisional statement for the
- 26 property for which the reconciling statement is issued;
- 27 (3) if the amount under subdivision (1) exceeds the amount under
- 28 subdivision (2), that the excess is payable by the taxpayer:
  - 29 (A) as a final reconciliation of the tax liability; and
  - 30 (B) not later than:
    - 31 (i) thirty (30) days after the date of the reconciling
    - 32 statement;
    - 33 (ii) if the county treasurer requests in writing that the
    - 34 commissioner designate a later date, the date designated by
    - 35 the commissioner; or
    - 36 (iii) the date specified in an ordinance adopted under section
    - 37 18.5 of this chapter; and
  - 38 (4) if the amount under subdivision (2) exceeds the amount under
  - 39 subdivision (1), that the taxpayer may claim a refund of the excess
  - 40 under IC 6-1.1-26.

41 (b) If, upon receipt of the abstract required by IC 6-1.1-22-5 or upon  
42 determination of the tax rate of the cross-county entity referred to in

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1 section 6.5 of this chapter, the county treasurer determines that it is  
2 possible to complete the:

- 3 (1) preparation; and  
4 (2) mailing or transmittal;

5 of the reconciling statement at least thirty (30) days before the due date  
6 of the second installment specified in the provisional statement, the  
7 county treasurer may request in writing that the department of local  
8 government finance permit the county treasurer to issue a reconciling  
9 statement that adjusts the amount of the second installment that was  
10 specified in the provisional statement. If the department approves the  
11 county treasurer's request, the county treasurer shall prepare and mail  
12 or transmit the reconciling statement at least thirty (30) days before the  
13 due date of the second installment specified in the provisional  
14 statement.

15 (c) A reconciling statement prepared under subsection (b) must  
16 indicate:

- 17 (1) the actual property tax liability under this article for the  
18 calendar year for the property for which the reconciling statement  
19 is issued;  
20 (2) the total amount of the first installment paid under the  
21 provisional statement for the property for which the reconciling  
22 statement is issued;  
23 (3) if the amount under subdivision (1) exceeds the amount under  
24 subdivision (2), the adjusted amount of the second installment  
25 that is payable by the taxpayer:  
26 (A) as a final reconciliation of the tax liability; and  
27 (B) not later than:  
28 (i) November 10; or  
29 (ii) if the county treasurer requests in writing that the  
30 commissioner designate a later date, the date designated by  
31 the commissioner; and

32 (4) if the amount under subdivision (2) exceeds the amount under  
33 subdivision (1), that the taxpayer may claim a refund of the excess  
34 under IC 6-1.1-26.

35 (d) At the election of a county auditor, a checklist required by  
36 IC 6-1.1-22-8.1(b)(8) and a notice required by IC 6-1.1-22-8.1(b)(9)  
37 may be sent to a taxpayer with a reconciling statement under this  
38 section. This subsection expires January 1, 2013.

39 (e) In a county in which an authorizing ordinance is adopted under  
40 IC 6-1.1-22-8.1(h), a person may direct the county treasurer to transmit  
41 a reconciling statement by electronic mail under IC 6-1.1-22-8.1(h).

42 (f) **A reconciling statement may include any adjustment**

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1 **authorized by the department of local government finance under**  
2 **section 8(e) of this chapter and approved by the county treasurer.**

3 SECTION 20. IC 6-1.5-4-1 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) The Indiana  
5 board shall conduct an impartial review of all appeals concerning:

- 6 (1) the assessed valuation of tangible property;
- 7 (2) property tax deductions; ~~or~~
- 8 (3) property tax exemptions; ~~or~~
- 9 **(4) property tax credits;**

10 that are made from a determination by an assessing official or a county  
11 property tax assessment board of appeals to the Indiana board under  
12 any law.

13 (b) Appeals described in this section shall be conducted under  
14 IC 6-1.1-15.

15 SECTION 21. IC 6-3.5-1.1-24, AS AMENDED BY P.L.146-2008,  
16 SECTION 331, IS AMENDED TO READ AS FOLLOWS  
17 [EFFECTIVE JULY 1, 2011]: Sec. 24. (a) In a county in which the  
18 county adjusted gross income tax is in effect, the county council may,  
19 before August 1 of a year, adopt an ordinance to impose or increase (as  
20 applicable) a tax rate under this section.

21 (b) In a county in which neither the county adjusted gross income  
22 tax nor the county option income tax is in effect, the county council  
23 may, before August 1 of a year, adopt an ordinance to impose a tax rate  
24 under this section.

25 (c) An ordinance adopted under this section takes effect October 1  
26 of the year in which the ordinance is adopted. If a county council  
27 adopts an ordinance to impose or increase a tax rate under this section,  
28 the county auditor shall send a certified copy of the ordinance to the  
29 department and the department of local government finance by  
30 certified mail.

31 (d) A tax rate under this section is in addition to any other tax rates  
32 imposed under this chapter and does not affect the purposes for which  
33 other tax revenue under this chapter may be used.

34 (e) The following apply only in the year in which a county council  
35 first imposes a tax rate under this section.

- 36 (1) The county council shall, in the ordinance imposing the tax
- 37 rate, specify the tax rate for each of the following two (2) years.
- 38 (2) The tax rate that must be imposed in the county from October
- 39 1 of the year in which the tax rate is imposed through September
- 40 30 of the following year is equal to the result of:

- 41 (A) the tax rate determined for the county under
- 42 IC 6-3.5-1.5-1(a) in the year in which the tax rate is increased;

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1 multiplied by  
 2 (B) two (2).  
 3 (3) The tax rate that must be imposed in the county from October  
 4 1 of the following year through September 30 of the year after the  
 5 following year is the tax rate determined for the county under  
 6 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues  
 7 in effect in later years unless the tax rate is increased under this  
 8 section.  
 9 (4) The levy limitations in ~~IC 6-1.1-18.5-3(g)~~, ~~IC 6-1.1-18.5-3(h)~~,  
 10 **IC 6-1.1-18.5-3(b)**, **IC 6-1.1-18.5-3(c)**, IC 12-19-7-4(b) (before  
 11 its repeal), IC 12-19-7.5-6(b) (before its repeal), and  
 12 IC 12-29-2-2(c) apply to property taxes first due and payable in  
 13 the ensuing calendar year and to property taxes first due and  
 14 payable in the calendar year after the ensuing calendar year.  
 15 (f) The following apply only in a year in which a county council  
 16 increases a tax rate under this section:  
 17 (1) The county council shall, in the ordinance increasing the tax  
 18 rate, specify the tax rate for the following year.  
 19 (2) The tax rate that must be imposed in the county from October  
 20 1 of the year in which the tax rate is increased through September  
 21 30 of the following year is equal to the result of:  
 22 (A) the tax rate determined for the county under  
 23 IC 6-3.5-1.5-1(a) in that year; plus  
 24 (B) the tax rate currently in effect in the county under this  
 25 section.  
 26 The tax rate under this subdivision continues in effect in later  
 27 years unless the tax rate is increased under this section.  
 28 (3) The levy limitations in ~~IC 6-1.1-18.5-3(g)~~, ~~IC 6-1.1-18.5-3(h)~~,  
 29 **IC 6-1.1-18.5-3(b)**, **IC 6-1.1-18.5-3(c)**, IC 12-19-7-4(b) (before  
 30 its repeal), IC 12-19-7.5-6(b) (before its repeal), and  
 31 IC 12-29-2-2(c) apply to property taxes first due and payable in  
 32 the ensuing calendar year.  
 33 (g) The department of local government finance shall determine the  
 34 following property tax replacement distribution amounts:  
 35 STEP ONE: Determine the sum of the amounts determined under  
 36 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the  
 37 county in the preceding year.  
 38 STEP TWO: For distribution to each civil taxing unit that in the  
 39 year had a maximum permissible property tax levy limited under  
 40 ~~IC 6-1.1-18.5-3(g)~~, **IC 6-1.1-18.5-3(b)**, determine the result of:  
 41 (1) the quotient of:  
 42 (A) the part of the amount determined under STEP ONE of

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1 IC 6-3.5-1.5-1(a) in the preceding year that was attributable  
 2 to the civil taxing unit; divided by  
 3 (B) the STEP ONE amount; multiplied by  
 4 (2) the tax revenue received by the county treasurer under this  
 5 section.

6 STEP THREE: For distributions in 2009 and thereafter, the result  
 7 of this STEP is zero (0). For distribution to the county for deposit  
 8 in the county family and children's fund before 2009, determine  
 9 the result of:

10 (1) the quotient of:  
 11 (A) the amount determined under STEP TWO of  
 12 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 13 (B) the STEP ONE amount; multiplied by  
 14 (2) the tax revenue received by the county treasurer under this  
 15 section.

16 STEP FOUR: For distributions in 2009 and thereafter, the result  
 17 of this STEP is zero (0). For distribution to the county for deposit  
 18 in the county children's psychiatric residential treatment services  
 19 fund before 2009, determine the result of:

20 (1) the quotient of:  
 21 (A) the amount determined under STEP THREE of  
 22 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 23 (B) the STEP ONE amount; multiplied by  
 24 (2) the tax revenue received by the county treasurer under this  
 25 section.

26 STEP FIVE: For distribution to the county for community mental  
 27 health center purposes, determine the result of:

28 (1) the quotient of:  
 29 (A) the amount determined under STEP FOUR of  
 30 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 31 (B) the STEP ONE amount; multiplied by  
 32 (2) the tax revenue received by the county treasurer under this  
 33 section.

34 Except as provided in subsection (m), the county treasurer shall  
 35 distribute the portion of the certified distribution that is attributable to  
 36 a tax rate under this section as specified in this section. The county  
 37 treasurer shall make the distributions under this subsection at the same  
 38 time that distributions are made to civil taxing units under section 15  
 39 of this chapter.

40 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county  
 41 council may not decrease or rescind a tax rate imposed under this  
 42 chapter.

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- 1 (i) The tax rate under this section shall not be considered for
- 2 purposes of computing:
- 3 (1) the maximum income tax rate that may be imposed in a county
- 4 under section 2 of this chapter or any other provision of this
- 5 chapter; or
- 6 (2) the maximum permissible property tax levy under ~~STEP~~
- 7 ~~EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3.~~
- 8 (j) The tax levy under this section shall not be considered for
- 9 purposes of computing the total county tax levy under
- 10 ~~IC 6-1.1-21-2(g)(3); IC 6-1.1-21-2(g)(4); or IC 6-1.1-21-2(g)(5) (before~~
- 11 ~~the repeal of those provisions) or for purposes of the credit under~~
- 12 ~~IC 6-1.1-20.6.~~
- 13 (k) A distribution under this section shall be treated as a part of the
- 14 receiving civil taxing unit's property tax levy for that year for purposes
- 15 of fixing the budget of the civil taxing unit and for determining the
- 16 distribution of taxes that are distributed on the basis of property tax
- 17 levies.
- 18 (l) If a county council imposes a tax rate under this section, the
- 19 portion of county adjusted gross income tax revenue dedicated to
- 20 property tax replacement credits under section 11 of this chapter may
- 21 not be decreased.
- 22 (m) In the year following the year in a which a county first imposes
- 23 a tax rate under this section, one-half (1/2) of the tax revenue that is
- 24 attributable to the tax rate under this section must be deposited in the
- 25 county stabilization fund established under subsection (o).
- 26 (n) A pledge of county adjusted gross income taxes does not apply
- 27 to revenue attributable to a tax rate under this section.
- 28 (o) A county stabilization fund is established in each county that
- 29 imposes a tax rate under this section. The county stabilization fund
- 30 shall be administered by the county auditor. If for a year the certified
- 31 distributions attributable to a tax rate under this section exceed the
- 32 amount calculated under STEP ONE through STEP FOUR of
- 33 IC 6-3.5-1.5-1(a) that is used by the department of local government
- 34 finance and the department of state revenue to determine the tax rate
- 35 under this section, the excess shall be deposited in the county
- 36 stabilization fund. Money shall be distributed from the county
- 37 stabilization fund in a year by the county auditor to political
- 38 subdivisions entitled to a distribution of tax revenue attributable to the
- 39 tax rate under this section if:
- 40 (1) the certified distributions attributable to a tax rate under this
- 41 section are less than the amount calculated under STEP ONE
- 42 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the

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1 department of local government finance and the department of  
 2 state revenue to determine the tax rate under this section for a  
 3 year; or  
 4 (2) the certified distributions attributable to a tax rate under this  
 5 section in a year are less than the certified distributions  
 6 attributable to a tax rate under this section in the preceding year.  
 7 However, subdivision (2) does not apply to the year following the first  
 8 year in which certified distributions of revenue attributable to the tax  
 9 rate under this section are distributed to the county.  
 10 (p) Notwithstanding any other provision, a tax rate imposed under  
 11 this section may not exceed one percent (1%).  
 12 (q) A county council must each year hold at least one (1) public  
 13 meeting at which the county council discusses whether the tax rate  
 14 under this section should be imposed or increased.  
 15 (r) The department of local government finance and the department  
 16 of state revenue may take any actions necessary to carry out the  
 17 purposes of this section.  
 18 SECTION 22. IC 6-3.5-1.1-25, AS AMENDED BY P.L.146-2008,  
 19 SECTION 332, IS AMENDED TO READ AS FOLLOWS  
 20 [EFFECTIVE OCTOBER 1, 2011]: Sec. 25. (a) As used in this section,  
 21 "public safety" refers to the following:  
 22 (1) A police and law enforcement system to preserve public peace  
 23 and order.  
 24 (2) A firefighting and fire prevention system.  
 25 (3) Emergency ambulance services (as defined in  
 26 IC 16-18-2-107).  
 27 (4) Emergency medical services (as defined in IC 16-18-2-110).  
 28 (5) Emergency action (as defined in IC 13-11-2-65).  
 29 (6) A probation department of a court.  
 30 (7) Confinement, supervision, services under a community  
 31 corrections program (as defined in IC 35-38-2.6-2), or other  
 32 correctional services for a person who has been:  
 33 (A) diverted before a final hearing or trial under an agreement  
 34 that is between the county prosecuting attorney and the person  
 35 or the person's custodian, guardian, or parent and that provides  
 36 for confinement, supervision, community corrections services,  
 37 or other correctional services instead of a final action  
 38 described in clause (B) or (C);  
 39 (B) convicted of a crime; or  
 40 (C) adjudicated as a delinquent child or a child in need of  
 41 services.  
 42 (8) A juvenile detention facility under IC 31-31-8.

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- 1 (9) A juvenile detention center under IC 31-31-9.
- 2 (10) A county jail.
- 3 (11) A communications system (as defined in IC 36-8-15-3) or an
- 4 enhanced emergency telephone system (as defined in
- 5 IC 36-8-16-2).
- 6 (12) Medical and health expenses for jail inmates and other
- 7 confined persons.
- 8 (13) Pension payments for any of the following:
- 9 (A) A member of the fire department (as defined in
- 10 IC 36-8-1-8) or any other employee of a fire department.
- 11 (B) A member of the police department (as defined in
- 12 IC 36-8-1-9), a police chief hired under a waiver under
- 13 IC 36-8-4-6.5, or any other employee hired by a police
- 14 department.
- 15 (C) A county sheriff or any other member of the office of the
- 16 county sheriff.
- 17 (D) Other personnel employed to provide a service described
- 18 in this section.
- 19 (b) If a county council has imposed a tax rate of at least twenty-five
- 20 hundredths of one percent (0.25%) under section 24 of this chapter, a
- 21 tax rate of at least twenty-five hundredths of one percent (0.25%) under
- 22 section 26 of this chapter, or a total combined tax rate of at least
- 23 twenty-five hundredths of one percent (0.25%) under sections 24 and
- 24 26 of this chapter, the county council may also adopt an ordinance to
- 25 impose an additional tax rate under this section to provide funding for
- 26 public safety.
- 27 (c) A tax rate under this section may not exceed twenty-five
- 28 hundredths of one percent (0.25%).
- 29 (d) If a county council adopts an ordinance to impose a tax rate
- 30 under this section, the county auditor shall send a certified copy of the
- 31 ordinance to the department and the department of local government
- 32 finance by certified mail.
- 33 (e) A tax rate under this section is in addition to any other tax rates
- 34 imposed under this chapter and does not affect the purposes for which
- 35 other tax revenue under this chapter may be used.
- 36 (f) Except as provided in subsection (k), the county auditor shall
- 37 distribute the portion of the certified distribution that is attributable to
- 38 a tax rate under this section to the county and to each municipality in
- 39 the county. The amount that shall be distributed to the county or
- 40 municipality is equal to the result of:
- 41 (1) the portion of the certified distribution that is attributable to a
- 42 tax rate under this section; multiplied by

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- 1 (2) a fraction equal to:
- 2 (A) the attributed allocation amount (as defined in
- 3 IC 6-3.5-1.1-15) of the county or municipality for the calendar
- 4 year; divided by
- 5 (B) the sum of the attributed allocation amounts of the county
- 6 and each municipality in the county for the calendar year.

7 The county auditor shall make the distributions required by this  
 8 subsection not more than thirty (30) days after receiving the portion of  
 9 the certified distribution that is attributable to a tax rate under this  
 10 section. Tax revenue distributed to a county or municipality under this  
 11 subsection must be deposited into a separate account or fund and may  
 12 be appropriated by the county or municipality only for public safety  
 13 purposes.

14 (g) The department of local government finance may not require a  
 15 county or municipality receiving tax revenue under this section to  
 16 reduce the county's or municipality's property tax levy for a particular  
 17 year on account of the county's or municipality's receipt of the tax  
 18 revenue.

19 (h) The tax rate under this section and the tax revenue attributable  
 20 to the tax rate under this section shall not be considered for purposes  
 21 of computing:

- 22 (1) the maximum income tax rate that may be imposed in a county
- 23 under section 2 of this chapter or any other provision of this
- 24 chapter;
- 25 (2) the maximum permissible property tax levy under ~~STEP~~
- 26 ~~EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3;~~
- 27 ~~(3) the total county tax levy under IC 6-1.1-21-2(g)(3);~~
- 28 ~~IC 6-1.1-21-2(g)(4); or IC 6-1.1-21-2(g)(5) (before the repeal of~~
- 29 ~~IC 6-1.1-21); or~~
- 30 ~~(4) (3) the credit under IC 6-1.1-20.6.~~

31 (i) The tax rate under this section may be imposed or rescinded at  
 32 the same time and in the same manner that the county may impose or  
 33 increase a tax rate under section 24 of this chapter.

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

37 (k) Two (2) or more political subdivisions that are entitled to receive  
 38 a distribution under this section may adopt resolutions providing that  
 39 some part or all of those distributions shall instead be paid to one (1)  
 40 political subdivision in the county to carry out specific public safety  
 41 purposes specified in the resolutions.

42 SECTION 23. IC 6-3.5-1.1-26, AS AMENDED BY P.L.146-2008,

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1 SECTION 333, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 26. (a) A  
 3 county council may impose a tax rate under this section to provide  
 4 property tax relief to ~~political subdivisions~~ **taxpayers** in the county. A  
 5 county council is not required to impose any other tax before imposing  
 6 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 council. A tax rate under this section may not exceed one percent (1%).

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

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

17 (e) A tax rate under this section may be imposed, increased,  
 18 decreased, or rescinded by a county council at the same time and in the  
 19 same manner that the county council may impose or increase a tax rate  
 20 under section 24 of this chapter.

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

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

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

41 (B) Adopted a resolution or other statement acknowledging  
 42 that some taxpayers in the county that do not pay the tax rate

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- 1 under this section will receive a property tax replacement  
 2 credit that is funded with tax revenue from the tax rate under  
 3 this section.
- 4 (2) The tax revenue may be used to ~~uniformly increase (before~~  
 5 ~~January 1, 2009)~~ or uniformly provide (after December 31, 2008)  
 6 the homestead credit percentage in the county. The homestead  
 7 credits shall be treated for all purposes as property tax levies. The  
 8 homestead credits do not reduce the basis for determining ~~the any~~  
 9 state homestead credit. ~~under IC 6-1.1-20.9 (before its repeal)~~.  
 10 The homestead credits shall be applied to the net property taxes  
 11 due on the homestead after the application of all other assessed  
 12 value deductions or property tax deductions and credits that apply  
 13 to the amount owed under IC 6-1.1. The ~~department of local~~  
 14 ~~government finance county auditor~~ shall determine the  
 15 homestead credit percentage for a particular year based on the  
 16 amount of tax revenue that will be used under this subdivision to  
 17 provide homestead credits in that year.
- 18 (3) The tax revenue may be used to provide local property tax  
 19 replacement credits at a uniform rate for all qualified residential  
 20 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,  
 21 and as defined in section 1 of this chapter after December 31,  
 22 2008) in the county. The local property tax replacement credits  
 23 shall be treated for all purposes as property tax levies. The county  
 24 auditor shall determine the local property tax replacement credit  
 25 percentage for a particular year based on the amount of tax  
 26 revenue that will be used under this subdivision to provide local  
 27 property tax replacement credits in that year.
- 28 (4) This subdivision applies only to Lake County. The Lake  
 29 County council may adopt an ordinance providing that the tax  
 30 revenue from the tax rate under this section is used for any of the  
 31 following:
- 32 (A) To reduce all property tax levies imposed by the county by  
 33 the granting of property tax replacement credits against those  
 34 property tax levies.
- 35 (B) To provide local property tax replacement credits in Lake  
 36 County in the following manner:
- 37 (i) The tax revenue under this section that is collected from  
 38 taxpayers within a particular municipality in Lake County  
 39 (as determined by the department based on the department's  
 40 best estimate) shall be used only to provide a local property  
 41 tax credit against property taxes imposed by that  
 42 municipality.

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

9 (C) To provide property tax credits in the following manner:  
10 (i) Sixty percent (60%) of the tax revenue under this section  
11 shall be used as provided in clause (B).

12 (ii) Forty percent (40%) of the tax revenue under this section  
13 shall be used to provide property tax replacement credits  
14 against property tax levies of the county and each township  
15 and municipality in the county. The percentage of the tax  
16 revenue distributed under this item that shall be used as  
17 credits against the county's levies or against a particular  
18 township's or municipality's levies is equal to the percentage  
19 determined by dividing the population of the county,  
20 township, or municipality by the sum of the total population  
21 of the county, each township in the county, and each  
22 municipality in the county.

23 The Lake County council shall determine whether the credits  
24 under clause (A), (B), or (C) shall be provided to homesteads, to  
25 all qualified residential property, or to all taxpayers. The  
26 department of local government finance, with the assistance of the  
27 budget agency, shall certify to the county auditor and the fiscal  
28 body of the county and each township and municipality in the  
29 county the amount of property tax credits under this subdivision.

30 Except as provided in subsection (g), the tax revenue under this  
31 section that is used to provide credits under this subdivision shall  
32 be treated for all purposes as property tax levies.

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

36 (g) The tax rate under this section and the tax revenue attributable  
37 to the tax rate under this section shall not be considered for purposes  
38 of computing:

- 39 (1) the maximum income tax rate that may be imposed in a county  
40 under section 2 of this chapter or any other provision of this  
41 chapter;
- 42 (2) the maximum permissible property tax levy under ~~STEP~~

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1 EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3;  
 2 (3) before January 1, 2009; the total county tax levy under  
 3 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5)  
 4 (before the repeal of those provisions); or  
 5 ~~(4)~~ (3) the credit under IC 6-1.1-20.6.

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

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

19 (j) A taxpayer that owns an industrial plant located in Jasper County  
 20 is ineligible for a local property tax replacement credit under this  
 21 section against the property taxes due on the industrial plant if the  
 22 assessed value of the industrial plant as of March 1, 2006, exceeds  
 23 twenty percent (20%) of the total assessed value of all taxable property  
 24 in the county on that date. The general assembly finds that the  
 25 provisions of this subsection are necessary because the industrial plant  
 26 represents such a large percentage of Jasper County's assessed  
 27 valuation.

28 SECTION 24. IC 6-3.5-6-30, AS AMENDED BY P.L.146-2008,  
 29 SECTION 341, IS AMENDED TO READ AS FOLLOWS  
 30 [EFFECTIVE JULY 1, 2011]: Sec. 30. (a) In a county in which the  
 31 county option income tax is in effect, the county income tax council  
 32 may, before August 1 of a year, adopt an ordinance to impose or  
 33 increase (as applicable) a tax rate under this section.

34 (b) In a county in which neither the county option adjusted gross  
 35 income tax nor the county option income tax is in effect, the county  
 36 income tax council may, before August 1 of a year, adopt an ordinance  
 37 to impose a tax rate under this section.

38 (c) An ordinance adopted under this section takes effect October 1  
 39 of the year in which the ordinance is adopted. If a county income tax  
 40 council adopts an ordinance to impose or increase a tax rate under this  
 41 section, the county auditor shall send a certified copy of the ordinance  
 42 to the department and the department of local government finance by

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certified mail.

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

(e) The following apply only in the year in which a county income tax council first imposes a tax rate under this section:

(1) The county income tax council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; multiplied by

(B) the following:

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

(ii) In a county other than a county containing a consolidated city, two (2).

(3) The tax rate that must be imposed in the county from October 1 of the following year through September 30 of the year after the following year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in ~~IC 6-1.1-18.5-3(g)~~, ~~IC 6-1.1-18.5-3(h)~~, **IC 6-1.1-18.5-3(b)**, **IC 6-1.1-18.5-3(c)**, IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county income tax council increases a tax rate under this section:

(1) The county income tax council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is increased through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus

(B) the tax rate currently in effect in the county under this section.

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- 1 The tax rate under this subdivision continues in effect in later  
 2 years unless the tax rate is increased under this section.
- 3 (3) The levy limitations in ~~IC 6-1.1-18.5-3(g)~~; ~~IC 6-1.1-18.5-3(h)~~;  
 4 **IC 6-1.1-18.5-3(b)**, **IC 6-1.1-18.5-3(c)**, IC 12-19-7-4(b) (before  
 5 its repeal), IC 12-19-7.5-6(b) (before its repeal), and  
 6 IC 12-29-2-2(c) apply to property taxes first due and payable in  
 7 the ensuing calendar year.
- 8 (g) The department of local government finance shall determine the  
 9 following property tax replacement distribution amounts:
- 10 STEP ONE: Determine the sum of the amounts determined under  
 11 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the  
 12 county in the preceding year.
- 13 STEP TWO: For distribution to each civil taxing unit that in the  
 14 year had a maximum permissible property tax levy limited under  
 15 ~~IC 6-1.1-18.5-3(g)~~; **IC 6-1.1-18.5-3(b)**, determine the result of:
- 16 (1) the quotient of:
- 17 (A) the part of the amount determined under STEP ONE of  
 18 IC 6-3.5-1.5-1(a) in the preceding year that was attributable  
 19 to the civil taxing unit; divided by  
 20 (B) the STEP ONE amount; multiplied by
- 21 (2) the tax revenue received by the county treasurer under this  
 22 section.
- 23 STEP THREE: For distributions in 2009 and thereafter, the result  
 24 of this STEP is zero (0). For distribution to the county for deposit  
 25 in the county family and children's fund before 2009, determine  
 26 the result of:
- 27 (1) the quotient of:
- 28 (A) the amount determined under STEP TWO of  
 29 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 30 (B) the STEP ONE amount; multiplied by
- 31 (2) the tax revenue received by the county treasurer under this  
 32 section.
- 33 STEP FOUR: For distributions in 2009 and thereafter, the result  
 34 of this STEP is zero (0). For distribution to the county for deposit  
 35 in the county children's psychiatric residential treatment services  
 36 fund before 2009, determine the result of:
- 37 (1) the quotient of:
- 38 (A) the amount determined under STEP THREE of  
 39 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 40 (B) the STEP ONE amount; multiplied by
- 41 (2) the tax revenue received by the county treasurer under this  
 42 section.

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1 STEP FIVE: For distribution to the county for community mental  
2 health center purposes, determine the result of:

3 (1) the quotient of:

4 (A) the amount determined under STEP FOUR of  
5 IC 6-3.5-1.5-1(a) in the preceding year; divided by

6 (B) the STEP ONE amount; multiplied by

7 (2) the tax revenue received by the county treasurer under this  
8 section.

9 Except as provided in subsection (m), the county treasurer shall  
10 distribute the portion of the certified distribution that is attributable to  
11 a tax rate under this section as specified in this section. The county  
12 treasurer shall make the distributions under this subsection at the same  
13 time that distributions are made to civil taxing units under section 18  
14 of this chapter.

15 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county  
16 income tax council may not decrease or rescind a tax rate imposed  
17 under this chapter.

18 (i) The tax rate under this section shall not be considered for  
19 purposes of computing:

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

23 (2) the maximum permissible property tax levy under STEP  
24 EIGHTH of ~~IC 6-1.1-18.5-3(b)~~; **IC 6-1.1-18.5-3**.

25 (j) The tax levy under this section shall not be considered for  
26 purposes of computing the total county tax levy under  
27 ~~IC 6-1.1-21-2(g)(3); IC 6-1.1-21-2(g)(4); or IC 6-1.1-21-2(g)(5) (before~~  
28 ~~the repeat of those provisions)~~ or for purposes of the credit under  
29 IC 6-1.1-20.6.

30 (k) A distribution under this section shall be treated as a part of the  
31 receiving civil taxing unit's property tax levy for that year for purposes  
32 of fixing its budget and for determining the distribution of taxes that  
33 are distributed on the basis of property tax levies.

34 (l) If a county income tax council imposes a tax rate under this  
35 section, the county option income tax rate dedicated to locally funded  
36 homestead credits in the county may not be decreased.

37 (m) In the year following the year in which a county first imposes  
38 a tax rate under this section:

39 (1) one-third (1/3) of the tax revenue that is attributable to the tax  
40 rate under this section must be deposited in the county  
41 stabilization fund established under subsection (o), in the case of  
42 a county containing a consolidated city; and

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1 (2) one-half (1/2) of the tax revenue that is attributable to the tax  
2 rate under this section must be deposited in the county  
3 stabilization fund established under subsection (o), in the case of  
4 a county not containing a consolidated city.

5 (n) A pledge of county option income taxes does not apply to  
6 revenue attributable to a tax rate under this section.

7 (o) A county stabilization fund is established in each county that  
8 imposes a tax rate under this section. The county stabilization fund  
9 shall be administered by the county auditor. If for a year the certified  
10 distributions attributable to a tax rate under this section exceed the  
11 amount calculated under STEP ONE through STEP FOUR of  
12 IC 6-3.5-1.5-1(a) that is used by the department of local government  
13 finance and the department of state revenue to determine the tax rate  
14 under this section, the excess shall be deposited in the county  
15 stabilization fund. Money shall be distributed from the county  
16 stabilization fund in a year by the county auditor to political  
17 subdivisions entitled to a distribution of tax revenue attributable to the  
18 tax rate under this section if:

19 (1) the certified distributions attributable to a tax rate under this  
20 section are less than the amount calculated under STEP ONE  
21 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the  
22 department of local government finance and the department of  
23 state revenue to determine the tax rate under this section for a  
24 year; or

25 (2) the certified distributions attributable to a tax rate under this  
26 section in a year are less than the certified distributions  
27 attributable to a tax rate under this section in the preceding year.

28 However, subdivision (2) does not apply to the year following the first  
29 year in which certified distributions of revenue attributable to the tax  
30 rate under this section are distributed to the county.

31 (p) Notwithstanding any other provision, a tax rate imposed under  
32 this section may not exceed one percent (1%).

33 (q) A county income tax council must each year hold at least one (1)  
34 public meeting at which the county council discusses whether the tax  
35 rate under this section should be imposed or increased.

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

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

42 SECTION 25. IC 6-3.5-6-31, AS AMENDED BY P.L.146-2008,

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1 SECTION 342, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE OCTOBER 1, 2011]: Sec. 31. (a) As used in this section,  
 3 "public safety" refers to the following:

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

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

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1 section. Tax revenue distributed to a county or municipality under this  
2 subsection must be deposited into a separate account or fund and may  
3 be appropriated by the county or municipality only for public safety  
4 purposes.

5 (g) The department of local government finance may not require a  
6 county or municipality receiving tax revenue under this section to  
7 reduce the county's or municipality's property tax levy for a particular  
8 year on account of the county's or municipality's receipt of the tax  
9 revenue.

10 (h) The tax rate under this section and the tax revenue attributable  
11 to the tax rate under this section shall not be considered for purposes  
12 of computing:

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

16 (2) the maximum permissible property tax levy under ~~STEP~~  
17 ~~EIGHT of IC 6-1.1-18.5-3(b);~~ **IC 6-1.1-18.5-3;**

18 ~~(3) the total county tax levy under IC 6-1.1-21-2(g)(3);~~  
19 ~~IC 6-1.1-21-2(g)(4); or IC 6-1.1-21-2(g)(5) (before the repeal of~~  
20 ~~IC 6-1.1-21); or~~

21 ~~(4) (3)~~ **(3)** the credit under IC 6-1.1-20.6.

22 (i) The tax rate under this section may be imposed or rescinded at  
23 the same time and in the same manner that the county may impose or  
24 increase a tax rate under section 30 of this chapter.

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

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

31 (l) Two (2) or more political subdivisions that are entitled to receive  
32 a distribution under this section may adopt resolutions providing that  
33 some part or all of those distributions shall instead be paid to one (1)  
34 political subdivision in the county to carry out specific public safety  
35 purposes specified in the resolutions.

36 SECTION 26. IC 6-3.5-6-32, AS AMENDED BY P.L.113-2010,  
37 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 OCTOBER 1, 2011]: Sec. 32. (a) A county income tax council may  
39 impose a tax rate under this section to provide property tax relief to  
40 taxpayers in the county. A county income tax council is not required to  
41 impose any other tax before imposing a tax rate under this section.

42 (b) A tax rate under this section may be imposed in increments of

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1 five-hundredths of one percent (0.05%) determined by the county  
2 income tax council. A tax rate under this section may not exceed one  
3 percent (1%).

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

7 (d) If a county income tax council adopts an ordinance to impose or  
8 increase a tax rate under this section, the county auditor shall send a  
9 certified copy of the ordinance to the department, **the budget agency**,  
10 and the department of local government finance by certified mail.

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

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

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

30 (A) Made available to the public the county council's best  
31 estimate of the amount of property tax replacement credits to  
32 be provided under this subdivision to homesteads, other  
33 residential property, commercial property, industrial property,  
34 and agricultural property.

35 (B) Adopted a resolution or other statement acknowledging  
36 that some taxpayers in the county that do not pay the tax rate  
37 under this section will receive a property tax replacement  
38 credit that is funded with tax revenue from the tax rate under  
39 this section.

40 (2) The tax revenue may be used to uniformly increase (before  
41 January 1, 2011) or uniformly provide (after December 31, 2010)  
42 the homestead credit percentage in the county. The homestead

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1 credits shall be treated for all purposes as property tax levies. The  
 2 homestead credits do not reduce the basis for determining any  
 3 state homestead credit. The homestead credits shall be applied to  
 4 the net property taxes due on the homestead after the application  
 5 of all other assessed value deductions or property tax deductions  
 6 and credits that apply to the amount owed under IC 6-1.1. The  
 7 county auditor shall determine the homestead credit percentage  
 8 for a particular year based on the amount of tax revenue that will  
 9 be used under this subdivision to provide homestead credits in  
 10 that year.

11 (3) The tax revenue may be used to provide local property tax  
 12 replacement credits at a uniform rate for all qualified residential  
 13 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,  
 14 and as defined in section 1 of this chapter after December 31,  
 15 2008) in the county. The local property tax replacement credits  
 16 shall be treated for all purposes as property tax levies. The county  
 17 auditor shall determine the local property tax replacement credit  
 18 percentage for a particular year based on the amount of tax  
 19 revenue that will be used under this subdivision to provide local  
 20 property tax replacement credits in that year.

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

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

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

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

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

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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 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 EIGHT of IC 6-1.1-18.5-3(b)~~; **IC 6-1.1-18.5-3**; 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

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1 tax under this section after providing the property tax replacement, the  
2 excess shall be credited to a dedicated county account and may be used  
3 only for property tax replacement under this section in subsequent  
4 years.

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

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

11 SECTION 27. IC 20-40-3-5, AS ADDED BY P.L.2-2006,  
12 SECTION 163, IS AMENDED TO READ AS FOLLOWS  
13 [EFFECTIVE JULY 1, 2011]: Sec. 5. Money **deposited** in the fund as  
14 a result of:

15 (1) the approval of an excessive tax levy by the majority of  
16 individuals voting in a referendum held in the area served by  
17 the school corporation under IC 6-1.1-19-4.5 (before its  
18 repeal);

19 (2) the approval of a referendum tax levy by the majority of  
20 individuals voting in a referendum held in the area served by  
21 the school corporation under IC 20-46-1 (as effective before  
22 July 1, 2011); or

23 (3) the approval of a referendum tax levy described in  
24 IC 20-46-1-8(a)(1) by the majority of individuals voting in a  
25 referendum held in the area served by the school corporation  
26 under IC 20-46-1 (as effective after June 30, 2011);

27 may be used for any lawful school expenses.

28 SECTION 28. IC 20-40-3-6 IS ADDED TO THE INDIANA CODE  
29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
30 1, 2011]: Sec. 6. (a) Money deposited in the fund as a result of the  
31 approval of a referendum tax levy described in IC 20-46-1-8(a)(2)  
32 by the majority of individuals voting in a referendum held in the  
33 area served by the school corporation under IC 20-46-1 (as  
34 effective after June 30, 2011) shall be allocated among each fund  
35 of the school corporation that experiences a shortfall as a result of  
36 the application of the credits under IC 6-1.1-20.6 to property taxes  
37 imposed for the fund.

38 (b) Money allocated to a fund under subsection (a) shall be  
39 transferred to the fund and used:

40 (1) for the purposes of the fund; or

41 (2) to make a transfer from the fund required by  
42 IC 6-1.1-20.6-10. However, the amount transferred to a fund

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1           **may not exceed the amount of revenue lost to that fund from**  
 2           **the application of the credits under IC 6-1.1-20.6.**  
 3           **(c) Any excess amount received from the referendum tax levy**  
 4           **described in IC 20-46-1-8(a)(2) that is not transferred to a fund**  
 5           **under subsection (b) shall be:**  
 6           **(1) used to temporarily reduce the referendum tax levy in a**  
 7           **subsequent year; or**  
 8           **(2) held as a reserve in the fund to replace revenue lost to**  
 9           **another fund from the application of credits under**  
 10           **IC 6-1.1-20.6 in a subsequent year;**  
 11           **as determined by the department of local government finance.**

12           SECTION 29. IC 20-46-1-8, AS AMENDED BY P.L.41-2010,  
 13           SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14           JULY 1, 2011]: Sec. 8. (a) Subject to this chapter, the governing body  
 15           of a school corporation may adopt a resolution to place a ~~referendum~~  
 16           **public question** under this chapter on the ballot for either of the  
 17           following purposes:

- 18           (1) The governing body of the school corporation determines that  
 19           it cannot, in a calendar year, carry out its public educational duty  
 20           unless it imposes a referendum tax levy under this chapter.  
 21           (2) The governing body of the school corporation determines that  
 22           a referendum tax levy under this chapter should be imposed to  
 23           replace property tax revenue that the school corporation will not  
 24           receive because of the application of the credit under  
 25           IC 6-1.1-20.6.

26           **A resolution adopted under this section after June 30, 2011, must**  
 27           **specify whether the additional referendum tax levy is being**  
 28           **requested for the purposes of subdivision (1) or the purposes of**  
 29           **subdivision (2).**

30           (b) The governing body of the school corporation shall certify a  
 31           copy of the resolution to the department of local government finance  
 32           and the county fiscal body of each county in which the school  
 33           corporation is located.

34           SECTION 30. IC 20-46-1-10, AS AMENDED BY P.L.113-2010,  
 35           SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36           JULY 1, 2011]: Sec. 10. (a) The question to be submitted to the voters  
 37           in ~~the~~ **a referendum initiated for the purposes of section 7 of this**  
 38           **chapter, section 8 of this chapter (as effective before July 1, 2011),**  
 39           **or section 8(a)(1) of this chapter (as effective after June 30, 2011)**  
 40           must read as follows:

41           "For the \_\_ (insert number) calendar year or years immediately  
 42           following the holding of the referendum, shall the school

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1 corporation impose a property tax rate that does not exceed  
2 \_\_\_\_\_ (insert amount) cents (\$0.\_\_\_\_) (insert amount) on  
3 each one hundred dollars (\$100) of assessed valuation and that is  
4 in addition to all other property tax levies imposed by the school  
5 corporation to carry out its public educational duties?

- 6  YES
- 7  NO".

8 **(b) The question to be submitted to the voters in a referendum**  
9 **initiated under section 8(a)(2) of this chapter must read as follows:**

10 "For the \_\_\_\_ (insert number) calendar year or years  
11 immediately following the holding of the referendum, shall the  
12 school corporation impose a property tax rate that is in  
13 addition to all other property tax levies imposed by the school  
14 corporation to replace \_\_\_\_% (insert percentage not to exceed  
15 one hundred percent (100%)) of the property tax revenue that  
16 the school corporation will not receive because of the  
17 application of credits granted under the property tax caps?

- 18  YES
- 19  NO".

20 SECTION 31. IC 20-46-1-12, AS AMENDED BY P.L.146-2008,  
21 SECTION 497, IS AMENDED TO READ AS FOLLOWS  
22 [EFFECTIVE JULY 1, 2011]: Sec. 12. If a school corporation adopts  
23 a resolution under section 7 or 8 of this chapter, the county fiscal body  
24 must under IC 3-10-9-3 certify the question to be voted on at the  
25 referendum in the form specified in section 10 of this chapter,  
26 without any additional explanatory text or other changes, to the  
27 county election board of each county in which any part of the appellant  
28 school corporation is located and the department of local  
29 government finance.

30 SECTION 32. IC 20-46-1-15, AS AMENDED BY P.L.146-2008,  
31 SECTION 500, IS AMENDED TO READ AS FOLLOWS  
32 [EFFECTIVE JULY 1, 2011]: Sec. 15. (a) Each county election board  
33 shall cause:

- 34 (1) the question certified to the circuit court clerk by the county  
35 fiscal body to be placed on the ballot in the form prescribed by  
36 ~~IC 3-10-9-4~~ approved under subsection (b) by the department  
37 of local government finance; and
- 38 (2) an adequate supply of ballots and voting equipment to be  
39 delivered to the precinct election board of each precinct in which  
40 the referendum is to be held.

41 **(b) The department of local government finance shall review the**  
42 **language of each public question initiated under section 7 or 8 of**

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1 this chapter after June 30, 2011, to evaluate whether the  
 2 description of the proposed levy and its purposes is accurate and  
 3 is not biased against either a vote in favor of imposing a levy or  
 4 against imposing a levy. The department of local government  
 5 finance may approve the submitted ballot language or (if the  
 6 submitted ballot language does not have an accurate description of  
 7 the proposed levy or its purposes or is biased against either a vote  
 8 in favor of imposing a levy or against imposing a levy) disapprove  
 9 the submitted ballot language. The department of local government  
 10 finance may approve proposed ballot language only if it is in the  
 11 form specified in section 10 of this chapter without any additional  
 12 explanatory text or other changes. The department of local  
 13 government finance shall send written notice of its approval or  
 14 disapproval to the school corporation, the county fiscal body, and  
 15 county election board for each county in which the school  
 16 corporation is located not more than ten (10) days after the  
 17 language of the public question is submitted to the department for  
 18 review. If the department of local government finance disapproves  
 19 the proposed ballot language, the governing body of the appellant  
 20 school corporation may resubmit replacement ballot language for  
 21 consideration under section 8 of this chapter. After the department  
 22 of local government finance approves proposed ballot language  
 23 under this subsection, the county election board shall take final  
 24 action to place the approved language on the ballot. The same  
 25 language must be placed on the ballot in each county where the  
 26 school corporation is located.

27 SECTION 33. IC 20-46-1-17, AS AMENDED BY P.L.146-2008,  
 28 SECTION 501, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2011]: Sec. 17. Each precinct election board  
 30 shall count the affirmative votes and the negative votes cast in the  
 31 referendum and shall certify those two (2) totals to the county election  
 32 board of each county in which the referendum is held. The circuit court  
 33 clerk of each county shall, immediately after the votes cast in the  
 34 referendum have been counted, certify the results of the referendum to  
 35 the county fiscal body. Upon receiving the certification of all the votes  
 36 cast in the referendum, the county fiscal body shall promptly certify the  
 37 result of the referendum to the department of local government finance.  
 38 If a majority of the individuals who voted in the referendum voted  
 39 "yes" on the referendum question:

- 40 (1) the county fiscal body shall promptly notify the school  
 41 corporation that the school corporation is authorized to collect, for  
 42 the calendar year that next follows the calendar year in which the

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1 referendum is held, a levy not greater than the amount approved  
 2 in the referendum;  
 3 (2) the levy may be imposed for the number of calendar years  
 4 approved by the voters following the referendum for the school  
 5 corporation in which the referendum is held at:  
 6 (A) a property tax rate that does not exceed the property  
 7 tax rate specified in the public question approved by the  
 8 majority of individuals voting in a referendum under this  
 9 chapter, if the referendum was initiated for the purposes  
 10 of section 7 of this chapter, section 8 of this chapter (as  
 11 effective before July 1, 2011) or section 8(a)(1) of this  
 12 chapter (as effective after June 30, 2011); and  
 13 (B) a property tax rate that does not exceed the property  
 14 tax rate necessary, as certified by the department of local  
 15 government finance, to raise a levy equal to the percentage  
 16 of the property tax revenue that the school corporation will  
 17 not receive in the year because of the application of credits  
 18 granted under IC 6-1.1-20.6 that was approved by the  
 19 majority of individuals voting in a referendum under this  
 20 chapter, if the referendum was initiated for the purposes  
 21 of section 8(a)(2) of this chapter (as effective after June 30,  
 22 2011); and  
 23 (3) the school corporation shall establish a fund under  
 24 IC 20-40-3-1.

25 SECTION 34. IC 20-46-5-4, AS ADDED BY P.L.2-2006,  
 26 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
 27 [EFFECTIVE JULY 1, 2011]: Sec. 4. Each school corporation may  
 28 levy for a calendar year a property tax for the fund in accordance with  
 29 the school bus acquisition plan adopted under this chapter. **The levy**  
 30 **imposed for the March 1, 2011, and January 15, 2012, assessment**  
 31 **dates may not exceed the amount approved by the department of**  
 32 **local government finance under section 5 of this chapter and**  
 33 **IC 6-1.1-17. In setting the levy for the March 1, 2011, and January**  
 34 **15, 2012, assessment dates, the department of local government**  
 35 **finance shall evaluate whether the levy proposed by a school**  
 36 **corporation exceeds the reasonable needs of the school corporation**  
 37 **to carry out the purposes of the fund and approve a levy that does**  
 38 **not exceed the reasonable needs of the school corporation to carry**  
 39 **out the purposes of this chapter. In making its determination, the**  
 40 **department of local government finance may consider whether a**  
 41 **school corporation has in a previous year transferred money from**  
 42 **the fund to the school corporation's rainy day fund or a fund other**

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1 than the school bus replacement fund. A levy imposed for an  
2 assessment date after January 15, 2012, may not exceed an amount  
3 determined by multiplying:

4 (1) the school corporation's maximum permissible levy  
5 determined under this section for the previous year, after  
6 eliminating the effects of temporary excessive levy appeals  
7 and any other temporary adjustments made to the levy for the  
8 calendar year (regardless of whether the school corporation  
9 imposed the entire amount of the maximum permissible levy  
10 in the immediately preceding year); by

11 (2) the assessed value growth quotient determined under  
12 IC 6-1.1-18.5-2.

13 SECTION 35. IC 20-46-5-6.1, AS AMENDED BY P.L.111-2010,  
14 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2011]: Sec. 6.1. (a) This section does not apply to a school  
16 corporation that elects to adopt a budget under IC 6-1.1-17-5.6, unless  
17 a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body  
18 of the school corporation is in effect.

19 (b) Before a governing body may collect property taxes for the fund  
20 in a particular calendar year, the governing body must, after January 1  
21 and not later than ~~September~~ **October** 20 of the immediately preceding  
22 year:

- 23 (1) conduct a public hearing on; and
- 24 (2) pass a resolution to adopt;
- 25 a plan.

26 SECTION 36. IC 20-46-6-8.1, AS AMENDED BY P.L.111-2010,  
27 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JULY 1, 2011]: Sec. 8.1. (a) This section does not apply to a school  
29 corporation that elects to adopt a budget under IC 6-1.1-17-5.6, unless  
30 a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body  
31 of the school corporation is in effect.

32 (b) Before a governing body may collect property taxes for a capital  
33 projects fund in a particular year, the governing body must:

- 34 (1) after January 1; and
  - 35 (2) not later than ~~September~~ **October** 20;
- 36 of the immediately preceding year, hold a public hearing on a proposed  
37 or amended plan and pass a resolution to adopt the proposed or  
38 amended plan.

39 SECTION 37. THE FOLLOWING ARE REPEALED [EFFECTIVE  
40 JANUARY 1, 2012]: IC 6-1.1-18.5-4; IC 6-1.1-18.5-5.

41 SECTION 38. [EFFECTIVE JULY 1, 2011] (a) **The department**  
42 **of local government finance may adjust a civil taxing unit's**

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1 maximum permissible ad valorem property tax levy determined  
 2 under IC 6-1.1-18.5-3, as amended by this act, for property taxes  
 3 first due and payable in 2012, if the department of local  
 4 government finance determines that the civil taxing unit's  
 5 maximum permissible ad valorem property tax levy was reduced  
 6 as a direct result of the amendment of IC 6-1.1-18.5-3 by this act.  
 7 The amount of the adjustment may not exceed the greater of zero  
 8 (0) or the difference between the civil taxing unit's maximum  
 9 permissible ad valorem property tax levy, as determined without  
 10 applying the amendment made to IC 6-1.1-18.5-3 by this act, and  
 11 the civil taxing unit's maximum permissible ad valorem property  
 12 tax levy, as determined after applying the amendment to  
 13 IC 6-1.1-18.5-3 by this act. An adjustment under this SECTION  
 14 shall be treated as a permanent adjustment in the civil taxing unit's  
 15 maximum permissible ad valorem property tax levy.

16 (b) The department of local government finance may make an  
 17 adjustment under subsection (a) on its own motion or on appeal by  
 18 the civil taxing unit. A civil taxing unit may appeal for an  
 19 adjustment under this SECTION in the same manner as an appeal  
 20 under IC 6-1.1-18.5-12.

21 (c) This SECTION expires January 1, 2013.  
 22 SECTION 39. An emergency is declared for this act.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1484, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 13, delete "that fails to file" and insert "**until the political subdivision files**".

Page 1, line 14, delete "in" and insert "**for**".

Page 2, line 23, delete "that fails to file" and insert "**until the county, city, town, or township files**".

Page 2, line 23, delete "in" and insert "**for**".

Page 5, line 16, delete "that fails to file" and insert "**until the taxing unit files**".

Page 5, line 17, delete "in" and insert "**for**".

Page 8, delete lines 21 through 42.

Page 9, delete lines 1 through 39.

Page 17, delete lines 39 through 42.

Delete pages 18 through 19.

Page 20, delete lines 1 through 13.

Page 41, delete lines 41 through 42.

Delete pages 42 through 44.

Page 70, delete lines 23 through 42.

Delete page 71.

Page 72, delete lines 1 through 41.

Page 74, delete lines 14 through 42.

Delete page 75.

Page 76, delete lines 1 through 15.

Page 76, line 17, delete "IC 6-1.1-18.5-5;" and insert "IC 6-1.1-18.5-5".

Page 76, delete line 18.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB1484 as introduced.)

ESPICH, Chair

Committee Vote: yeas 22, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1484 be amended to read as follows:

Page 25, delete lines 20 through 42.

Delete pages 26 through 27.

Page 28, delete lines 1 through 22.

Re-number all SECTIONS consecutively.

(Reference is to HB 1484 as printed February 18, 2011.)

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