

SENATE BILL No. 137

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-18.5-2.

Synopsis: Maximum property tax levies in Lake County. Phases out (over two years) the law that currently freezes the maximum property tax levies for civil taxing units in Lake County unless a local option income tax for property tax relief equal to 1% is in effect in the county.

Effective: July 1, 2011.

Randolph

January 5, 2011, read first time and referred to Committee on Appropriations.

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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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SENATE BILL No. 137



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

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

1 SECTION 1. IC 6-1.1-18.5-2, AS AMENDED BY P.L.1-2008,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]: Sec. 2. (a) As used in this section, "Indiana nonfarm
4 personal income" means the estimate of total nonfarm personal income
5 for Indiana in a calendar year as computed by the federal Bureau of
6 Economic Analysis using any actual data for the calendar year and any
7 estimated data determined appropriate by the federal Bureau of
8 Economic Analysis.

9 (b) Subject to subsection (c), for purposes of determining a civil
10 taxing unit's maximum permissible ad valorem property tax levy for an
11 ensuing calendar year, the civil taxing unit shall use the assessed value
12 growth quotient determined in the last STEP of the following STEPS:

13 STEP ONE: For each of the six (6) calendar years immediately
14 preceding the year in which a budget is adopted under
15 IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana
16 nonfarm personal income for the calendar year by the Indiana
17 nonfarm personal income for the calendar year immediately



1 preceding that calendar year, rounding to the nearest
 2 one-thousandth (0.001).
 3 STEP TWO: Determine the sum of the STEP ONE results.
 4 STEP THREE: Divide the STEP TWO result by six (6), rounding
 5 to the nearest one-thousandth (0.001).
 6 STEP FOUR: Determine the lesser of the following:
 7 (A) The STEP THREE quotient.
 8 (B) One and six-hundredths (1.06).
 9 (c) This subsection applies only to civil taxing units in Lake County
 10 **and applies only if the assessed value growth quotient determined**
 11 **under subsection (b) is greater than one (1).** Notwithstanding any
 12 other provision, for property taxes first due and payable ~~after December~~
 13 ~~31, 2007, in 2012,~~ the assessed value growth quotient used to
 14 determine a civil taxing unit's maximum permissible ad valorem
 15 property tax levy under this chapter for a particular calendar year is ~~one~~
 16 ~~(1)~~ **the result determined in the following STEPS** unless a tax rate of
 17 one percent (1%) will be in effect under IC 6-3.5-1.1-26 or
 18 IC 6-3.5-6-32 in Lake County for that calendar year:
 19 **STEP ONE: Determine the result of:**
 20 (A) **the assessed value growth quotient determined under**
 21 **subsection (b); minus**
 22 **(B) one (1).**
 23 **STEP TWO: Determine the result of:**
 24 (A) **the amount determined under STEP ONE; multiplied**
 25 **by**
 26 **(B) five-tenths (0.5).**
 27 **STEP THREE: Determine the result of:**
 28 (A) **the amount determined under STEP TWO; plus**
 29 **(B) one (1).**
 30 **This subsection does not apply to the calculation of the assessed**
 31 **value growth quotient for property taxes first due and payable in**
 32 **2013 and thereafter.**

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