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# HOUSE BILL No. 1484

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-11; IC 6-1.1; IC 6-1.5-4-1; IC 6-3.5; IC 20-40-3; IC 20-46; IC 36-8-19-8; IC 6-1.1-18.5-4; IC 6-1.1-18.5-5; IC 6-1.1-18.5-10.5.

**Synopsis:** Property taxes. Prohibits the department of local government finance from approving a budget for a taxing unit that failed to file 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) calculating a civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year; (2) a civil taxing unit's maximum permissible ad valorem property tax levy for the ensuing calendar year; and (3) 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 a tax imposed for a fire protection territory is subject to the levy limitations imposed on the participating taxing units. Specifies that partial payments shall be applied to reduce delinquent property taxes or judgment amounts before being applied to reduce interest or penalty amounts. 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  
(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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January 20, 2011, read first time and referred to Committee on Ways and Means.

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deficiency as the result of the application of circuit breaker credits, the amount of the deficit must be 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. Limits the extent to which a school corporation can use public resources and employees to promote a school operating levy referendum. Allows a person to bring an action to enforce the limits on the use of public resources and employees for the promotion of a referendum on a controlled project or a school operating levy. 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. Imposes a maximum levy limit on levies imposed for a school bus replacement fund. Specifies that a tax imposed for a fire protection territory is subject to the levy limitations imposed on the participating taxing units. Repeals certain provisions concerning civil government property tax controls.

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Introduced

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 that fails to file an annual**  
14 **report under subsection (a) in the preceding calendar year.**

15 SECTION 2. IC 5-11-13-1, AS AMENDED BY P.L.169-2006,



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

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

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

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

36 (1) the estimated costs referred to in section 28.5(a) of this  
 37 chapter; minus

38 (2) the amount levied under this section by the county council for  
 39 property taxes due in 2004 and 2005.

40 (c) With respect to a general reassessment of real property that is to  
 41 commence on July 1, ~~2014~~, **2015**, and each fifth year thereafter, the  
 42 county council of each county shall, for property taxes due in the year

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

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

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

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

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

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

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

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

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

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

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

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

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1 error made by the taxpayer on the taxpayer's personal property tax  
 2 return. If the taxpayer wishes to correct an error made by the taxpayer  
 3 on the taxpayer's personal property tax return, the taxpayer must  
 4 instead file an amended personal property tax return under  
 5 IC 6-1.1-3-7.5.

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

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

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

- 29 (1) property tax rate or rates; or
- 30 (2) special benefits tax rate or rates;

31 referred to in the statutes listed in subsection (d).

32 (b) The maximum rate for taxes first due and payable after 2003 is  
 33 the maximum rate that would have been determined under subsection  
 34 (e) for taxes first due and payable in 2003 if subsection (e) had applied  
 35 for taxes first due and payable in 2003.

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

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

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

- 42 (1) IC 8-10-5-17;

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- 1 (2) IC 8-22-3-11;
- 2 (3) IC 8-22-3-25;
- 3 (4) IC 12-29-1-1;
- 4 (5) IC 12-29-1-2;
- 5 (6) IC 12-29-1-3;
- 6 (7) IC 12-29-3-6;
- 7 (8) IC 13-21-3-12;
- 8 (9) IC 13-21-3-15;
- 9 (10) IC 14-27-6-30;
- 10 (11) IC 14-33-7-3;
- 11 (12) IC 14-33-21-5;
- 12 (13) IC 15-14-7-4;
- 13 (14) IC 15-14-9-1;
- 14 (15) IC 15-14-9-2;
- 15 (16) IC 16-20-2-18;
- 16 (17) IC 16-20-4-27;
- 17 (18) IC 16-20-7-2;
- 18 (19) IC 16-22-14;
- 19 (20) IC 16-23-1-29;
- 20 (21) IC 16-23-3-6;
- 21 (22) IC 16-23-4-2;
- 22 (23) IC 16-23-5-6;
- 23 (24) IC 16-23-7-2;
- 24 (25) IC 16-23-8-2;
- 25 (26) IC 16-23-9-2;
- 26 (27) IC 16-41-15-5;
- 27 (28) IC 16-41-33-4;
- 28 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 29 (30) IC 20-46-6-5;
- 30 (31) IC 20-49-2-10;
- 31 (32) IC 36-1-19-1;
- 32 (33) IC 23-14-66-2;
- 33 (34) IC 23-14-67-3;
- 34 (35) IC 36-7-13-4;
- 35 (36) IC 36-7-14-28;
- 36 (37) IC 36-7-15.1-16;
- 37 (38) IC 36-8-19-8.5;
- 38 (39) IC 36-9-6.1-2;
- 39 (40) IC 36-9-17.5-4;
- 40 (41) IC 36-9-27-73;
- 41 (42) IC 36-9-29-31;
- 42 (43) IC 36-9-29.1-15;

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- 1 (44) IC 36-10-6-2;  
 2 (45) IC 36-10-7-7;  
 3 (46) IC 36-10-7-8;  
 4 (47) IC 36-10-7.5-19;  
 5 (48) IC 36-10-13-5;  
 6 (49) IC 36-10-13-7;  
 7 (50) IC 36-10-14-4;  
 8 (51) IC 36-12-7-7;  
 9 (52) IC 36-12-7-8;  
 10 (53) IC 36-12-12-10; and  
 11 (54) any statute enacted after December 31, 2003, that:  
 12 (A) establishes a maximum rate for any part of the:  
 13 (i) property taxes; or  
 14 (ii) special benefits taxes;  
 15 imposed by a political subdivision; and  
 16 (B) does not exempt the maximum rate from the adjustment  
 17 under this section.  
 18 (e) The new maximum rate under a statute listed in subsection (d)  
 19 is the tax rate determined under STEP SEVEN of the following STEPS:  
 20 STEP ONE: Determine the maximum rate for the political  
 21 subdivision levying a property tax or special benefits tax under  
 22 the statute for the year preceding the year in which the annual  
 23 adjustment or general reassessment takes effect.  
 24 STEP TWO: **Except as provided in subsection (g)**, determine  
 25 the actual 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 takes effect.  
 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 take  
 34 effect.  
 35 STEP FOUR: **Except as provided in subsection (g)**, compute  
 36 separately, for each of the calendar years determined in STEP  
 37 THREE, the actual percentage **increase change** (rounded to the  
 38 nearest one-hundredth percent (0.01%)) in the assessed value  
 39 (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable  
 40 property 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 (f) The department of local government finance shall compute the  
 9 maximum rate allowed under subsection (e) and provide the rate to  
 10 each political subdivision with authority to levy a tax under a statute  
 11 listed in subsection (d).  
 12 **(g) This subsection applies to STEP TWO and STEP FOUR of**  
 13 **subsection (e) 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 7. IC 6-1.1-18.5-1, AS AMENDED BY P.L.113-2010,  
 22 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2011]: Sec. 1. used in this chapter:  
 24 "Ad valorem property tax levy for an ensuing calendar year" means  
 25 the total property taxes imposed by a civil taxing unit for current  
 26 property taxes collectible in that ensuing calendar year.  
 27 "Adopting county" means any county in which the county adjusted  
 28 gross income tax is in effect.  
 29 "Civil taxing unit" means any taxing unit except a school  
 30 corporation.  
 31 "Maximum permissible ad valorem property tax levy for the  
 32 preceding calendar year" means, ~~the greater of:~~  
 33 ~~(1) the remainder of:~~  
 34 **(A) for the purposes of determining a maximum**  
 35 **permissible ad valorem property tax levy under section 3**  
 36 **of this chapter for property taxes imposed for an**  
 37 **assessment date affecting property taxes first due and**  
 38 **payable in 2011, the maximum permissible ad valorem**  
 39 **property tax levy for the preceding calendar year as**  
 40 **determined under this section, as this section was effective**  
 41 **on January 1, 2011. For purposes of determining a**  
 42 **maximum permissible ad valorem property tax levy under**

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**section 3 of this chapter for property taxes first due and payable after 2011, the term means** the civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under section 3 of this chapter minus

(B) one-half (1/2) of the remainder of:

(i) the civil taxing unit's maximum permissible ad valorem property tax levy referred to in clause (A); minus

(ii) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year referred to in subdivision (2); or

(2) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17, and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year, as determined by the department of local government finance.

However, for the determination of the maximum permissible property tax levy for property taxes first due and payable after December 31, 2010; upon request by a civil taxing unit, the department of local government finance may make an adjustment to the civil taxing unit's maximum permissible ad valorem property tax levy for the ensuing calendar year if the civil taxing unit's actual levy was lower than the civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year because of the civil taxing unit's use of cash balances: **(regardless of whether the taxing unit imposed the entire amount of the maximum permissible ad valorem property tax levy in the immediately preceding year).**

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

SECTION 8. IC 6-1.1-18.5-3, AS AMENDED BY P.L.146-2008, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. (a) A civil taxing unit ~~that~~

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1 is treated as not being located in an adopting county under section 4 of  
2 this chapter may not impose an ad valorem property tax levy for an  
3 ensuing calendar year that exceeds the amount determined in the last  
4 STEP of the following STEPS:

5 STEP ONE: ~~Add~~ **Determine** the civil taxing unit's maximum  
6 permissible ad valorem property tax levy for the preceding  
7 calendar year. ~~to the part of the civil taxing unit's certified share;~~  
8 ~~if any, that was used to reduce the civil taxing unit's ad valorem~~  
9 ~~property tax levy under STEP EIGHT of subsection (b) for that~~  
10 ~~preceding calendar year.~~

11 STEP TWO: Multiply the amount determined in STEP ONE by  
12 the amount determined in the last STEP of section 2(b) of this  
13 chapter.

14 STEP THREE: Determine the lesser of one and fifteen hundredths  
15 (1.15) or the quotient (rounded to the nearest ten-thousandth  
16 (0.0001)), of the assessed value of all taxable property subject to  
17 the civil taxing unit's ad valorem property tax levy for the ensuing  
18 calendar year, divided by the assessed value of all taxable  
19 property that is subject to the civil taxing unit's ad valorem  
20 property tax levy for the ensuing calendar year and that is  
21 contained within the geographic area that was subject to the civil  
22 taxing unit's ad valorem property tax levy in the preceding  
23 calendar year.

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

26 STEP FIVE: Multiply the amount determined in STEP TWO by  
27 the amount determined in STEP FOUR.

28 ~~STEP SIX: Add the amount determined under STEP TWO to the~~  
29 ~~amount determined under subsection (c):~~

30 ~~STEP SEVEN: Determine the greater of the amount determined~~  
31 ~~under STEP FIVE or the amount determined under STEP SIX:~~

32 **STEP SIX: Add the amount determined under STEP TWO to**  
33 **the amount of an excessive levy appeal granted under section**  
34 **13 of this chapter for the ensuing calendar year.**

35 **STEP SEVEN: Determine the greater of STEP FIVE or STEP**  
36 **SIX.**

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

42 STEP ONE: Add the civil taxing unit's maximum permissible ad

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1 valorem property tax levy for the preceding calendar year to the  
 2 part of the civil taxing unit's certified share, if any, used to reduce  
 3 the civil taxing unit's ad valorem property tax levy under STEP  
 4 EIGHT of this subsection for that preceding calendar year.  
 5 STEP TWO: Multiply the amount determined in STEP ONE by  
 6 the amount determined in the last STEP of section 2(b) of this  
 7 chapter.  
 8 STEP THREE: Determine the lesser of one and fifteen hundredths  
 9 (1.15) or the quotient of the assessed value of all taxable property  
 10 subject to the civil taxing unit's ad valorem property tax levy for  
 11 the ensuing calendar year divided by the assessed value of all  
 12 taxable property that is subject to the civil taxing unit's ad  
 13 valorem property tax levy for the ensuing calendar year and that  
 14 is contained within the geographic area that was subject to the  
 15 civil taxing unit's ad valorem property tax levy in the preceding  
 16 calendar year.  
 17 STEP FOUR: Determine the greater of the amount determined in  
 18 STEP THREE or one (1).  
 19 STEP FIVE: Multiply the amount determined in STEP TWO by  
 20 the amount determined in STEP FOUR.  
 21 STEP SIX: Add the amount determined under STEP TWO to the  
 22 amount determined under subsection (c).  
 23 STEP SEVEN: Determine the greater of the amount determined  
 24 under STEP FIVE or the amount determined under STEP SIX.  
 25 STEP EIGHT: Subtract the amount determined under STEP FIVE  
 26 of subsection (c) from the amount determined under STEP  
 27 SEVEN of this subsection.

28 (c) The amount to be entered under STEP SIX of subsection (a) or  
 29 STEP SIX of subsection (b); as applicable; equals the sum of the  
 30 following:

31 (1) If a civil taxing unit in the immediately preceding calendar  
 32 year provided an area outside its boundaries with services on a  
 33 contractual basis and in the ensuing calendar year that area has  
 34 been annexed by the civil taxing unit; the amount paid by the  
 35 annexed area during the immediately preceding calendar year for  
 36 services that the civil taxing unit must provide to that area during  
 37 the ensuing calendar year as a result of the annexation.

38 (2) If the civil taxing unit has had an excessive levy appeal  
 39 approved under section 13(a)(1) of this chapter for the ensuing  
 40 calendar year; an amount determined by the civil taxing unit for  
 41 the ensuing calendar year that does not exceed the amount of that  
 42 excessive levy.

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1 In all other cases, the amount to be entered under STEP SIX of  
 2 subsection (a) or STEP SIX of subsection (b); as the case may be,  
 3 equals zero (0).  
 4 (d) This subsection applies only to civil taxing units located in a  
 5 county having a county adjusted gross income tax rate for resident  
 6 county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as  
 7 of January 1 of the ensuing calendar year. For each civil taxing unit, the  
 8 amount to be added to the amount determined in subsection (c), STEP  
 9 FOUR, is determined using the following formula:  
 10 STEP ONE: Multiply the civil taxing unit's maximum permissible  
 11 ad valorem property tax levy for the preceding calendar year by  
 12 two percent (2%).  
 13 STEP TWO: For the determination year, the amount to be used as  
 14 the STEP TWO amount is the amount determined in subsection  
 15 (f) for the civil taxing unit. For each year following the  
 16 determination year the STEP TWO amount is the lesser of:  
 17 (A) the amount determined in STEP ONE; or  
 18 (B) the amount determined in subsection (f) for the civil taxing  
 19 unit.  
 20 STEP THREE: Determine the greater of:  
 21 (A) zero (0); or  
 22 (B) the civil taxing unit's certified share for the ensuing  
 23 calendar year minus the greater of:  
 24 (i) the civil taxing unit's certified share for the calendar year  
 25 that immediately precedes the ensuing calendar year; or  
 26 (ii) the civil taxing unit's base year certified share.  
 27 STEP FOUR: Determine the greater of:  
 28 (A) zero (0); or  
 29 (B) the amount determined in STEP TWO minus the amount  
 30 determined in STEP THREE.  
 31 Add the amount determined in STEP FOUR to the amount determined  
 32 in subsection (c), STEP THREE, as provided in subsection (c), STEP  
 33 FOUR.  
 34 (e) For each civil taxing unit, the amount to be subtracted under  
 35 subsection (b), STEP EIGHT, is determined using the following  
 36 formula:  
 37 STEP ONE: Determine the lesser of the civil taxing unit's base  
 38 year certified share for the ensuing calendar year, as determined  
 39 under section 5 of this chapter; or the civil taxing unit's certified  
 40 share for the ensuing calendar year.  
 41 STEP TWO: Determine the greater of:  
 42 (A) zero (0); or

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- 1 (B) the remainder of:
- 2 (i) the amount of federal revenue sharing money that was
- 3 received by the civil taxing unit in 1985; minus
- 4 (ii) the amount of federal revenue sharing money that will be
- 5 received by the civil taxing unit in the year preceding the
- 6 ensuing calendar year.

7 STEP THREE: Determine the lesser of:

- 8 (A) the amount determined in STEP TWO; or
- 9 (B) the amount determined in subsection (f) for the civil taxing
- 10 unit.

11 STEP FOUR: Add the amount determined in subsection (d);

12 STEP FOUR; to the amount determined in STEP THREE.

13 STEP FIVE: Subtract the amount determined in STEP FOUR

14 from the amount determined in STEP ONE.

15 (f) As used in this section, a taxing unit's "determination year"

16 means the latest of:

- 17 (1) calendar year 1987, if the taxing unit is treated as being
- 18 located in an adopting county for calendar year 1987 under
- 19 section 4 of this chapter;
- 20 (2) the taxing unit's base year, as defined in section 5 of this
- 21 chapter; if the taxing unit is treated as not being located in an
- 22 adopting county for calendar year 1987 under section 4 of this
- 23 chapter; or
- 24 (3) the ensuing calendar year following the first year that the
- 25 taxing unit is located in a county that has a county adjusted gross
- 26 income tax rate of more than one-half percent (0.5%) on July 1 of
- 27 that year.

28 The amount to be used in subsections (d) and (e) for a taxing unit

29 depends upon the taxing unit's certified share for the ensuing calendar

30 year; the taxing unit's determination year; and the county adjusted gross

31 income tax rate for resident county taxpayers (as defined in

32 IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of

33 the year preceding the ensuing calendar year. For the determination

34 year and the ensuing calendar years following the taxing unit's

35 determination year; the amount is the taxing unit's certified share for

36 the ensuing calendar year multiplied by the appropriate factor

37 prescribed in the following table:

38 COUNTRIES WITH A TAX RATE OF 1/2%

39	Subsection (e)
40	Factor
41 For the determination year and each ensuing	
42 calendar year following the determination year	0

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COUNTIES WITH A TAX RATE OF 3/4%

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

COUNTIES WITH A TAX RATE OF 1.0%

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

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

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

- (1) is partially located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30; and
- (2) is partially located in a county that is not described in subdivision (1);

the department of local government finance shall, notwithstanding subsection (g); (b), adjust the portion of the civil taxing unit's maximum permissible ad valorem property tax levy that is attributable (as determined by the department of local government finance) to the county or counties described in subdivision (2). The department of local government finance shall adjust this portion of the civil taxing unit's maximum permissible ad valorem property tax levy so that,

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1 notwithstanding subsection (~~g~~), **(b)**, this portion is allowed to increase  
2 as otherwise provided in this section. If the department of local  
3 government finance increases the civil taxing unit's maximum  
4 permissible ad valorem property tax levy under this subsection, any  
5 additional property taxes imposed by the civil taxing unit under the  
6 adjustment shall be paid only by the taxpayers in the county or counties  
7 described in subdivision (2).

8 SECTION 9. IC 6-1.1-18.5-4 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 4. For purposes of  
10 determining whether a civil taxing unit is subject to the levy limit  
11 imposed by section ~~3(a) or 3(b)~~ **3** of this chapter for an ensuing  
12 calendar year, the civil taxing unit shall be treated as being located in  
13 an adopting county if on September 1 of the preceding calendar year  
14 the county adjusted gross income tax was in effect in the county in  
15 which the civil taxing unit is located. In all other cases, civil taxing  
16 units shall be treated as not being located in an adopting county for an  
17 ensuing budget year.

18 SECTION 10. IC 6-1.1-18.5-6, AS AMENDED BY P.L.3-2008,  
19 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 2011]: Sec. 6. For purposes of STEP THREE of section ~~3(a)~~  
21 ~~of this chapter and STEP THREE of section 3(b) of this chapter~~, **3 of**  
22 **this chapter**, the assessed value of taxable property is the assessed  
23 value of that property as determined by the department of local  
24 government finance in fixing the civil taxing unit's budget, levy, and  
25 rate for the applicable calendar year, excluding deductions allowed  
26 under IC 6-1.1-12 or IC 6-1.1-12.1.

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

- 34 (1) the amount of ad valorem property taxes that would be first  
35 due and payable to the city, town, or county during the ensuing  
36 calendar year if the taxing unit imposed the maximum permissible  
37 property tax rate per one hundred dollars (\$100) of assessed  
38 valuation that the civil taxing unit may impose for the particular  
39 calendar year under the authority of IC 36-9-14.5 (in the case of  
40 a county) or IC 36-9-15.5 (in the case of a city or town); or
- 41 (2) the excess, if any, of:
  - 42 (A) the property taxes imposed by the city, town, or county

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1 under the authority of:  
2 IC 3-11-6-9;  
3 IC 8-16-3;  
4 IC 8-16-3.1;  
5 IC 8-22-3-25;  
6 IC 14-27-6-48;  
7 IC 14-33-9-3;  
8 IC 16-22-8-41;  
9 IC 16-22-5-2 through IC 16-22-5-15;  
10 IC 16-23-1-40;  
11 IC 36-8-14;  
12 IC 36-9-4-48;  
13 IC 36-9-14;  
14 IC 36-9-14.5;  
15 IC 36-9-15;  
16 IC 36-9-15.5;  
17 IC 36-9-16;  
18 IC 36-9-16.5;  
19 IC 36-9-17;  
20 IC 36-9-26;  
21 IC 36-9-27-100;  
22 IC 36-10-3-21; or  
23 IC 36-10-4-36;  
24 that are first due and payable during the ensuing calendar year;  
25 over  
26 (B) the property taxes imposed by the city, town, or county  
27 under the authority of the citations listed in clause (A) that  
28 were first due and payable during calendar year 1984.  
29 (b) The maximum property tax rate levied under the statutes listed  
30 in subsection (a) must be adjusted each year to account for the change  
31 in assessed value of real property that results from:  
32 (1) an annual adjustment of the assessed value of real property  
33 under IC 6-1.1-4-4.5; or  
34 (2) a general reassessment of real property under IC 6-1.1-4-4.  
35 (c) The new maximum rate under a statute listed in subsection (a)  
36 is the tax rate determined under STEP SEVEN of the following  
37 formula:  
38 STEP ONE: Determine the maximum rate for the political  
39 subdivision levying a property tax under the statute for the year  
40 preceding the year in which the annual adjustment or general  
41 reassessment takes effect.  
42 STEP TWO: **Subject to subsection (e)**, determine the actual

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1 percentage ~~increase~~ **change** (rounded to the nearest  
 2 one-hundredth percent (0.01%)) in the assessed value (before the  
 3 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property  
 4 from the year preceding the year the annual adjustment or general  
 5 reassessment takes effect to the year that the annual adjustment or  
 6 general reassessment is effective.

7 STEP THREE: Determine the three (3) calendar years that  
 8 immediately precede the ensuing calendar year and in which a  
 9 statewide general reassessment of real property does not first  
 10 become effective.

11 STEP FOUR: **Subject to subsection (e)**, compute separately, for  
 12 each of the calendar years determined in STEP THREE, the actual  
 13 percentage ~~increase~~ **change** (rounded to the nearest  
 14 one-hundredth percent (0.01%)) in the assessed value (before the  
 15 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property  
 16 from the preceding year.

17 STEP FIVE: Divide the sum of the three (3) quotients computed  
 18 in STEP FOUR by three (3).

19 STEP SIX: Determine the greater of the following:

20 (A) Zero (0).

21 (B) The result of the STEP TWO percentage minus the STEP  
 22 FIVE percentage.

23 STEP SEVEN: Determine the quotient of the STEP ONE tax rate  
 24 divided by the sum of one (1) plus the STEP SIX percentage  
 25 increase.

26 (d) The department of local government finance shall compute the  
 27 maximum rate allowed under subsection (c) and provide the rate to  
 28 each political subdivision with authority to levy a tax under a statute  
 29 listed in subsection (a).

30 **(e) This subsection applies to STEP TWO and STEP FOUR of**  
 31 **subsection (c) for taxes first due and payable after 2011. If the**  
 32 **assessed value change used in the STEP was not an increase, the**  
 33 **STEP is applied using instead:**

34 **(1) the actual percentage decrease (rounded to the nearest**  
 35 **one-hundredth percent (0.01%)) in the assessed value (before**  
 36 **the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable**  
 37 **property; or**

38 **(2) zero (0) if the assessed value did not increase or decrease.**

39 SECTION 12. IC 6-1.1-18.5-19 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 19. (a) If a township  
 41 levied an ad valorem property tax levy for a township firefighting fund  
 42 under IC 36-8-13-4 for calendar year 1989, the maximum permissible

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1 ad valorem property tax levy that will apply to the township's  
 2 firefighting fund under section 3 of this chapter for calendar year 1990  
 3 is the amount determined in STEP FIVE of the following STEPS:  
 4 STEP ONE: Determine the part of the township's ad valorem  
 5 property tax levy for calendar year 1989 that was dedicated to the  
 6 township firefighting fund.  
 7 STEP TWO: If the township incurred any loans or bonded  
 8 indebtedness to pay for fire protection or emergency services  
 9 during the period from January 1, 1987, through December 31,  
 10 1989 (excluding loans or bonded indebtedness used to purchase  
 11 firefighting apparatus or equipment or housing), determine the  
 12 number of calendar years during that period in which the  
 13 township incurred the loans or bonded indebtedness.  
 14 STEP THREE: Calculate the quotient of:  
 15 (A) the total amounts of loans or bonded indebtedness  
 16 incurred by the township for fire protection and emergency  
 17 services during the period from January 1, 1987, through  
 18 December 31, 1989 (excluding loans or bonded indebtedness  
 19 used to purchase firefighting apparatus or equipment or  
 20 housing); divided by  
 21 (B) the number determined in STEP TWO.  
 22 STEP FOUR: Add the result determined in STEP ONE to the  
 23 result determined in STEP THREE.  
 24 STEP FIVE: Calculate the maximum ad valorem property tax levy  
 25 that would result from making the calculations contained in  
 26 section 3 of this chapter as those calculations apply to the  
 27 township, using the result obtained in STEP FOUR for the civil  
 28 taxing unit's maximum permissible ad valorem property tax levy  
 29 for the preceding calendar year under section ~~3(a) or 3(b)~~ 3 of this  
 30 chapter, whichever applies to the township.  
 31 If the amount determined under this subsection is substantially lower  
 32 than the township's normal expenditure patterns for fire protection and  
 33 emergency services (excluding the expenditures for the purchase of  
 34 firefighting apparatus or equipment or housing), the township may  
 35 appeal to the local government tax control board for an increase in the  
 36 1990 maximum permissible ad valorem property tax levy for its  
 37 township firefighting fund. In considering the appeal, the local  
 38 government tax control board shall consider other sources of revenue  
 39 used by the township during calendar year 1989 to fund fire protection  
 40 and emergency services that are also available for such funding in 1990  
 41 and thereafter and the board shall also consider any other relevant  
 42 factors.

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1 (b) If a township did not have a township firefighting fund under  
2 IC 36-8-13-4 for calendar year 1989, but appropriated funds for fire  
3 protection or emergency services for that calendar year, the township's  
4 maximum ad valorem property tax levy that will apply to the township's  
5 firefighting fund under section 3 of this chapter for calendar year 1990  
6 is the amount determined in STEP FIVE of the following STEPS:

7 STEP ONE: Determine the amount that the township appropriated  
8 from its general fund for fire protection and emergency services  
9 (excluding appropriations for the purchase of firefighting  
10 apparatus or equipment or housing).

11 STEP TWO: If the township incurred any loans or bonded  
12 indebtedness to pay for fire protection or emergency services  
13 during the period from January 1, 1987, through December 31,  
14 1989 (excluding loans or bonded indebtedness used to purchase  
15 firefighting apparatus or equipment or housing), determine the  
16 number of calendar years during that period in which the  
17 township incurred the loans or bonded indebtedness.

18 STEP THREE: Calculate the quotient of:

19 (A) the total amounts of loans or bonded indebtedness  
20 incurred by the township for fire protection and emergency  
21 services during the period from January 1, 1987, through  
22 December 31, 1989 (excluding loans or bonded indebtedness  
23 used to purchase firefighting apparatus or equipment or  
24 housing); divided by

25 (B) the number determined in STEP TWO.

26 STEP FOUR: Add the result of STEP ONE to the result of STEP  
27 THREE.

28 STEP FIVE: Calculate the maximum ad valorem property tax levy  
29 that would result from making the calculations contained in  
30 section 3 of this chapter, as those calculations apply to the  
31 township, using the result obtained in STEP FOUR for the civil  
32 taxing unit's maximum permissible ad valorem property tax levy  
33 for the preceding calendar year under section ~~3(a) or 3(b)~~ 3 of this  
34 chapter, whichever applies to the township.

35 If the amount determined under this subsection is substantially lower  
36 than the township's normal expenditure patterns for fire protection and  
37 emergency services (excluding the expenditures for the purchase of  
38 firefighting apparatus or equipment or housing), the township may  
39 appeal to the local government tax control board for an increase in its  
40 1990 maximum permissible levy for its township firefighting fund. In  
41 considering the appeal, the local government tax control board shall  
42 consider other sources of revenue used by the township during calendar

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1 year 1989 to fund fire protection and emergency services that are also  
 2 available for such funding in 1990 and thereafter and the board shall  
 3 also consider any other relevant factors.

4 (c) If for calendar year 1989:

5 (1) a township had a township firefighting fund under  
 6 IC 36-8-13-4 but did not have an ad valorem property tax levy for  
 7 that fund; or

8 (2) a township did not have a township firefighting fund and  
 9 appropriated no money for fire protection or emergency services;  
 10 the township's maximum permissible ad valorem property tax levy for  
 11 its township firefighting fund shall be determined under section 7 of  
 12 this chapter in the calendar year in which the township first establishes  
 13 such a levy.

14 SECTION 13. IC 6-1.1-20-3.1, AS AMENDED BY P.L.41-2010,  
 15 SECTION 2, AND AS AMENDED BY P.L.113-2010, SECTION 33,  
 16 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 17 [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) This section applies  
 18 only to the following:

19 (1) A controlled project (as defined in section 1.1 of this chapter  
 20 as in effect June 30, 2008) for which the proper officers of a  
 21 political subdivision make a preliminary determination in the  
 22 manner described in subsection (b) before July 1, 2008.

23 (2) An elementary school building, middle school building, or  
 24 other school building for academic instruction that:

25 (A) is a controlled project;

26 (B) will be used for any combination of kindergarten through  
 27 grade 8;

28 (C) will not be used for any combination of grade 9 through  
 29 grade 12; and

30 (D) will not cost more than ten million dollars (\$10,000,000).

31 (3) A high school building or other school building for academic  
 32 instruction that:

33 (A) is a controlled project;

34 (B) will be used for any combination of grade 9 through grade  
 35 12;

36 (C) will not be used for any combination of kindergarten  
 37 through grade 8; and

38 (D) will not cost more than twenty million dollars  
 39 (\$20,000,000).

40 (4) Any other controlled project that:

41 (A) is not a controlled project described in subdivision (1), (2),  
 42 or (3); and

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(B) will not cost the political subdivision more than the lesser of the following:

- (i) Twelve million dollars (\$12,000,000).
- (ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that amount is at least one million dollars (\$1,000,000).

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

- (1) The proper officers of a political subdivision shall:
  - (A) publish notice in accordance with IC 5-3-1; and
  - (B) send notice by first class mail to *the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices; of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.*
- (2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease for a controlled project, the officers shall give notice of the preliminary determination by:
  - (A) publication in accordance with IC 5-3-1; and
  - (B) first class mail to *the circuit court clerk and to the organizations described in subdivision (1)(B).*
- (3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease for a controlled project must include the following information:
  - (A) The maximum term of the bonds or lease.
  - (B) The maximum principal amount of the bonds or the maximum lease rental for the lease.
  - (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
  - (D) The purpose of the bonds or lease.
  - (E) A statement that any owners of *real* 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

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- 1 subdivisions (4) and (5) not later than thirty (30) days after  
 2 publication in accordance with IC 5-3-1.  
 3 (F) With respect to bonds issued or a lease entered into to  
 4 open:  
 5 (i) a new school facility; or  
 6 (ii) an existing facility that has not been used for at least  
 7 three (3) years and that is being reopened to provide  
 8 additional classroom space;  
 9 the estimated costs the school corporation expects to incur  
 10 annually to operate the facility.  
 11 (G) A statement of whether the school corporation expects to  
 12 appeal for a new facility adjustment (as defined in  
 13 IC 20-45-1-16 (**repealed**) before January 1, 2009) for an  
 14 increased maximum permissible tuition support levy to pay the  
 15 estimated costs described in clause (F).  
 16 (H) The political subdivision's current debt service levy and  
 17 rate and the estimated increase to the political subdivision's  
 18 debt service levy and rate that will result if the political  
 19 subdivision issues the bonds or enters into the lease.  
 20 (4) After notice is given, a petition requesting the application of  
 21 a petition and remonstrance process may be filed by the lesser of:  
 22 (A) one hundred (100) persons who are either owners of ~~real~~  
 23 property within the political subdivision or registered voters  
 24 residing within the political subdivision; or  
 25 (B) five percent (5%) of the registered voters residing within  
 26 the political subdivision.  
 27 (5) The state board of accounts shall design and, upon request by  
 28 the county voter registration office, deliver to the county voter  
 29 registration office or the county voter registration office's  
 30 designated printer the petition forms to be used solely in the  
 31 petition process described in this section. The county voter  
 32 registration office shall issue to an owner or owners of ~~real~~  
 33 property within the political subdivision or a registered voter  
 34 residing within the political subdivision the number of petition  
 35 forms requested by the owner or owners or the registered voter.  
 36 Each form must be accompanied by instructions detailing the  
 37 requirements that:  
 38 (A) the carrier and signers must be owners of ~~real~~ property or  
 39 registered voters;  
 40 (B) the carrier must be a signatory on at least one (1) petition;  
 41 (C) after the signatures have been collected, the carrier must  
 42 swear or affirm before a notary public that the carrier

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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 ~~real~~ property within the political subdivision.  
(9) The county voter registration office shall, not more than ten (10) business days after receiving the statement from the county auditor under subdivision (8), make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own ~~real~~ property within

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1 the political subdivision. Whenever the name of an individual  
 2 who signs a petition form as a registered voter contains a minor  
 3 variation from the name of the registered voter as set forth in the  
 4 records of the county voter registration office, the signature is  
 5 presumed to be valid, and there is a presumption that the  
 6 individual is entitled to sign the petition under this section. Except  
 7 as otherwise provided in this chapter, in determining whether an  
 8 individual is a registered voter, the county voter registration office  
 9 shall apply the requirements and procedures used under IC 3 to  
 10 determine whether a person is a registered voter for purposes of  
 11 voting in an election governed by IC 3. However, an individual is  
 12 not required to comply with the provisions concerning providing  
 13 proof of identification to be considered a registered voter for  
 14 purposes of this chapter. A person is entitled to sign a petition  
 15 only one (1) time in a particular petition and remonstrance  
 16 process under this chapter, regardless of whether the person owns  
 17 more than one (1) parcel of real property, *mobile home assessed*  
 18 *as personal property, or manufactured home assessed as*  
 19 *personal property, or a combination of those types of property*  
 20 *within the subdivision and regardless of whether the person is*  
 21 *both a registered voter in the political subdivision and the owner*  
 22 *of real property within the political subdivision. Notwithstanding*  
 23 *any other provision of this section, if a petition is presented to the*  
 24 *county voter registration office within forty-five (45) days before*  
 25 *an election, the county voter registration office may defer acting*  
 26 *on the petition, and the time requirements under this section for*  
 27 *action by the county voter registration office do not begin to run*  
 28 *until five (5) days after the date of the election.*

29 (10) The county voter registration office must file a certificate and  
 30 each petition with:

31 (A) the township trustee, if the political subdivision is a  
 32 township, who shall present the petition or petitions to the  
 33 township board; or

34 (B) the body that has the authority to authorize the issuance of  
 35 the bonds or the execution of a lease, if the political  
 36 subdivision is not a township;

37 within thirty-five (35) business days of the filing of the petition  
 38 requesting a petition and remonstrance process. The certificate  
 39 must state the number of petitioners that are owners of *real*  
 40 *property within the political subdivision and the number of*  
 41 *petitioners who are registered voters residing within the political*  
 42 *subdivision.*

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1 If a sufficient petition requesting a petition and remonstrance process  
2 is not filed by owners of ~~real~~ property or registered voters as set forth  
3 in this section, the political subdivision may issue bonds or enter into  
4 a lease by following the provisions of law relating to the bonds to be  
5 issued or lease to be entered into.

6 (c) **This subsection applies only to a political subdivision that,**  
7 **after April 30, 2011, adopts an ordinance or a resolution making a**  
8 **preliminary determination to issue bonds or enter into a lease**  
9 **subject to this section and section 3.2 of this chapter. A political**  
10 **subdivision may not artificially divide a capital project into**  
11 **multiple capital projects in order to avoid the requirements of this**  
12 **section and section 3.2 of this chapter.**

13 SECTION 14. IC 6-1.1-20-3.6, AS AMENDED BY P.L.113-2010,  
14 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2011]: Sec. 3.6. (a) Except as provided in sections 3.7 and  
16 3.8 of this chapter, this section applies only to a controlled project  
17 described in section 3.5(a) of this chapter.

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

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

28 "Shall \_\_\_\_\_ (insert the name of the political subdivision)  
29 issue bonds or enter into a lease to finance \_\_\_\_\_ (insert  
30 a brief description of the controlled project), which is estimated  
31 to cost not more than \_\_\_\_\_ (insert the total cost of the project)  
32 and is estimated to increase the property tax rate for debt service  
33 by \_\_\_\_\_ (insert increase in tax rate as determined by the  
34 department of local government finance)?".

35 The public question must appear on the ballot in the form approved by  
36 the county election board. If the political subdivision proposing to issue  
37 bonds or enter into a lease is located in more than one (1) county, the  
38 county election board of each county shall jointly approve the form of  
39 the public question that will appear on the ballot in each county. ~~The~~  
40 ~~form approved by the county election board may differ from the~~  
41 ~~language certified to the county election board by the county auditor.~~  
42 ~~If~~ **Before** the county election board approves the language of a public

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

35 (d) The county auditor shall certify the finally approved public  
 36 question described in subsection (c) under IC 3-10-9-3 to the county  
 37 election board of each county in which the political subdivision is  
 38 located. The certification must occur not later than noon:

- 39 (1) sixty (60) days before a primary election if the public question  
 40 is to be placed on the primary or municipal primary election  
 41 ballot; or  
 42 (2) August 1 if the public question is to be placed on the general

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1 or municipal election ballot.

2 Subject to the certification requirements and deadlines under this

3 subsection and except as provided in subsection (j), the public question

4 shall be placed on the ballot at the next primary election, general

5 election, or municipal election in which all voters of the political

6 subdivision are entitled to vote. However, if a primary election, general

7 election, or municipal election will not be held during the first year in

8 which the public question is eligible to be placed on the ballot under

9 this section and if the political subdivision requests the public question

10 to be placed on the ballot at a special election, the public question shall

11 be placed on the ballot at a special election to be held on the first

12 Tuesday after the first Monday in May or November of the year. The

13 certification must occur not later than noon sixty (60) days before a

14 special election to be held in May (if the special election is to be held

15 in May) or noon on August 1 (if the special election is to be held in

16 November). However, in 2009, a political subdivision may hold a

17 special election under this section on any date scheduled for the special

18 election if notice of the special election was given before July 1, 2009,

19 to the election division of the secretary of state's office as provided in

20 IC 3-10-8-4. The fiscal body of the political subdivision that requests

21 the special election shall pay the costs of holding the special election.

22 The county election board shall give notice under IC 5-3-1 of a special

23 election conducted under this subsection. A special election conducted

24 under this subsection is under the direction of the county election

25 board. The county election board shall take all steps necessary to carry

26 out the special election.

27 (e) The circuit court clerk shall certify the results of the public

28 question to the following:

29 (1) The county auditor of each county in which the political

30 subdivision is located.

31 (2) The department of local government finance.

32 (f) Subject to the requirements of IC 6-1.1-18.5-8, the political

33 subdivision may issue the proposed bonds or enter into the proposed

34 lease rental if a majority of the eligible voters voting on the public

35 question vote in favor of the public question.

36 (g) If a majority of the eligible voters voting on the public question

37 vote in opposition to the public question, both of the following apply:

38 (1) The political subdivision may not issue the proposed bonds or

39 enter into the proposed lease rental.

40 (2) Another public question under this section on the same or a

41 substantially similar project may not be submitted to the voters

42 earlier than one (1) year after the date of the election.

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

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

6 (j) This subsection applies to a political subdivision for which a  
7 petition requesting a public question has been submitted under section  
8 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of  
9 the political subdivision may adopt a resolution to withdraw a  
10 controlled project from consideration in a public question. If the  
11 legislative body provides a certified copy of the resolution to the county  
12 auditor and the county election board not later than forty-nine (49) days  
13 before the election at which the public question would be on the ballot,  
14 the public question on the controlled project shall not be placed on the  
15 ballot and the public question on the controlled project shall not be  
16 held, regardless of whether the county auditor has certified the public  
17 question to the county election board. If the withdrawal of a public  
18 question under this subsection requires the county election board to  
19 reprint ballots, the political subdivision withdrawing the public  
20 question shall pay the costs of reprinting the ballots. If a political  
21 subdivision withdraws a public question under this subsection that  
22 would have been held at a special election and the county election  
23 board has printed the ballots before the legislative body of the political  
24 subdivision provides a certified copy of the withdrawal resolution to  
25 the county auditor and the county election board, the political  
26 subdivision withdrawing the public question shall pay the costs  
27 incurred by the county in printing the ballots. If a public question on a  
28 controlled project is withdrawn under this subsection, a public question  
29 under this section on the same controlled project or a substantially  
30 similar controlled project may not be submitted to the voters earlier  
31 than one (1) year after the date the resolution withdrawing the public  
32 question is adopted.

33 (k) If a public question regarding a controlled project is placed on  
34 the ballot to be voted on at a public question under this section, the  
35 political subdivision shall submit to the department of local  
36 government finance, at least thirty (30) days before the election, the  
37 following information regarding the proposed controlled project for  
38 posting on the department's Internet web site:

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

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

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- 1 (3) The maximum term of the bonds or lease.
- 2 (4) The maximum principal amount of the bonds or the maximum
- 3 lease rental for the lease.
- 4 (5) The estimated interest rates that will be paid and the total
- 5 interest costs associated with the bonds or lease.
- 6 (6) The purpose of the bonds or lease.
- 7 (7) In the case of a controlled project proposed by a school
- 8 corporation:
- 9 (A) the current and proposed square footage of school building
- 10 space per student;
- 11 (B) enrollment patterns within the school corporation; and
- 12 (C) the age and condition of the current school facilities.
- 13 SECTION 15. IC 6-1.1-20-10, AS AMENDED BY
- 14 P.L.182-2009(ss), SECTION 148, IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) This section
- 16 applies to a political subdivision that adopts an ordinance or a
- 17 resolution making a preliminary determination to issue bonds or enter
- 18 into a lease. ~~During the period commencing with the adoption of the~~
- 19 ~~ordinance or resolution and; if a petition and remonstrance process is~~
- 20 ~~commenced under section 3.2 of this chapter; continuing through the~~
- 21 ~~sixty (60) day period commencing with the notice under section~~
- 22 ~~3.2(b)(1) of this chapter; the A~~ political subdivision seeking to issue
- 23 bonds or enter into a lease for the proposed controlled project may not
- 24 promote a position on the petition or remonstrance by doing any of the
- 25 following:
- 26 (1) Allowing facilities or equipment, including mail and
- 27 messaging systems, owned by the political subdivision to be used
- 28 for public relations purposes to promote a position on the petition
- 29 or remonstrance. ~~unless equal access to the facilities or equipment~~
- 30 ~~is given to persons with a position opposite to that of the political~~
- 31 ~~subdivision.~~
- 32 (2) Making an expenditure of money from a fund controlled by
- 33 the political subdivision to promote a position on the petition or
- 34 remonstrance or to pay for the gathering of signatures on a
- 35 petition or remonstrance. This subdivision does not prohibit a
- 36 political subdivision from making an expenditure of money to an
- 37 attorney, an architect, a registered professional engineer, a
- 38 construction manager, or a financial adviser for professional
- 39 services provided with respect to a controlled project.
- 40 (3) Using an employee to promote a position on the petition or
- 41 remonstrance during the employee's normal working hours or paid
- 42 overtime, or otherwise compelling an employee to promote a

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1 position on the petition or remonstrance at any time.  
 2 (4) In the case of a school corporation, promoting a position on a  
 3 petition or remonstrance by:  
 4 (A) using students to transport written materials to their  
 5 residences or in any way directly involving students in a  
 6 school organized promotion of a position; or  
 7 (B) including a statement within another communication sent  
 8 to the students' residences.  
 9 However, this section does not prohibit an employee of the political  
 10 subdivision from carrying out duties with respect to a petition or  
 11 remonstrance that are part of the normal and regular conduct of the  
 12 employee's office or agency.  
 13 (b) A person may not solicit or collect signatures for a petition or  
 14 remonstrance on property owned or controlled by the political  
 15 subdivision.  
 16 (c) The staff and employees of a school corporation may not  
 17 personally identify a student as the child of a parent or guardian who  
 18 supports or opposes a petition or remonstrance.  
 19 (d) A person or an organization that has a contract or arrangement  
 20 (whether formal or informal) with a school corporation for the use of  
 21 any of the school corporation's facilities may not spend any money to  
 22 promote a position on the petition or remonstrance. A person or an  
 23 organization that violates this subsection commits a Class A infraction.  
 24 (e) An attorney, an architect, a registered professional engineer, a  
 25 construction manager, or a financial adviser for professional services  
 26 provided with respect to a controlled project may not spend any money  
 27 to promote a position on the petition or remonstrance. A person who  
 28 violates this subsection:  
 29 (1) commits a Class A infraction; and  
 30 (2) is barred from performing any services with respect to the  
 31 controlled project.  
 32 (f) An elected or appointed public official of the political  
 33 subdivision may personally advocate for or against a position on the  
 34 petition or remonstrance so long as it is not done by using public funds.  
 35 SECTION 16. IC 6-1.1-20-10.1, AS AMENDED BY  
 36 P.L.182-2009(ss), SECTION 149, IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.1. (a) This  
 38 section applies only to a political subdivision that, after June 30, 2008,  
 39 adopts an ordinance or a resolution making a preliminary determination  
 40 to issue bonds or enter into a lease subject to sections 3.5 and 3.6 of  
 41 this chapter.  
 42 (b) During the period beginning with the adoption of the ordinance

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1 or resolution and continuing through the day on which a local public  
2 question is submitted to the voters of the political subdivision under  
3 section 3.6 of this chapter; the A political subdivision seeking to issue  
4 bonds or enter into a lease for the proposed controlled project may not  
5 promote a position on the local public question by doing any of the  
6 following:

7 (1) Allowing facilities or equipment, including mail and  
8 messaging systems, owned by the political subdivision to be used  
9 for public relations purposes to promote a position on the local  
10 public question. ~~unless equal access to the facilities or equipment  
11 is given to persons with a position opposite to that of the political  
12 subdivision.~~

13 (2) Making an expenditure of money from a fund controlled by  
14 the political subdivision to promote a position on the local public  
15 question. This subdivision does not prohibit a political  
16 subdivision from making an expenditure of money to an attorney,  
17 an architect, a registered professional engineer, a construction  
18 manager, or a financial adviser for professional services provided  
19 with respect to a controlled project.

20 (3) Using an employee to promote a position on the local public  
21 question during the employee's normal working hours or paid  
22 overtime, or otherwise compelling an employee to promote a  
23 position on the local public question at any time.

24 (4) In the case of a school corporation, promoting a position on a  
25 local public question by:

26 (A) using students to transport written materials to their  
27 residences or in any way directly involving students in a  
28 school organized promotion of a position; or

29 (B) including a statement within another communication sent  
30 to the students' residences.

31 However, this section does not prohibit an employee of the political  
32 subdivision from carrying out duties with respect to a local public  
33 question that are part of the normal and regular conduct of the  
34 employee's office or agency.

35 (c) The staff and employees of a school corporation may not  
36 personally identify a student as the child of a parent or guardian who  
37 supports or opposes a controlled project subject to a local public  
38 question held under section 3.6 of this chapter.

39 (d) A person or an organization that has a contract or arrangement  
40 (whether formal or informal) with a school corporation for the use of  
41 any of the school corporation's facilities may not spend any money to  
42 promote a position on a local public question. A person or an

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1 organization that violates this subsection commits a Class A infraction.  
 2 (e) An attorney, an architect, a registered professional engineer, a  
 3 construction manager, or a financial adviser for professional services  
 4 provided with respect to a controlled project may not spend any money  
 5 to promote a position on a local public question. A person who violates  
 6 this subsection:  
 7 (1) commits a Class A infraction; and  
 8 (2) is barred from performing any services with respect to the  
 9 controlled project.  
 10 (f) An elected or appointed public official of the political  
 11 subdivision may personally advocate for or against a position on the  
 12 local public question so long as it is not done by using public funds.  
 13 (g) A student may use school equipment or facilities to report or  
 14 editorialize about a local public question as part of the news coverage  
 15 of the referendum by student newspaper or broadcast.  
 16 SECTION 17. IC 6-1.1-20-12 IS ADDED TO THE INDIANA  
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 18 [EFFECTIVE JULY 1, 2011]: **Sec. 12. (a) This section applies to a**  
 19 **political subdivision that, after June 30, 2011, adopts an ordinance**  
 20 **or a resolution making a preliminary determination to issue bonds**  
 21 **or enter into a lease subject to:**  
 22 (1) sections 3.1 and 3.2 of this chapter; or  
 23 (2) sections 3.5 and 3.6 of this chapter.  
 24 (b) An action may be filed by any person in any court with  
 25 jurisdiction to:  
 26 (1) obtain a declaratory judgment concerning a matter related  
 27 to section 10 or 10.1 of this chapter;  
 28 (2) enjoin continuing, threatened, or future violations of  
 29 section 10 or 10.1 of this chapter; or  
 30 (3) void any policy, decision, or final action taken under this  
 31 chapter affected by a violation of section 10 or 10.1 of this  
 32 chapter.  
 33 **The plaintiff need not allege or prove special damage different**  
 34 **from that suffered by the public at large.**  
 35 (c) Any action described in subsection (b)(2) or (b)(3) must be  
 36 commenced not later than thirty (30) days after the later of the  
 37 following:  
 38 (1) The date of the act or failure to act complained of  
 39 occurred.  
 40 (2) The date that the plaintiff knew or should have known that  
 41 the act or failure to act complained of had occurred.  
 42 (d) If a court finds that a political subdivision has violated

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1 section 10 or 10.1 of this chapter, the court shall enjoin the political  
2 subdivision from initiating another public question under this  
3 chapter for a period not exceeding one (1) year after the date of the  
4 violation.

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

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

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

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

18 SECTION 18. IC 6-1.1-20.6-9.5, AS ADDED BY P.L.162-2006,  
19 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 UPON PASSAGE]: Sec. 9.5. (a) This section applies only to credits  
21 under this chapter against property taxes first due and payable after  
22 December 31, 2006.

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

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

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

35 SECTION 19. IC 6-1.1-20.6-9.8 IS ADDED TO THE INDIANA  
36 CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
37 [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: **Sec. 9.8. (a)**  
38 **This section applies to property taxes first due and payable after**  
39 **December 31, 2009.**

40 (b) As used in this section:

- 41 (1) "exempt taxes" refers to property taxes that are exempted  
42 from the application of a credit granted under section 7 or 7.5

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1 of this chapter by section 7(b), 7(c), 7.5(b), or 7.5(c) of this  
2 chapter or another law; and

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

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

14 SECTION 20. IC 6-1.1-20.6-10, AS ADDED BY P.L.146-2008,  
15 SECTION 226, IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 10. (a) As  
17 used in this section, "debt service obligations of a political subdivision"  
18 refers to:

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

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

23 of a political subdivision payable from ad valorem property taxes.

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

38 (c) Upon the failure of a political subdivision to pay any of the  
39 political subdivision's debt service obligations during a calendar year  
40 when due, the treasurer of state, upon being notified of the failure by  
41 a claimant, shall pay the unpaid debt service obligations that are due  
42 from money in the possession of the state that would otherwise be

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1 available for distribution to the political subdivision under any other  
2 law, deducting the payment from the amount distributed. A deduction  
3 under this subsection must be made:

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

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

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

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

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

23 (2) except as provided in emergency rules adopted under section  
24 20 of this chapter and subsection (b):

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

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

35 (ii) that the second installment is either the amount specified  
36 in a reconciling statement or, if a reconciling statement is  
37 not sent until after the second installment is due, an amount  
38 equal to fifty percent (50%) of the tax liability that was  
39 payable in the same year as the assessment date for the  
40 property for which the provisional statement is issued,  
41 subject to any adjustments to the tax liability authorized by  
42 the department of local government finance under

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subsection (e) and approved by the county treasurer; and (B) for property taxes billed using a provisional statement under section 6.5 of this chapter, except as provided in subsection (d), indicate tax liability in an amount determined by the department of local government finance based on:

- (i) subject to subsection (c), for the cross-county entity, the property tax rate of the cross-county entity for taxes first due and payable in the immediately preceding calendar year; and
- (ii) for all other taxing units that make up the taxing district or taxing districts that comprise the cross-county area, the property tax rates of the taxing units for taxes first due and payable in the current calendar year;

(3) indicate:

- (A) that the tax liability under the provisional statement is determined as described in subdivision (2); and
- (B) that property taxes billed on the provisional statement:
  - (i) are due and payable in the same manner as property billed on a tax statement under IC 6-1.1-22-8.1; and
  - (ii) will be credited against a reconciling statement;

(4) for property taxes billed using a provisional statement under section 6 of this chapter, include a statement in the following or a substantially similar form, as determined by the department of local government finance:

"Under Indiana law, \_\_\_\_\_ County (insert county) has sent provisional statements. The statement is due to be paid in installments on \_\_\_\_\_ (insert date) and \_\_\_\_\_ (insert date). The first installment is equal to fifty percent (50%) of your tax liability for taxes payable in \_\_\_\_\_ (insert year), subject to adjustment to the tax liability authorized by the department of local government finance and approved by the county treasurer. The second installment is either the amount specified in a reconciling statement that will be sent to you, or (if a reconciling statement is not sent until after the second installment is due) an amount equal to fifty percent (50%) of your tax liability for taxes payable in \_\_\_\_\_ (insert year), subject to adjustment to the tax liability authorized by the department of local government finance and approved by the county treasurer. After the abstract of property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in \_\_\_\_\_ (insert year) minus the amount you pay under this provisional statement.";

(5) for property taxes billed using a provisional statement under

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1 section 6.5 of this chapter, include a statement in the following or  
 2 a substantially similar form, as determined by the department of  
 3 local government finance:  
 4 "Under Indiana law, \_\_\_\_\_ County (insert county) has elected  
 5 to send provisional statements for the territory of  
 6 \_\_\_\_\_ (insert cross-county entity) located in  
 7 \_\_\_\_\_ County (insert county) because the property tax rate for  
 8 \_\_\_\_\_ (insert cross-county entity) was not available  
 9 in time to prepare final tax statements. The statement is due to be  
 10 paid in installments on \_\_\_\_\_ (insert date) and \_\_\_\_\_  
 11 (insert date). The statement is based on the property tax rate of  
 12 \_\_\_\_\_ (insert cross-county entity) for taxes first  
 13 due and payable in \_\_\_\_\_ (insert immediately preceding calendar  
 14 year). After the property tax rate of \_\_\_\_\_ (insert  
 15 cross-county entity) is determined, you will receive a reconciling  
 16 statement in the amount of your actual tax liability for taxes  
 17 payable in \_\_\_\_\_ (insert year) minus the amount you pay under  
 18 this provisional statement.";  
 19 (6) ~~in the case of a reconciling statement only,~~ indicate **any**  
 20 **adjustment to tax liability under subdivision (2) authorized by**  
 21 **the department of local government finance under subsection**  
 22 **(e) and approved by the county treasurer for:**  
 23 (A) delinquent:  
 24 (i) taxes; and  
 25 (ii) special assessments;  
 26 (B) penalties; and  
 27 (C) interest;  
 28 ~~is allowed to appear on the tax statement under IC 6-1.1-22-8.1~~  
 29 ~~for the first installment of property taxes in the year in which the~~  
 30 ~~provisional tax statement is issued;~~  
 31 (7) in the case of a reconciling statement only, include:  
 32 (A) a checklist that shows:  
 33 (i) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or  
 34 another law and all property tax deductions; and  
 35 (ii) whether each homestead credit and property tax  
 36 deduction ~~was~~ **were** applied in the current provisional  
 37 statement;  
 38 (B) an explanation of the procedure and deadline that a  
 39 taxpayer must follow and the forms that must be used if a  
 40 credit or deduction has been granted for the property and the  
 41 taxpayer is no longer eligible for the credit or deduction; and  
 42 (C) an explanation of the tax consequences and applicable

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1 penalties if a taxpayer unlawfully claims a standard deduction  
2 under IC 6-1.1-12-37 on:

- 3 (i) more than one (1) parcel of property; or
- 4 (ii) property that is not the taxpayer's principal place of  
5 residence or is otherwise not eligible for a standard  
6 deduction; and

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

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

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

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

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

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

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

- 37 (1) authorize the types of adjustments to tax liability that a county  
38 treasurer may approve under subsection (a)(2)(A) including:  
39 (A) adjustments for any new construction on the property or  
40 any damage to the property; ~~and~~  
41 (B) any necessary adjustments for credits, deductions, or local  
42 option income taxes;

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1 (C) adjustments to include current year special  
 2 assessments or exclude special assessments payable in the  
 3 year of the assessment date but not payable in the current  
 4 year;  
 5 (D) adjustments to include delinquent:  
 6 (i) taxes; and  
 7 (ii) special assessments;  
 8 (E) adjustments to include penalties that are due and  
 9 owing; and  
 10 (F) adjustments to include interest that is due and owing;  
 11 and  
 12 (2) notify county treasurers in writing of the types of adjustments  
 13 authorized under subdivision (1).  
 14 SECTION 22. IC 6-1.1-22.5-9, AS AMENDED BY P.L.89-2010,  
 15 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 UPON PASSAGE]: Sec. 9. (a) Except as provided in section 12(b) of  
 17 this chapter, ~~property taxes~~ **tax liability** billed on a provisional  
 18 statement are due in two (2) equal installments on May 10 and  
 19 November 10 of the year following the assessment date covered by the  
 20 provisional statement.  
 21 (b) The county treasurer may mail or transmit the provisional  
 22 statement one (1) time each year at least fifteen (15) days before the  
 23 date on which the first installment is due under subsection (a) in the  
 24 manner provided in IC 6-1.1-22-8.1, regardless of whether the notice  
 25 required under section 6(b) of this chapter has been published.  
 26 (c) This subsection applies to a provisional statement issued under  
 27 section 6 of this chapter. Except when the second installment of a  
 28 provisional statement is replaced by a final reconciling statement  
 29 providing for taxes to be due on November 10, the amount of tax  
 30 **liability** due for each installment of a provisional statement issued for  
 31 a year after 2010 is fifty percent (50%) of the tax that was due for the  
 32 immediately preceding year under IC 6-1.1-22 subject to any  
 33 adjustments to the tax liability as prescribed by the department of local  
 34 government finance. If no bill was issued in the prior year, the  
 35 provisional bill shall be based on the amount that would have been due  
 36 if a provisional tax statement had been issued for the immediately  
 37 preceding year. The department of local government finance may  
 38 prescribe standards to implement this subsection, including a method  
 39 of calculating the taxes due when an abstract or other information is not  
 40 complete.  
 41 (d) This subsection applies only if a provisional statement for  
 42 payment of property taxes, ~~and~~ special assessments, **and any**

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

13 SECTION 23. IC 6-1.1-22.5-12, AS AMENDED BY  
 14 P.L.182-2009(ss), SECTION 163, IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as  
 16 provided by subsection (c), each reconciling statement must be on a  
 17 form prescribed by the department of local government finance and  
 18 must indicate:

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

37 (b) If, upon receipt of the abstract required by IC 6-1.1-22-5 or upon  
 38 determination of the tax rate of the cross-county entity referred to in  
 39 section 6.5 of this chapter, the county treasurer determines that it is  
 40 possible to complete the:

- 41 (1) preparation; and  
 42 (2) mailing or transmittal;

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

11 (c) A reconciling statement prepared under subsection (b) must  
 12 indicate:

13 (1) the actual property tax liability under this article for the  
 14 calendar year for the property for which the reconciling statement  
 15 is issued;

16 (2) the total amount of the first installment paid under the  
 17 provisional statement for the property for which the reconciling  
 18 statement is issued;

19 (3) if the amount under subdivision (1) exceeds the amount under  
 20 subdivision (2), the adjusted amount of the second installment  
 21 that is payable by the taxpayer:

22 (A) as a final reconciliation of the tax liability; and

23 (B) not later than:

24 (i) November 10; or

25 (ii) if the county treasurer requests in writing that the  
 26 commissioner designate a later date, the date designated by  
 27 the commissioner; and

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

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

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

38 **(f) A reconciling statement may include any adjustment**  
 39 **authorized by the department of local government finance under**  
 40 **section 8(e) of this chapter and approved by the county treasurer.**

41 SECTION 24. IC 6-1.1-37-10, AS AMENDED BY P.L.3-2008,  
 42 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2011]: Sec. 10. (a) Except as provided in sections 10.5  
 2 **(repealed)** and 10.7 of this chapter, if an installment of property taxes  
 3 is not completely paid on or before the due date, a penalty shall be  
 4 added to the unpaid portion in the year of the initial delinquency. The  
 5 penalty is equal to an amount determined as follows:

6 (1) If:

7 (A) an installment of real property taxes is completely paid on  
 8 or before the date thirty (30) days after the due date; and

9 (B) the taxpayer is not liable for delinquent property taxes first  
 10 due and payable in a previous installment for the same parcel;  
 11 the amount of the penalty is equal to five percent (5%) of the  
 12 amount of delinquent taxes.

13 (2) If:

14 (A) an installment of personal property taxes is completely  
 15 paid on or before the date thirty (30) days after the due date;  
 16 and

17 (B) the taxpayer is not liable for delinquent property taxes first  
 18 due and payable in a previous installment for a personal  
 19 property tax return for property in the same taxing district;  
 20 the amount of the penalty is equal to five percent (5%) of the  
 21 amount of delinquent taxes.

22 (3) If subdivision (1) or (2) does not apply, the amount of the  
 23 penalty is equal to ten percent (10%) of the amount of delinquent  
 24 taxes.

25 (b) With respect to property taxes due in two (2) equal installments  
 26 under IC 6-1.1-22-9(a), on the day immediately following the due dates  
 27 of the first and second installments in each year following the year of  
 28 the initial delinquency, an additional penalty equal to ten percent (10%)  
 29 of any taxes remaining unpaid shall be added. With respect to property  
 30 taxes due in installments under IC 6-1.1-22-9.5, an additional penalty  
 31 equal to ten percent (10%) of any taxes remaining unpaid shall be  
 32 added on the day immediately following each date that succeeds the  
 33 last installment due date by:

34 (1) six (6) months; or

35 (2) a multiple of six (6) months.

36 (c) The penalties under subsection (b) are imposed only on the  
 37 principal amount of the delinquent taxes.

38 (d) If the department of local government finance determines that  
 39 an emergency has occurred which precludes the mailing of the tax  
 40 statement in any county at the time set forth in IC 6-1.1-22-8.1, the  
 41 department shall establish by order a new date on which the installment  
 42 of taxes in that county is due and no installment is delinquent if paid by

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1 the date so established.

2 (e) If any due date falls on a Saturday, a Sunday, a national legal  
3 holiday recognized by the federal government, or a statewide holiday,  
4 the act that must be performed by that date is timely if performed by  
5 the next succeeding day that is not a Saturday, a Sunday, or one (1) of  
6 those holidays.

7 (f) Subject to subsections (g) and (h), a payment to the county  
8 treasurer is considered to have been paid by the due date if the payment  
9 is:

10 (1) received on or before the due date by the county treasurer or  
11 a collecting agent appointed by the county treasurer;

12 (2) deposited in United States first class mail:

13 (A) properly addressed to the principal office of the county  
14 treasurer;

15 (B) with sufficient postage; and

16 (C) postmarked by the United States Postal Service as mailed  
17 on or before the due date;

18 (3) deposited with a nationally recognized express parcel carrier  
19 and is:

20 (A) properly addressed to the principal office of the county  
21 treasurer; and

22 (B) verified by the express parcel carrier as:

23 (i) paid in full for final delivery; and

24 (ii) received by the express parcel carrier on or before the  
25 due date;

26 (4) deposited to be mailed through United States registered mail,  
27 United States certified mail, or United States certificate of  
28 mailing:

29 (A) properly addressed to the principal office of the county  
30 treasurer;

31 (B) with sufficient postage; and

32 (C) with a date of registration, certification, or certificate, as  
33 evidenced by any record authenticated by the United States  
34 Postal Service, on or before the due date; or

35 (5) made by an electronic funds transfer and the taxpayer's bank  
36 account is charged on or before the due date.

37 For purposes of this subsection, "postmarked" does not mean the date  
38 printed by a postage meter that affixes postage to the envelope or  
39 package containing a payment.

40 (g) If a payment is mailed through the United States mail and is  
41 physically received after the due date without a legible correct  
42 postmark, the person who mailed the payment is considered to have

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made the payment on or before the due date if the person can show by reasonable evidence that the payment was deposited in the United States mail on or before the due date. **An affidavit made under penalties of perjury may be accepted by a county as proof that the payment was deposited in the United States mail on or before the due date.**

(h) If a payment is sent via the United States mail or a nationally recognized express parcel carrier but is not received by the designated recipient, the person who sent the payment is considered to have made the payment on or before the due date if the person:

- (1) can show by reasonable evidence that the payment was deposited in the United States mail, or with the express parcel carrier, on or before the due date; and
- (2) makes a duplicate payment within thirty (30) days after the date the person is notified that the payment was not received.

**An affidavit made under penalties of perjury may be accepted by a county as proof that the payment was deposited in the United States mail on or before the due date.**

SECTION 25. IC 6-1.1-37-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 14. (a) This section applies to a partial payment of delinquent property taxes, delinquent tax judgments, assessments, penalties, interest, or costs (including costs of collection) imposed under this article and owed in a county, including a deduction made under IC 6-1.1-22-15 or IC 6-1.1-22-16.**

**(b) A partial payment described in subsection (a) shall be paid to the county treasurer and applied as follows:**

- (1) First, to collection expenses permitted by law.**
- (2) Second, to the delinquent taxes and special assessments or judgment amounts for delinquent taxes and special assessments as follows:**
  - (A) First, to the payment of delinquent personal property taxes and special assessments owed in the county by the owner or other person liable for the payment of delinquent property taxes and special assessments.**
  - (B) Second, to the payment of delinquent real property taxes and special assessments owed in the county by the owner or other person liable for the payment of delinquent property taxes and special assessments.**
- (3) Third, to the payment of interest.**
- (4) Fourth, to penalties permitted by law.**

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1 SECTION 26. IC 6-1.5-4-1 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) The Indiana  
 3 board shall conduct an impartial review of all appeals concerning:

- 4 (1) the assessed valuation of tangible property;  
 5 (2) property tax deductions; ~~or~~  
 6 (3) property tax exemptions; ~~or~~

7 **(4) property tax credits;**

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

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

13 SECTION 27. IC 6-3.5-1.1-24, AS AMENDED BY P.L.146-2008,  
 14 SECTION 331, IS AMENDED TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2011]: Sec. 24. (a) In a county in which the  
 16 county adjusted gross income tax is in effect, the county council may,  
 17 before August 1 of a year, adopt an ordinance to impose or increase (as  
 18 applicable) a tax rate under this section.

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

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

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

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

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

36 (2) The tax rate that must be imposed in the county from October  
 37 1 of the year in which the tax rate is imposed through September  
 38 30 of the following year is equal to the result of:

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

42 (B) two (2).

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1 (3) The tax rate that must be imposed in the county from October  
2 1 of the following year through September 30 of the year after the  
3 following year is the tax rate determined for the county under  
4 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues  
5 in effect in later years unless the tax rate is increased under this  
6 section.

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

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

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

17 (2) The tax rate that must be imposed in the county from October  
18 1 of the year in which the tax rate is increased through September  
19 30 of the following year is equal to the result of:

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

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

24 The tax rate under this subdivision continues in effect in later  
25 years unless the tax rate is increased under this section.

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

31 (g) The department of local government finance shall determine the  
32 following property tax replacement distribution amounts:

33 STEP ONE: Determine the sum of the amounts determined under  
34 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the  
35 county in the preceding year.

36 STEP TWO: For distribution to each civil taxing unit that in the  
37 year had a maximum permissible property tax levy limited under  
38 ~~IC 6-1.1-18.5-3(g); IC 6-1.1-18.5-3(b)~~, determine the result of:

39 (1) the quotient of:

40 (A) the part of the amount determined under STEP ONE of  
41 IC 6-3.5-1.5-1(a) in the preceding year that was attributable  
42 to the civil taxing unit; divided by

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- 1 (B) the STEP ONE amount; multiplied by  
 2 (2) the tax revenue received by the county treasurer under this  
 3 section.  
 4 STEP THREE: For distributions in 2009 and thereafter, the result  
 5 of this STEP is zero (0). For distribution to the county for deposit  
 6 in the county family and children's fund before 2009, determine  
 7 the result of:  
 8 (1) the quotient of:  
 9 (A) the amount determined under STEP TWO of  
 10 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 11 (B) the STEP ONE amount; multiplied by  
 12 (2) the tax revenue received by the county treasurer under this  
 13 section.  
 14 STEP FOUR: For distributions in 2009 and thereafter, the result  
 15 of this STEP is zero (0). For distribution to the county for deposit  
 16 in the county children's psychiatric residential treatment services  
 17 fund before 2009, determine the result of:  
 18 (1) the quotient of:  
 19 (A) the amount determined under STEP THREE of  
 20 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 21 (B) the STEP ONE amount; multiplied by  
 22 (2) the tax revenue received by the county treasurer under this  
 23 section.  
 24 STEP FIVE: For distribution to the county for community mental  
 25 health center purposes, determine the result of:  
 26 (1) the quotient of:  
 27 (A) the amount determined under STEP FOUR of  
 28 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 29 (B) the STEP ONE amount; multiplied by  
 30 (2) the tax revenue received by the county treasurer under this  
 31 section.  
 32 Except as provided in subsection (m), the county treasurer shall  
 33 distribute the portion of the certified distribution that is attributable to  
 34 a tax rate under this section as specified in this section. The county  
 35 treasurer shall make the distributions under this subsection at the same  
 36 time that distributions are made to civil taxing units under section 15  
 37 of this chapter.  
 38 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county  
 39 council may not decrease or rescind a tax rate imposed under this  
 40 chapter.  
 41 (i) The tax rate under this section shall not be considered for  
 42 purposes of computing:

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

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1 year; or  
 2 (2) the certified distributions attributable to a tax rate under this  
 3 section in a year are less than the certified distributions  
 4 attributable to a tax rate under this section in the preceding year.  
 5 However, subdivision (2) does not apply to the year following the first  
 6 year in which certified distributions of revenue attributable to the tax  
 7 rate under this section are distributed to the county.

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

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

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

16 SECTION 28. IC 6-3.5-1.1-25, AS AMENDED BY P.L.146-2008,  
 17 SECTION 332, IS AMENDED TO READ AS FOLLOWS  
 18 [EFFECTIVE OCTOBER 1, 2011]: Sec. 25. (a) As used in this section,  
 19 "public safety" refers to the following:

- 20 (1) A police and law enforcement system to preserve public peace  
 21 and order.
- 22 (2) A firefighting and fire prevention system.
- 23 (3) Emergency ambulance services (as defined in  
 24 IC 16-18-2-107).
- 25 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 26 (5) Emergency action (as defined in IC 13-11-2-65).
- 27 (6) A probation department of a court.
- 28 (7) Confinement, supervision, services under a community  
 29 corrections program (as defined in IC 35-38-2.6-2), or other  
 30 correctional services for a person who has been:
  - 31 (A) diverted before a final hearing or trial under an agreement  
 32 that is between the county prosecuting attorney and the person  
 33 or the person's custodian, guardian, or parent and that provides  
 34 for confinement, supervision, community corrections services,  
 35 or other correctional services instead of a final action  
 36 described in clause (B) or (C);
  - 37 (B) convicted of a crime; or
  - 38 (C) adjudicated as a delinquent child or a child in need of  
 39 services.
- 40 (8) A juvenile detention facility under IC 31-31-8.
- 41 (9) A juvenile detention center under IC 31-31-9.
- 42 (10) A county jail.

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

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1 IC 6-3.5-1.1-15) of the county or municipality for the calendar  
 2 year; divided by  
 3 (B) the sum of the attributed allocation amounts of the county  
 4 and each municipality in the county for the calendar year.  
 5 The county auditor shall make the distributions required by this  
 6 subsection not more than thirty (30) days after receiving the portion of  
 7 the certified distribution that is attributable to a tax rate under this  
 8 section. Tax revenue distributed to a county or municipality under this  
 9 subsection must be deposited into a separate account or fund and may  
 10 be appropriated by the county or municipality only for public safety  
 11 purposes.  
 12 (g) The department of local government finance may not require a  
 13 county or municipality receiving tax revenue under this section to  
 14 reduce the county's or municipality's property tax levy for a particular  
 15 year on account of the county's or municipality's receipt of the tax  
 16 revenue.  
 17 (h) The tax rate under this section and the tax revenue attributable  
 18 to the tax rate under this section shall not be considered for purposes  
 19 of computing:  
 20 (1) the maximum income tax rate that may be imposed in a county  
 21 under section 2 of this chapter or any other provision of this  
 22 chapter;  
 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 (3) the total county tax levy under IC 6-1.1-21-2(g)(3);  
 26 IC 6-1.1-21-2(g)(4); or IC 6-1.1-21-2(g)(5) (before the repeal of  
 27 IC 6-1.1-21); or  
 28 ~~(4)~~ **(3)** the credit under IC 6-1.1-20.6.  
 29 (i) The tax rate under this section may be imposed or rescinded at  
 30 the same time and in the same manner that the county may impose or  
 31 increase a tax rate under section 24 of this chapter.  
 32 (j) The department of local government finance and the department  
 33 of state revenue may take any actions necessary to carry out the  
 34 purposes of this section.  
 35 (k) Two (2) or more political subdivisions that are entitled to receive  
 36 a distribution under this section may adopt resolutions providing that  
 37 some part or all of those distributions shall instead be paid to one (1)  
 38 political subdivision in the county to carry out specific public safety  
 39 purposes specified in the resolutions.  
 40 SECTION 29. IC 6-3.5-1.1-26, AS AMENDED BY P.L.146-2008,  
 41 SECTION 333, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JANUARY 1, 2011 (RETROACTIVE)]: Sec. 26. (a) A

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1 county council may impose a tax rate under this section to provide  
 2 property tax relief to ~~political subdivisions~~ **taxpayers** in the county. A  
 3 county council is not required to impose any other tax before imposing  
 4 a tax rate under this section.

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

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

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

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

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

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

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

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

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this section.

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

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

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

- (A) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.
- (B) To provide local property tax replacement credits in Lake County in the following manner:
  - (i) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality.
  - (ii) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as

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determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county.

(C) To provide property tax credits in the following manner:

(i) Sixty percent (60%) of the tax revenue under this section shall be used as provided in clause (B).

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

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

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

(g) The tax rate under this section and the tax revenue attributable to 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 2 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;~~
- (3) ~~before January 1, 2009, the total county tax levy under~~

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1 ~~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)~~  
2 ~~(before the repeal of those provisions); or~~  
3 ~~(4) (3) the credit under IC 6-1.1-20.6.~~

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

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

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

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

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

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

42 (d) A tax rate under this section is in addition to any other tax rates

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1 imposed under this chapter and does not affect the purposes for which  
 2 other tax revenue under this chapter may be used.

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

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

8 (2) The tax rate that must be imposed in the county from October  
 9 1 of the year in which the tax rate is imposed through September  
 10 30 of the following year is equal to the result of:

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

13 (B) the following:

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

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

18 (3) The tax rate that must be imposed in the county from October  
 19 1 of the following year through September 30 of the year after the  
 20 following year is the tax rate determined for the county under  
 21 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues  
 22 in effect in later years unless the tax rate is increased under this  
 23 section.

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

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

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

34 (2) The tax rate that must be imposed in the county from October  
 35 1 of the year in which the tax rate is increased through September  
 36 30 of the following year is equal to the result of:

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

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

41 The tax rate under this subdivision continues in effect in later  
 42 years unless the tax rate is increased under this section.

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

6 (g) The department of local government finance shall determine the  
 7 following property tax replacement distribution amounts:

8 STEP ONE: Determine the sum of the amounts determined under  
 9 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the  
 10 county in the preceding year.

11 STEP TWO: For distribution to each civil taxing unit that in the  
 12 year had a maximum permissible property tax levy limited under  
 13 ~~IC 6-1.1-18.5-3(g)~~, **IC 6-1.1-18.5-3(b)**, determine the result of:

- 14 (1) the quotient of:  
 15 (A) the part of the amount determined under STEP ONE of  
 16 IC 6-3.5-1.5-1(a) in the preceding year that was attributable  
 17 to the civil taxing unit; divided by  
 18 (B) the STEP ONE amount; multiplied by  
 19 (2) the tax revenue received by the county treasurer under this  
 20 section.

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

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

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

- 35 (1) the quotient of:  
 36 (A) the amount determined under STEP THREE of  
 37 IC 6-3.5-1.5-1(a) in the preceding year; divided by  
 38 (B) the STEP ONE amount; multiplied by  
 39 (2) the tax revenue received by the county treasurer under this  
 40 section.

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

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

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

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

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

- 18 (1) the maximum income tax rate that may be imposed in a county
- 19 under section 8 or 9 of this chapter or any other provision of this
- 20 chapter; or
- 21 (2) the maximum permissible property tax levy under ~~STEP~~
- 22 ~~EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3.~~

23 (j) The tax levy under this section shall not be considered for  
 24 purposes of computing the total county tax levy under  
 25 ~~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~~  
 26 ~~the repeal of those provisions)~~ or for purposes of the credit under  
 27 IC 6-1.1-20.6.

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

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

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

- 37 (1) one-third (1/3) of the tax revenue that is attributable to the tax
- 38 rate under this section must be deposited in the county
- 39 stabilization fund established under subsection (o), in the case of
- 40 a county containing a consolidated city; and
- 41 (2) one-half (1/2) of the tax revenue that is attributable to the tax
- 42 rate under this section must be deposited in the county

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1 stabilization fund established under subsection (o), in the case of  
 2 a county not containing a consolidated city.  
 3 (n) A pledge of county option income taxes does not apply to  
 4 revenue attributable to a tax rate under this section.  
 5 (o) A county stabilization fund is established in each county that  
 6 imposes a tax rate under this section. The county stabilization fund  
 7 shall be administered by the county auditor. If for a year the certified  
 8 distributions attributable to a tax rate under this section exceed the  
 9 amount calculated under STEP ONE through STEP FOUR of  
 10 IC 6-3.5-1.5-1(a) that is used by the department of local government  
 11 finance and the department of state revenue to determine the tax rate  
 12 under this section, the excess shall be deposited in the county  
 13 stabilization fund. Money shall be distributed from the county  
 14 stabilization fund in a year by the county auditor to political  
 15 subdivisions entitled to a distribution of tax revenue attributable to the  
 16 tax rate under this section if:  
 17 (1) the certified distributions attributable to a tax rate under this  
 18 section are less than the amount calculated under STEP ONE  
 19 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the  
 20 department of local government finance and the department of  
 21 state revenue to determine the tax rate under this section for a  
 22 year; or  
 23 (2) the certified distributions attributable to a tax rate under this  
 24 section in a year are less than the certified distributions  
 25 attributable to a tax rate under this section in the preceding year.  
 26 However, subdivision (2) does not apply to the year following the first  
 27 year in which certified distributions of revenue attributable to the tax  
 28 rate under this section are distributed to the county.  
 29 (p) Notwithstanding any other provision, a tax rate imposed under  
 30 this section may not exceed one percent (1%).  
 31 (q) A county income tax council must each year hold at least one (1)  
 32 public meeting at which the county council discusses whether the tax  
 33 rate under this section should be imposed or increased.  
 34 (r) 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 (s) Notwithstanding any other provision, in Lake County the county  
 38 council (and not the county income tax council) is the entity authorized  
 39 to take actions concerning the additional tax rate under this section.  
 40 SECTION 31. IC 6-3.5-6-31, AS AMENDED BY P.L.146-2008,  
 41 SECTION 342, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE OCTOBER 1, 2011]: Sec. 31. (a) As used in this section,

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

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public safety if:

(1) the county income tax council has imposed a tax rate under section 30 of this chapter, in the case of a county containing a consolidated city; or

(2) the county income tax council has imposed a tax rate of at least twenty-five hundredths of one percent (0.25%) under section 30 of this chapter, a tax rate of at least twenty-five hundredths of one percent (0.25%) under section 32 of this chapter, or a total combined tax rate of at least twenty-five hundredths of one percent (0.25%) under sections 30 and 32 of this chapter, in the case of a county other than a county containing a consolidated city.

(c) A tax rate under this section may not exceed the following:

(1) Five-tenths of one percent (0.5%), in the case of a county containing a consolidated city.

(2) Twenty-five hundredths of one percent (0.25%), in the case of a county other than a county containing a consolidated city.

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

(e) 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.

(f) Except as provided in subsection (l), the county auditor shall distribute the portion of the certified distribution that is attributable to a tax rate under this section to the county and to each municipality in the county. The amount that shall be distributed to the county or municipality is equal to the result of:

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

(2) a fraction equal to:

(A) the total property taxes being collected in the county by the county or municipality for the calendar year; divided by

(B) the sum of the total property taxes being collected in the county by the county and each municipality in the county for the calendar year.

The county auditor shall make the distributions required by this subsection not more than thirty (30) days after receiving the portion of the certified distribution that is attributable to a tax rate under this section. Tax revenue distributed to a county or municipality under this subsection must be deposited into a separate account or fund and may

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1 be appropriated by the county or municipality only for public safety  
2 purposes.

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

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

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

14 (2) the maximum permissible property tax levy under ~~STEP~~  
15 ~~EIGHTH of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3;~~

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

19 ~~(4) (3) the credit under IC 6-1.1-20.6.~~

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

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

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

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

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

40 (b) A tax rate under this section may be imposed in increments of  
41 five-hundredths of one percent (0.05%) determined by the county  
42 income tax council. A tax rate under this section may not exceed one

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percent (1%).

(c) 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.

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

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

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

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

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

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

(2) The tax revenue may be used to uniformly increase (before January 1, 2011) or uniformly provide (after December 31, 2010) the homestead credit percentage in the county. The homestead credits shall be treated for all purposes as property tax levies. The homestead credits do not reduce the basis for determining any

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state homestead credit. The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The county auditor shall determine the homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide homestead credits in that year.

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

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

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

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

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

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

(C) To provide property tax credits in the following manner:

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- 1 (i) Sixty percent (60%) of the tax revenue under this section
- 2 shall be used as provided in clause (B).
- 3 (ii) Forty percent (40%) of the tax revenue under this section
- 4 shall be used to provide property tax replacement credits
- 5 against property tax levies of the county and each township
- 6 and municipality in the county. The percentage of the tax
- 7 revenue distributed under this item that shall be used as
- 8 credits against the county's levies or against a particular
- 9 township's or municipality's levies is equal to the percentage
- 10 determined by dividing the population of the county,
- 11 township, or municipality by the sum of the total population
- 12 of the county, each township in the county, and each
- 13 municipality in the county.

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

24 The county income tax council may adopt an ordinance changing the  
 25 purposes for which tax revenue attributable to a tax rate under this  
 26 section shall be used in the following year.

- 27 (g) The tax rate under this section shall not be considered for
- 28 purposes of computing:
  - 29 (1) the maximum income tax rate that may be imposed in a county
  - 30 under section 8 or 9 of this chapter or any other provision of this
  - 31 chapter;
  - 32 (2) the maximum permissible property tax levy under ~~STEP~~
  - 33 ~~EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3;~~ or
  - 34 (3) the credit under IC 6-1.1-20.6.

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

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1 only for property tax replacement under this section in subsequent  
2 years.

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

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

9 SECTION 33. IC 20-40-3-5, AS ADDED BY P.L.2-2006,  
10 SECTION 163, IS AMENDED TO READ AS FOLLOWS  
11 [EFFECTIVE JULY 1, 2011]: Sec. 5. Money **deposited** in the fund as  
12 **a result of:**

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

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

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

25 may be used for any lawful school expenses.

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

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

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

39 (2) to make a transfer from the fund required by  
40 IC 6-1.1-20.6-10. However, the amount transferred to a fund  
41 may not exceed the amount of revenue lost to that fund from  
42 the application of the credits under IC 6-1.1-20.6.

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1 (c) Any excess amount received from the referendum tax levy  
2 described in IC 20-46-1-8(a)(2) that is not transferred to a fund  
3 under subsection (b) shall be:

4 (1) used to temporarily reduce the referendum tax levy in a  
5 subsequent year; or

6 (2) held as a reserve in the fund to replace revenue lost to  
7 another fund from the application of credits under  
8 IC 6-1.1-20.6 in a subsequent year;

9 as determined by the department of local government finance.

10 SECTION 35. IC 20-46-1-8, AS AMENDED BY P.L.41-2010,  
11 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JULY 1, 2011]: Sec. 8. (a) Subject to this chapter, the governing body  
13 of a school corporation may adopt a resolution to place a referendum  
14 public question under this chapter on the ballot for either of the  
15 following purposes:

16 (1) The governing body of the school corporation determines that  
17 it cannot, in a calendar year, carry out its public educational duty  
18 unless it imposes a referendum tax levy under this chapter.

19 (2) The governing body of the school corporation determines that  
20 a referendum tax levy under this chapter should be imposed to  
21 replace property tax revenue that the school corporation will not  
22 receive because of the application of the credit under  
23 IC 6-1.1-20.6.

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

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

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

39 "For the \_\_ (insert number) calendar year or years immediately  
40 following the holding of the referendum, shall the school  
41 corporation impose a property tax rate that does not exceed  
42 \_\_\_\_\_ (insert amount) cents (\$0. \_\_) (insert amount) on

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1 each one hundred dollars (\$100) of assessed valuation and that is  
 2 in addition to all other property tax levies imposed by the school  
 3 corporation **to carry out its public educational duties?**  
 4  **YES**  
 5  **NO".**

6 **(b) The question to be submitted to the voters in a referendum**  
 7 **initiated under section 8(a)(2) of this chapter must read as follows:**  
 8 **"For the \_\_ (insert number) calendar year or years**  
 9 **immediately following the holding of the referendum, shall the**  
 10 **school corporation impose a property tax rate that is in**  
 11 **addition to all other property tax levies imposed by the school**  
 12 **corporation to replace \_\_% (insert percentage not to exceed**  
 13 **one hundred percent (100%)) of the property tax revenue that**  
 14 **the school corporation will not receive because of the**  
 15 **application of credits granted under the property tax caps?**  
 16  **YES**  
 17  **NO".**

18 SECTION 37. IC 20-46-1-12, AS AMENDED BY P.L.146-2008,  
 19 SECTION 497, IS AMENDED TO READ AS FOLLOWS  
 20 [EFFECTIVE JULY 1, 2011]: Sec. 12. If a school corporation adopts  
 21 a resolution under section 7 or 8 of this chapter, the county fiscal body  
 22 must under IC 3-10-9-3 certify the question to be voted on at the  
 23 referendum **in the form specified in section 10 of this chapter,**  
 24 **without any additional explanatory text or other changes,** to the  
 25 county election board of each county in which any part of the appellant  
 26 school corporation is located **and the department of local**  
 27 **government finance.**

28 SECTION 38. IC 20-46-1-15, AS AMENDED BY P.L.146-2008,  
 29 SECTION 500, IS AMENDED TO READ AS FOLLOWS  
 30 [EFFECTIVE JULY 1, 2011]: Sec. 15. **(a)** Each county election board  
 31 shall cause:

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

39 **(b) The department of local government finance shall review the**  
 40 **language of each public question initiated under section 7 or 8 of**  
 41 **this chapter after June 30, 2011, to evaluate whether the**  
 42 **description of the proposed levy and its purposes is accurate and**

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

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

- 38 (1) the county fiscal body shall promptly notify the school  
 39 corporation that the school corporation is authorized to collect, for  
 40 the calendar year that next follows the calendar year in which the  
 41 referendum is held, a levy not greater than the amount approved  
 42 in the referendum;

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(2) the levy may be imposed for the number of calendar years approved by the voters following the referendum for the school corporation in which the referendum is held at:

**(A) a property tax rate that does not exceed the property tax rate specified in the public question approved by the majority of individuals voting in a referendum under this chapter, if the referendum was initiated for the purposes of section 7 of this chapter, section 8 of this chapter (as effective before July 1, 2011) or section 8(a)(1) of this chapter (as effective after June 30, 2011); and**

**(B) a property tax rate that does not exceed the property tax rate necessary, as certified by the department of local government finance, to raise a levy equal to the percentage of the property tax revenue that the school corporation will not receive in the year because of the application of credits granted under IC 6-1.1-20.6 that was approved by the majority of individuals voting in a referendum under this chapter, if the referendum was initiated for the purposes of section 8(a)(2) of this chapter (as effective after June 30, 2011); and**

(3) the school corporation shall establish a fund under IC 20-40-3-1.

SECTION 40. IC 20-46-1-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 20. (a) This section applies only to a school corporation that, after June 30, 2011, adopts a resolution under section 7 or 8 of this chapter to place a referendum under this chapter on the ballot.**

**(b) A school corporation seeking to impose a property tax levy under this chapter may not promote a position on the local public question by doing any of the following:**

**(1) Allowing facilities or equipment, including mail and messaging systems, owned by the school corporation to be used for public relations purposes to promote a position on the local public question.**

**(2) Making an expenditure of money from a fund controlled by the school corporation to promote a position on the local public question.**

**(3) Using an employee to promote a position on the local public question during the employee's normal working hours or paid overtime, or otherwise compelling an employee to promote a position on the local public question at any time.**

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- (4) Promoting a position on a local public question by:**
  - (A) using students to transport written materials to their residences or in any way directly involving students in a school organized promotion of a position; or**
  - (B) including a statement within another communication sent to the students' residences.**

However, this section does not prohibit an employee of the school corporation from carrying out duties with respect to a local public question that are part of the normal and regular conduct of the employee's office or agency.

(c) The staff and employees of a school corporation may not personally identify a student as the child of a parent or guardian who supports or opposes funding that is the subject of a local public question held under this chapter.

(d) A person or an organization that has a contract or arrangement (whether formal or informal) with a school corporation for the use of any of the school corporation's facilities may not spend any money to promote a position on a local public question. A person or an organization that violates this subsection commits a Class A infraction.

(e) An elected or appointed public official of the school corporation may personally advocate for or against a position on the local public question so long as it is not done by using public funds.

(f) A student may use school equipment or facilities to report or editorialize about a local public question as part of the news coverage of the referendum by student newspaper or broadcast.

SECTION 41. IC 20-46-1-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 21. (a) An action may be filed by any person in any court with jurisdiction to:**

- (1) obtain a declaratory judgment concerning a matter related to section 20 of this chapter;**
- (2) enjoin continuing, threatened, or future violations of section 20 of this chapter; or**
- (3) void any policy, decision, or final action taken under this chapter affected by a violation of section 20 of this chapter.**

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

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

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(1) The date of the act or failure to act complained of occurred.

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

(c) If a court finds that a school corporation has violated section 20 of this chapter, the court shall enjoin the school corporation from initiating another public question under this chapter for a period not exceeding one (1) year after the date of the violation.

(d) 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.

(e) 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.

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

SECTION 42. IC 20-46-4-6, AS AMENDED BY P.L.234-2007, SECTION 263, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. (a) The levy imposed for an assessment date before January 16, 2011, may not exceed the maximum permissible levy permitted under this section as this section was effective on January 1, 2011.

(b) The levy imposed for an assessment date after January 15, 2011, may not exceed the amount determined by multiplying:

- (1) the school corporation's maximum permissible levy for the fund for the previous year under ~~IC 21-2-11.5~~ (before its repeal) or this chapter, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under ~~IC 6-1.1-17~~ and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year (regardless of whether the school corporation imposed the entire amount of the maximum permissible levy in the immediately preceding year); by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

SECTION 43. IC 20-46-5-4, AS ADDED BY P.L.2-2006,

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1 SECTION 169, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2011]: Sec. 4. Each school corporation may  
 3 levy for a calendar year a property tax for the fund in accordance with  
 4 the school bus acquisition plan adopted under this chapter. **The levy**  
 5 **imposed for the March 1, 2011, and January 15, 2012, assessment**  
 6 **dates may not exceed the amount approved by the department of**  
 7 **local government finance under section 5 of this chapter and**  
 8 **IC 6-1.1-17. In setting the levy for the March 1, 2011, and January**  
 9 **15, 2012, assessment dates, the department of local government**  
 10 **finance shall evaluate whether the levy proposed by a school**  
 11 **corporation exceeds the reasonable needs of the school corporation**  
 12 **to carry out the purposes of the fund and approve a levy that does**  
 13 **not exceed the reasonable needs of the school corporation to carry**  
 14 **out the purposes of this chapter. In making its determination, the**  
 15 **department of local government finance may consider whether a**  
 16 **school corporation has in a previous year transferred money from**  
 17 **the fund to the school corporation's rainy day fund or a fund other**  
 18 **than the school bus replacement fund. A levy imposed for an**  
 19 **assessment date after January 15, 2012, may not exceed an amount**  
 20 **determined by multiplying:**

- 21 (1) the school corporation's maximum permissible levy
- 22 determined under this section for the previous year, after
- 23 eliminating the effects of temporary excessive levy appeals
- 24 and any other temporary adjustments made to the levy for the
- 25 calendar year (regardless of whether the school corporation
- 26 imposed the entire amount of the maximum permissible levy
- 27 in the immediately preceding year); by
- 28 (2) the assessed value growth quotient determined under
- 29 IC 6-1.1-18.5-2.

30 SECTION 44. IC 20-46-5-6.1, AS AMENDED BY P.L.111-2010,  
 31 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 2011]: Sec. 6.1. (a) This section does not apply to a school  
 33 corporation that elects to adopt a budget under IC 6-1.1-17-5.6, unless  
 34 a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body  
 35 of the school corporation is in effect.

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

- 40 (1) conduct a public hearing on; and
- 41 (2) pass a resolution to adopt;
- 42 a plan.

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1 SECTION 45. IC 20-46-6-8.1, AS AMENDED BY P.L.111-2010,  
 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2011]: Sec. 8.1. (a) This section does not apply to a school  
 4 corporation that elects to adopt a budget under IC 6-1.1-17-5.6, unless  
 5 a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body  
 6 of the school corporation is in effect.

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

- 9 (1) after January 1; and  
 10 (2) not later than ~~September~~ **October 20**;

11 of the immediately preceding year, hold a public hearing on a proposed  
 12 or amended plan and pass a resolution to adopt the proposed or  
 13 amended plan.

14 SECTION 46. IC 36-8-19-8, AS AMENDED BY P.L.182-2009(ss),  
 15 SECTION 443, IS AMENDED TO READ AS FOLLOWS  
 16 [EFFECTIVE JANUARY 1, 2012]: Sec. 8. (a) Upon the adoption of  
 17 identical ordinances or resolutions, or both, by the participating units  
 18 under section 6 of this chapter, the designated provider unit must  
 19 establish a fire protection territory fund from which all expenses of  
 20 operating and maintaining the fire protection services within the  
 21 territory, including repairs, fees, salaries, depreciation on all  
 22 depreciable assets, rents, supplies, contingencies, and all other  
 23 expenses lawfully incurred within the territory shall be paid. The  
 24 purposes described in this subsection are the sole purposes of the fund,  
 25 and money in the fund may not be used for any other expenses. Except  
 26 as allowed in subsections (d) and (e) and section 8.5 of this chapter, the  
 27 provider unit is not authorized to transfer money out of the fund at any  
 28 time.

29 (b) The fund consists of the following:

- 30 (1) All receipts from the tax imposed under this section.  
 31 (2) Any money transferred to the fund by the provider unit as  
 32 authorized under subsection (d).  
 33 (3) Any receipts from a false alarm fee or service charge imposed  
 34 by the participating units under IC 36-8-13-4.  
 35 (4) Any money transferred to the fund by a participating unit  
 36 under section 8.6 of this chapter.

37 (c) The provider unit, with the assistance of each of the other  
 38 participating units, shall annually budget the necessary money to meet  
 39 the expenses of operation and maintenance of the fire protection  
 40 services within the territory, plus a reasonable operating balance, not  
 41 to exceed twenty percent (20%) of the budgeted expenses. ~~Except as~~  
 42 ~~provided in IC 6-1.1-18.5-10.5~~, **Subject to subsections (f), (g), and**

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1 (h), after estimating expenses and receipts of money, the provider unit  
 2 shall establish the tax levy ~~required that each participating unit must~~  
 3 **impose** to fund the estimated budget. The amount budgeted under this  
 4 subsection shall be considered a part of each of the participating unit's  
 5 budget.

6 (d) If the amount levied in a particular year is insufficient to cover  
 7 the costs incurred in providing fire protection services within the  
 8 territory, the provider unit may transfer from available sources to the  
 9 fire protection territory fund the money needed to cover those costs. In  
 10 this case:

11 (1) the levy in the following year shall be increased by the amount  
 12 required to be transferred; and

13 (2) the provider unit is entitled to transfer the amount described  
 14 in subdivision (1) from the fund as reimbursement to the provider  
 15 unit.

16 (e) If the amount levied in a particular year exceeds the amount  
 17 necessary to cover the costs incurred in providing fire protection  
 18 services within the territory, the levy in the following year shall be  
 19 reduced by the amount of surplus money that is not transferred to the  
 20 equipment replacement fund established under section 8.5 of this  
 21 chapter. The amount that may be transferred to the equipment  
 22 replacement fund may not exceed five percent (5%) of the levy for that  
 23 fund for that year. Each participating unit must agree to the amount to  
 24 be transferred by adopting an ordinance (if the unit is a county or  
 25 municipality) or a resolution (if the unit is a township) that specifies an  
 26 identical amount to be transferred.

27 ~~(f) The tax under this section is subject to the tax levy limitations~~  
 28 ~~imposed under IC 6-1.1-18.5-10.5.~~

29 **(f) The ad valorem property tax levy limits imposed by**  
 30 **IC 6-1.1-18.5-3 apply to ad valorem property taxes imposed by a**  
 31 **participating unit under this section. For purposes of computing**  
 32 **the ad valorem property tax levy limit imposed on a participating**  
 33 **unit under IC 6-1.1-18.5-3, the participating unit's ad valorem**  
 34 **property tax levy for a particular calendar year includes that part**  
 35 **of a levy imposed under this section.**

36 (g) A participating unit's maximum permissible ad valorem  
 37 property tax levy under IC 6-1.1-18.5-3 in the first year that the  
 38 participating unit imposes a levy under this section is the same  
 39 maximum permissible ad valorem property tax levy that would  
 40 have applied to the participating unit if the participating unit had  
 41 not imposed a levy under this section.

42 (h) For purposes of computing the ad valorem property tax levy

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1 limit of a participating unit under IC 6-1.1-18.5-3 for property  
2 taxes imposed for the March 1, 2011, and January 15, 2012,  
3 assessment dates, the participating unit's maximum permissible ad  
4 valorem property tax levy for the preceding calendar year (as  
5 defined in IC 6-1.1-18.5-1) includes the amount of the tax that was:

- 6 (1) imposed under this section by the participating unit for the
- 7 March 1, 2010, and January 15, 2011, assessment dates; and
- 8 (2) subject to the tax levy limitations imposed under
- 9 IC 6-1.1-18.5-10.5 (before its repeal).

10 An order of the department of local government finance issued  
11 under IC 6-1.1-18.5-10.5 (repealed) before January 1, 2012, that  
12 would have permitted a participating unit to adjust its levy under  
13 this section and maximum permissible ad valorem property tax  
14 levy for property taxes imposed for an assessment date after  
15 January 15, 2011, is void.

16 SECTION 47. THE FOLLOWING ARE REPEALED [EFFECTIVE  
17 JANUARY 1, 2012]: IC 6-1.1-18.5-4; IC 6-1.1-18.5-5;  
18 IC 6-1.1-18.5-10.5.

19 SECTION 48. [EFFECTIVE JULY 1, 2011] (a) The department  
20 of local government finance may adjust a civil taxing unit's  
21 maximum permissible ad valorem property tax levy determined  
22 under IC 6-1.1-18.5-3, as amended by this act, for property taxes  
23 first due and payable in 2012, if the department of local  
24 government finance determines that the civil taxing unit's  
25 maximum permissible ad valorem property tax levy was reduced  
26 as a direct result of the amendment of IC 6-1.1-18.5-3 by this act.  
27 The amount of the adjustment may not exceed the greater of zero  
28 (0) or the difference between the civil taxing unit's maximum  
29 permissible ad valorem property tax levy, as determined without  
30 applying the amendment made to IC 6-1.1-18.5-3 by this act, and  
31 the civil taxing unit's maximum permissible ad valorem property  
32 tax levy, as determined after applying the amendment to  
33 IC 6-1.1-18.5-3 by this act. An adjustment under this SECTION  
34 shall be treated as a permanent adjustment in the civil taxing unit's  
35 maximum permissible ad valorem property tax levy.

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

41 (c) This SECTION expires January 1, 2013.

42 SECTION 49. An emergency is declared for this act.

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