



February 9, 2011

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## SENATE BILL No. 271

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DIGEST OF SB 271 (Updated February 7, 2011 5:55 pm - DI 113)

**Citations Affected:** IC 6-1.1; IC 36-1.

**Synopsis:** Taxation of personal property. Allows the fiscal body of a county, city, town, or, in the case of Marion County, the metropolitan development commission, to fully or partially exempt personal property from property taxation. Allows payments in lieu of taxes to be imposed upon property owners receiving the exemption.

**Effective:** July 1, 2011.

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### Waltz, Leising

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January 6, 2011, read first time and referred to Committee on Rules and Legislative Procedure.

January 31, 2011, amended; reassigned to Committee on Commerce and Economic Development.

February 8, 2011, amended, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.

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SB 271—LS 6035/DI 13+



February 9, 2011

First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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## SENATE BILL No. 271



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

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

1 SECTION 1. IC 6-1.1-10-45 IS ADDED TO THE INDIANA CODE  
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 3 1, 2011]: **Sec. 45. (a) The following definitions apply throughout**  
 4 **this section:**  
 5 (1) "Exemption" refers to an exemption authorized in an  
 6 ordinance adopted under this section.  
 7 (2) "Designating body" has the meaning set forth in  
 8 IC 6-1.1-12.1-1(7).  
 9 (3) "Ordinance" refers to an ordinance adopted under this  
 10 section.  
 11 (4) "Qualified area" refers to the territory governed by a  
 12 designating body that adopts an ordinance under this section,  
 13 except that in the case of territory governed by the  
 14 designating body of a county the term refers only to the  
 15 unincorporated territory of the county.  
 16 (b) After conducting a public hearing on the proposed  
 17 ordinance, a designating body may adopt an ordinance to fully or

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1 partially exempt personal property located in a qualified area from  
2 property taxation. The ordinance must specify the amount and  
3 duration of the exemption. A designating body may amend an  
4 ordinance in the manner provided for adopting an ordinance.

5 (c) An ordinance adopted under subsection (b) must provide for  
6 the uniform exemption of all personal property to which the  
7 ordinance applies that is located in the qualified area.

8 (d) A designating body may rescind an ordinance adopted under  
9 subsection (b) after a public hearing held at least two (2) years  
10 after the date the ordinance was adopted. However, any personal  
11 property subject to an exemption granted before an ordinance is  
12 amended or rescinded remains subject to an exemption until it is  
13 removed from service in the qualified area by the taxpayer.

14 (e) Before adopting an ordinance under this section, a  
15 designating body shall conduct a public hearing on the proposed  
16 ordinance. The designating body shall:

17 (1) publish notice of the public hearing in accordance with  
18 IC 5-3-1; and

19 (2) not later than ten (10) days before the public hearing, file  
20 the notice with each taxing unit in the county.

21 (f) An ordinance adopted under this section does not apply to an  
22 assessment date occurring in the same year that the ordinance is  
23 adopted.

24 (g) The designating body shall provide a certified copy of an  
25 adopted ordinance to the department of local government finance  
26 and the county auditor.

27 (h) A taxpayer is not required to file an application to qualify  
28 for an exemption permitted under this section.

29 (i) The department of local government finance shall  
30 incorporate an exemption established in this section in the personal  
31 property return form to be used each year for filing under this  
32 article to permit the taxpayer to enter the exemption on the form.  
33 If a taxpayer fails to enter the exemption on the form, the township  
34 assessor, the county assessor if there is no township assessor for the  
35 township, or the department of local government finance, if the  
36 department of local government finance assesses the personal  
37 property, shall:

38 (1) determine the amount of the exemption; and

39 (2) within the period established in IC 6-1.1-16-1, issue a  
40 notice of assessment to the taxpayer that reflects the  
41 application of the exemption to the personal property.

42 (j) An exemption established under this section must be applied

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1 to any personal property assessment made by:

- 2 (1) an assessing official;
- 3 (2) a county property tax board of appeals; or
- 4 (3) the department of local government finance.

5 SECTION 2. IC 36-1-8-14.3 IS ADDED TO THE INDIANA CODE  
6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
7 1, 2011]: Sec. 14.3. (a) As used in this section, the following terms  
8 have the meanings set forth in IC 6-1.1-1:

- 9 (1) Assessed value.
- 10 (2) Exemption.
- 11 (3) Owner.
- 12 (4) Person.
- 13 (5) Personal property.
- 14 (6) Property taxation.

15 (b) As used in this section, "designating body" has the meaning  
16 set forth in IC 6-1.1-12.1-1(7).

17 (c) As used in this section, "PILOTS" means payments in lieu of  
18 taxes.

19 (d) As used in this section, "property owner" means the owner  
20 of personal property subject to an exemption provided under  
21 IC 6-1.1-10-45.

22 (e) As used in this section, "qualified area" has the meaning set  
23 forth in IC 6-1.1-10-45.

24 (f) A designating body that adopts an ordinance providing a  
25 property tax exemption under IC 6-1.1-10-45 may adopt an  
26 ordinance to require a property owner to pay PILOTS at times set  
27 forth in the ordinance with respect to personal property that is  
28 subject to an exemption under IC 6-1.1-10-45. An ordinance  
29 adopted under this section applies only to an assessment date for  
30 which the property owner is subject to an exemption provided  
31 under IC 6-1.1-10-45. The ordinance remains in full force and  
32 effect until repealed or modified by the governing body.

33 (g) A PILOT may be imposed in any amount determined by the  
34 designating body that does not exceed the amount of the property  
35 tax exemption granted to the property owner under IC 6-1.1-10-45  
36 with respect to the property taxes imposed by the taxing unit  
37 governed by the designating body. The PILOTS must be calculated  
38 so that the PILOTS are uniformly applied to each property owner  
39 in a qualified area.

40 (h) PILOTS collected under this section shall be deposited in the  
41 unit's general fund and used for any lawful purpose of the unit.

42 (i) PILOTS are due as set forth in the ordinance and bear

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1 interest, if unpaid, as in the case of other taxes on property.  
2 PILOTS shall be treated in the same manner as taxes for purposes  
3 of all procedural and substantive provisions of law.

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 271, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Commerce and Economic Development.

(Reference is to SB 271 as introduced.)

LONG, Chairperson

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COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Economic Development, to which was referred Senate Bill No. 271, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 12, delete "." and insert "**, except that in the case of territory governed by the designating body of a county the term refers only to the unincorporated territory of the county.**".

Page 2, line 3, after "property" insert "**to which the ordinance applies that is**".

and when so amended that said bill be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to SB 271 as printed February 1, 2011.)

YOUNG R MICHAEL, Chairperson

Committee Vote: Yeas 9, Nays 0.

