

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 298 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-1.1-22.5-20, AS AMENDED BY
- 4 P.L.182-2009(ss), SECTION 164, IS AMENDED TO READ AS
- 5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. For purposes
- 6 of a provisional statement under section 6 of this chapter, the
- 7 department of local government finance may adopt emergency rules
- 8 under IC 4-22-2-37.1 to **do any of the following:**
- 9 (1) Provide a methodology for a county treasurer to issue
- 10 provisional statements with respect to real property, taking into
- 11 account new construction of improvements placed on the real
- 12 property, damage, and other losses related to the real property:
- 13 (†) (A) after March 1 of the year preceding the assessment
- 14 date to which the provisional statement applies; and
- 15 (‡) (B) before the assessment date to which the provisional
- 16 statement applies.
- 17 (2) **Carry out IC 6-1.1-22.6.**
- 18 SECTION 2. IC 6-1.1-22.6 IS ADDED TO THE INDIANA CODE
- 19 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 20 UPON PASSAGE]:
- 21 **Chapter 22.6. Resolution of Multi-Year Delay in Issuance of Tax**
- 22 **Bills**
- 23 **Sec. 1. As used in this chapter, "covered county" refers to a**
- 24 **county that is subject to this chapter.**

1 **Sec. 2. As used in this chapter, "delayed property taxes" refers**
2 **to the following:**

3 **(1) Property taxes imposed for a year for which a**
4 **reconciliation statement becomes due in a year that the county**
5 **qualifies as a covered county.**

6 **(2) Property taxes for which a covered county is behind in**
7 **issuing property tax bills on February 1 in at least one (1)**
8 **year that the county qualifies as a covered county.**

9 **(3) Property taxes imposed for an assessment date that occurs**
10 **before the county ceases to be a covered county under section**
11 **15 of this chapter.**

12 **Sec. 3. As used in this chapter, "eligible taxing unit" refers to**
13 **the following:**

14 **(1) A city.**

15 **(2) A town.**

16 **(3) A school corporation.**

17 **(4) A library district.**

18 **Sec. 4. As used in this chapter, "executive" has the meaning set**
19 **forth in IC 36-1-2-5.**

20 **Sec. 5. As used in this chapter, "department" refers to the**
21 **department of local government finance.**

22 **Sec. 6. As used in this chapter, "property tax bill" refers to:**

23 **(1) a property tax statement required by IC 6-1.1-22-8.1; or**

24 **(2) a reconciling statement;**

25 **that conforms to law.**

26 **Sec. 7. As used in this chapter, "property taxes" has the**
27 **meaning set forth in IC 6-1.1-22.5-3.**

28 **Sec. 8. As used in this chapter, "provisional statement" has the**
29 **meaning set forth in IC 6-1.1-22.5-2.**

30 **Sec. 9. As used in this chapter, "reconciling statement" has the**
31 **meaning set forth in IC 6-1.1-22.5-4.**

32 **Sec. 10. As used in this chapter, "settlement date" refers to a**
33 **settlement date specified in IC 6-1.1-27-1.**

34 **Sec. 11. As used in this chapter, "special master" refers to an**
35 **individual or entity employed under this chapter to carry out**
36 **substantially all of the duties of the county auditor necessary to**
37 **issue property tax bills in each year that the county is a covered**
38 **county, including the year in which the county ceases to be a**
39 **covered county.**

40 **Sec. 12. As used in this chapter, "tax anticipation warrant or**
41 **obligation" refers to a loan or other evidence of indebtedness**
42 **issued by a taxing unit in anticipation of the collection of delayed**
43 **property taxes due to the taxing unit, including evidences of**
44 **indebtedness with a term of more than one (1) year and debt**
45 **refunding loans or other evidences of indebtedness issued by a**
46 **taxing unit in anticipation of the collection of delayed property**
47 **taxes due to the taxing unit.**

1 **Sec. 13.** A county becomes subject to this chapter if, in a year
2 after December 31, 2011, the county is at least three (3) years
3 behind in issuing property tax bills on February 1 of that year.

4 **Sec. 14.** The general assembly finds that LaPorte County
5 qualified as a county subject to this chapter on February 1, 2012.

6 **Sec. 15.** Subject to section 16 of this chapter, a county ceases to
7 be subject to this chapter in the year after the county:

8 (1) ceases to be behind in issuing property tax bills for all
9 previous years; and

10 (2) issues a property tax bill for property taxes due that would
11 ordinarily be due in the current year before April 26 of the
12 current year.

13 **Sec. 16.** The termination of a county's status as a covered county
14 does not relieve the county from making the payments required
15 under section 18 of this chapter.

16 **Sec. 17. (a)** The county treasurer of a covered county shall
17 accept payment of property taxes and special assessments made by
18 debit card, bank card, credit card, or electronic transfer.

19 **(b)** The county treasurer of a covered county, or another
20 appropriate official of the covered county, shall contract with a
21 debt card, bank card, credit card, or electronic transfer vendor for
22 acceptance of debt cards, bank cards, credit cards, or electronic
23 transfers for the receipt of tax collections for delayed property
24 taxes. However, if there is a vendor transaction charge, discount
25 fee, or other charge, whether billed to the covered county or
26 charged directly to an account of the covered county, the covered
27 county or the card or electronic payment service vendor may
28 collect from the person using the card or electronic payment
29 service a fee that may not exceed the highest transaction charge or
30 discount fee charged to the covered county by the card or
31 electronic payment service vendor during the most recent
32 collection period. This fee may be collected regardless of any
33 agreement between the bank and a card or electronic payment
34 service vendor or regardless of any internal policy of the card or
35 electronic payment service vendor that may prohibit this type of
36 fee. The fee is a permitted additional charge under IC 24-4.5-3-202.

37 **(c)** This section shall not be construed as limiting the authority
38 of a county to accept payment by debt card, bank card, credit card,
39 or electronic transfer.

40 **Sec. 18. (a)** Subject to subsection (b), a covered county shall set
41 aside in a separate fund on the schedule specified by the
42 department from the funds specified by the department, one
43 million dollars (\$1,000,000) for each consecutive year that the
44 county experienced delayed property taxes before the year in
45 which the county qualifies as a covered county.

46 **(b)** The amount that must be set aside under subsection (a) for
47 a particular year that the county experienced delayed property

- 1 taxes is reduced:
- 2 (1) to zero (0), if all reconciliation statements for the delayed
- 3 property taxes covered by subsection (a) and not previously
- 4 billed are mailed or otherwise transmitted to taxpayers before
- 5 January 16 of the year immediately following the year that
- 6 the county becomes a covered county; and
- 7 (2) by twenty-five percent (25%), if all reconciliation
- 8 statements for delayed property taxes covered by subsection
- 9 (a) and not previously billed are mailed or otherwise
- 10 transmitted to taxpayers before March 1 of the year
- 11 immediately following the year that the county becomes a
- 12 covered county.
- 13 (c) The amount set aside under this section for a particular year
- 14 in which eligible taxing units experienced delayed property taxes
- 15 shall be used to compensate eligible taxing units for:
- 16 (1) interest and other costs incurred by an eligible taxing unit
- 17 for issuing anticipation warrants or other obligations to fund
- 18 its operating and capital requirements during a period in
- 19 which the eligible taxing unit experienced delayed property
- 20 tax collections; and
- 21 (2) interest, at the adjusted rate for the period determined
- 22 under IC 6-8.1-10-1, on the amount of the delayed property
- 23 taxes not received by the eligible taxing unit, if the eligible
- 24 taxing unit self-funded its operating and capital requirements
- 25 during a period in which the eligible taxing unit experienced
- 26 delayed property tax collections rather than issue anticipation
- 27 warrants or other obligations.
- 28 (d) The Indiana bond bank or a person or entity designated by
- 29 the Indiana bond bank shall establish a procedure for determining
- 30 the amount that is to be distributed to each eligible taxing unit
- 31 under this section. The procedure must include at least one (1)
- 32 public hearing in the covered county.
- 33 (e) The county auditor of a covered county shall distribute the
- 34 amount set aside under this section for a particular year among
- 35 eligible taxing units according to a formula or amount prescribed
- 36 by the Indiana bond bank or the person or entity designated by the
- 37 Indiana bond bank.
- 38 (f) The amount due to an eligible taxing unit under this section
- 39 to compensate the eligible taxing unit for delayed property tax
- 40 collections in a particular year shall be distributed in eight (8)
- 41 equal installments. Each installment shall be paid on a consecutive
- 42 settlement date following the date the Indiana bond bank or the
- 43 person or entity designated by the Indiana bond bank determines
- 44 the amount to be distributed to the eligible taxing unit.
- 45 (g) Any amount set aside under this section that exceeds the
- 46 amount that the Indiana bond bank or a person or entity
- 47 designated by the Indiana bond bank requires the covered county

1 to distribute to eligible taxing units shall be transferred back to the
 2 funds from which the money was set aside in accordance with the
 3 directions of the Indiana bond bank or a person or entity
 4 designated by the Indiana bond bank.

5 (h) An eligible taxing unit, the county auditor and county
 6 treasurer of a covered county, and any special master appointed
 7 under this chapter shall provide the Indiana bond bank or a person
 8 or entity designated by the Indiana bond bank with the
 9 information required by the Indiana bond bank or a person or
 10 entity designated by the Indiana bond bank to carry out this
 11 section.

12 **Sec. 19.** An eligible taxing unit shall apply interest received
 13 under section 18 of this chapter:

14 (1) first, to pay or reimburse a fund for the payment of costs
 15 and interest incurred on tax anticipation warrants or
 16 obligations issued in anticipation of delayed property taxes;
 17 and

18 (2) thereafter, to obligations that would otherwise require the
 19 eligible taxing unit to impose a property tax to pay, as
 20 required by the Indiana bond bank or a person or entity
 21 designated by the Indiana bond bank.

22 **Sec. 20. (a)** Subject to the approval of the department, a county
 23 executive of a covered county may employ one (1) or more special
 24 masters and the number of deputy special masters needed by the
 25 special masters to carry out substantially all of the duties of:

26 (1) the county auditor; or

27 (2) the county treasurer;

28 or both, as is necessary to issue property tax bills in each year that
 29 the county is a covered county, including the year that the county
 30 ceases to be a covered county.

31 (b) The department may:

32 (1) as a condition of approving the contract, require that the
 33 department must be a party to the employment contract and
 34 any addendum to the employment contract;

35 (2) specify the scope of a special master's duties; and

36 (3) set standards for the selection and conduct of the special
 37 master.

38 (c) If the duties of both the county auditor and the county
 39 treasurer are assigned to one (1) or more special masters under
 40 this section, the assignment of duties shall be delegated among
 41 different individuals in such a manner as to maintain adequate
 42 accounting internal controls.

43 **Sec. 21.** No contract may be made with any special master
 44 before the giving of notice and the receiving of bids from anyone
 45 desiring to furnish this service. Notice of the time and place for
 46 receiving bids for the contract shall be given by publication by one
 47 (1) insertion in two (2) newspapers of general circulation published

1 in the county and representing each of the two (2) leading political
2 parties in the county. If only one (1) newspaper is published in the
3 county, notice in that one (1) newspaper is sufficient to comply with
4 the requirements of this section. The contract shall be awarded to
5 the lowest and best bidder who meets all requirements under law
6 and all standards specified by the department for entering a
7 contract to serve as special master. However, any and all bids may
8 be rejected, and new bids may be asked.

9 Sec. 22. The county executive of a covered county shall
10 appropriate the funds and provide the space and all necessary
11 supplies needed to meet the obligations created by a special
12 master's contract.

13 Sec. 23. A special master has the powers of a county auditor
14 within the scope of the special master's duties, including the power
15 to employ deputy special masters and terminate employment.

16 Sec. 24. The county auditor, the county treasurer, the county
17 assessor, and all other officials and employees of a covered county
18 shall provide assistance to a special master, as requested by the
19 special master or the special master's deputies.

20 Sec. 25. The county council of a covered county may grant a tax
21 credit not exceeding two percent (2%) of delayed property taxes
22 due on a reconciliation statement on any amount of delayed
23 property taxes paid within thirty (30) regular business days after
24 the county treasurer mails or otherwise transmits the property tax
25 bill for the delayed property taxes to the taxpayer or other person
26 authorized to receive the property tax bill. The amount of the
27 credit reduces the amount to be distributed to each taxing unit that
28 imposed the delayed property taxes in proportion to the amount
29 due to each taxing unit. A taxing unit shall allocate the amount of
30 the lost revenue to every fund in proportion to the delayed
31 property taxes due from the property tax bill, other than a debt
32 service fund.

33 Sec. 26. (a) The department may prescribe forms, adopt
34 emergency rules under IC 6-1.1-22.5-20, issue administrative
35 orders, set deadlines and other timetables for required activities,
36 and issue interpretive bulletins to carry out this chapter, including
37 rules, orders, and bulletins related to the scope of the duties to be
38 performed by a special master under this chapter.

39 (b) Notwithstanding any other law, the department shall require
40 that:

41 (1) trending and other adjustments to the assessed value of
42 real property under IC 6-1.1-4-4.5 be applied separately to
43 each assessment date subject to this chapter with the resulting
44 assessments rolled over to be used as the valuation that is
45 adjusted for the following assessment date;

46 (2) the information required to be submitted to the
47 department or the legislative services agency, or both, under

- 1 **IC 6-1.1-4-18.5, IC 6-1.1-4-19.5, IC 6-1.1-4-25, IC 6-1.1-5.5-3,**
 2 **IC 6-1.1-11-8, IC 6-1.1-31.5-3.5, IC 6-1.1-33.5-3, or**
 3 **IC 36-2-9-20 be submitted separately for each assessment date**
 4 **subject to this chapter not later than sixty (60) days after the**
 5 **information becomes available to the local official possessing**
 6 **the information;**
 7 **(3) penalties and interest on delinquent payments on a**
 8 **reconciliation statement subject to this chapter are waived for**
 9 **six (6) months after the payment, including an installment**
 10 **payment under IC 6-1.1-22.5-18.5, is otherwise due;**
 11 **(4) a homestead eligible for a standard deduction under**
 12 **IC 6-1.1-12-37 on which payments on a reconciliation**
 13 **statement subject to this section are delinquent, including an**
 14 **installment payment under IC 6-1.1-22.5-18.5, may not be**
 15 **placed on a list for tax sale for at least twelve (12) months**
 16 **after the payment, including an installment payment under**
 17 **IC 6-1.1-22.5-18.5, is otherwise due;**
 18 **(5) the period in which property eligible for a deduction or**
 19 **credit provided by law for an assessment date for which**
 20 **delayed property taxes are imposed is extended to a date that**
 21 **is forty-five (45) days after the reconciliation statement for**
 22 **those taxes is mailed or otherwise transmitted under**
 23 **IC 6-1.1-22.5-12; and**
 24 **(6) require that the covered county establish an installment**
 25 **payment plan in accordance with IC 6-1.1-22.5-18.5 under**
 26 **which taxpayers are required to pay delayed property taxes.**
 27 **(c) Subject to the requirements of this chapter, the department**
 28 **may set schedules and take the other actions necessary or**
 29 **appropriate to provide for the earliest possible issuance of**
 30 **property tax bills for the collection of delayed property taxes and**
 31 **a return to a normal collection cycle for property taxes in covered**
 32 **counties.**
 33 SECTION 3. IC 6-1.1-30-17, AS ADDED BY P.L.146-2008,
 34 SECTION 268, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Except as provided in
 36 subsection (c) and subject to subsection (d), the department of state
 37 revenue and the auditor of state shall, when requested by the
 38 department of local government finance, withhold a percentage of the
 39 distributions of county adjusted gross income tax distributions under
 40 IC 6-3.5-1.1, county option income tax distributions under IC 6-3.5-6,
 41 or county economic development income tax distributions under
 42 IC 6-3.5-7 that would otherwise be distributed to the county under the
 43 schedules in IC 6-3.5-1.1-10, IC 6-3.5-1.1-21.1, IC 6-3.5-6-17,
 44 IC 6-3.5-6-17.3, IC 6-3.5-7-16, and IC 6-3.5-7-17.3, if:
 45 (1) local assessing officials have not provided information to the
 46 department of local government finance in a timely manner under
 47 IC 4-10-13-5(b);

- 1 (2) the county assessor has not transmitted to the department of
 2 local government finance by October 1 of the year in which the
 3 distribution is scheduled to be made the data for all townships in
 4 the county required to be transmitted under IC 6-1.1-4-25;
 5 (3) the county auditor has not paid a bill for services under
 6 IC 6-1.1-4-31.5 to the department of local government finance in
 7 a timely manner;
 8 (4) the county assessor has not forwarded to the department of
 9 local government finance in a timely manner sales disclosure
 10 form data under IC 6-1.1-5.5-3;
 11 (5) the county auditor has not forwarded to the department of
 12 local government finance the duplicate copies of all approved
 13 exemption applications required to be forwarded by that date
 14 under IC 6-1.1-11-8(a);
 15 (6) by the date the distribution is scheduled to be made, the
 16 county auditor has not sent a certified statement required to be
 17 sent by that date under IC 6-1.1-17-1 to the department of local
 18 government finance;
 19 (7) the county does not maintain a certified computer system that
 20 meets the requirements of IC 6-1.1-31.5-3.5;
 21 (8) the county auditor has not transmitted the data described in
 22 IC 36-2-9-20 to the department of local government finance in the
 23 form and on the schedule specified by IC 36-2-9-20;
 24 (9) the county has not established a parcel index numbering
 25 system under 50 IAC 23-8-1 in a timely manner; ~~or~~
 26 (10) a county official has not provided other information to the
 27 department of local government finance in a timely manner as
 28 required by the department of local government finance; ~~or~~
 29 **(11) the department of local government finance incurs**
 30 **additional costs to assist a covered county (as defined in**
 31 **IC 6-1.1-22.6-1) to issue tax statements within the time frame**
 32 **specified in IC 6-1.1-22.6-18(b) for each year that the county**
 33 **experienced delayed property taxes (as defined in**
 34 **IC 6-1.1-22.6-2) before the year in which the county qualifies**
 35 **as a covered county.**

36 The percentage to be withheld is the percentage determined by the
 37 department of local government finance. **However, the percentage**
 38 **withheld for a reason stated in subdivision (11) may not exceed the**
 39 **percentage needed to reimburse the department of local**
 40 **government finance for the costs incurred by the department of**
 41 **local government finance.**

42 (b) Except as provided in subsection (e), money not distributed for
 43 the reasons stated in subsection (a) shall be distributed to the county
 44 when the department of local government finance determines that the
 45 failure to:

- 46 (1) provide information; or

1 (2) pay a bill for services;
2 has been corrected.

3 (c) The restrictions on distributions under subsection (a) do not
4 apply if the department of local government finance determines that the
5 failure to:
6 (1) provide information; or
7 (2) pay a bill for services;
8 in a timely manner is justified by unusual circumstances.

9 (d) The department of local government finance shall give the
10 county auditor at least thirty (30) days notice in writing before the
11 department of state revenue or the auditor of state withholds a
12 distribution under subsection (a).

13 (e) Money not distributed for the reason stated in subsection (a)(3)
14 may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money
15 deposited under this subsection is not subject to distribution under
16 subsection (b).

17 (f) This subsection applies to a county that will not receive a
18 distribution under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7. At the request
19 of the department of local government finance, an amount permitted to
20 be withheld under subsection (a) may be withheld from any state
21 revenues that would otherwise be distributed to the county or one (1)
22 or more taxing units in the county".
23 Renumber all SECTIONS consecutively.
 (Reference is to ESB 298 as printed February 24, 2012.)

Representative Dermody