



January 23, 2012

HOUSE BILL No. 1072

DIGEST OF HB 1072 (Updated January 19, 2012 5:51 pm - DI 92)

Citations Affected: IC 4-10; IC 5-1; IC 5-11; IC 5-14; IC 5-22; IC 5-28; IC 6-1.1; IC 6-3; IC 6-3.1; IC 6-3.5; IC 36-1; IC 36-2; IC 36-3; IC 36-12.

Synopsis: Tax administration. Changes dates for budget and levy adoption actions. Changes certain property tax related reporting requirements. Provides that the local Indiana business preference applies to a contract for a purchase made by a political subdivision only if the political subdivision provides that the preference is applicable to the purchase. Provides that the projection of the jobs to be created by a project funded from the Indiana twenty-first century research and technology fund (the fund) may not be kept confidential. Requires semiannual reporting of the activity of the fund. Requires the report to include information concerning the number of jobs projected for a recipient's project. Specifically includes grants and loans from the fund in the economic incentives and compliance report prepared by the Indiana economic development corporation. Returns the economic incentives and compliance report to the semiannual schedule required before 2010. Provides that the budget committee is a recipient of both reports. Specifies that the amount that may be excluded from assessed value for the purposes of calculating budgets, property tax rates, and property tax levies may not exceed 2% of net assessed value, rather than 2% of assessed value, without approval by the department of local government finance. Specifies that notices concerning final actions on budgets, property tax rates, and property tax levies shall be given electronically rather than in writing. Changes the formula for applying the circuit breaker among debt and nondebt levies. Makes political subdivisions with nonelected governing bodies (other than libraries (Continued next page)

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Effective: Upon passage; January 1, 2012 (retroactive); July 1, 2012.

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January 9, 2012, read first time and referred to Committee on Ways and Means.
January 23, 2012, amended, reported — Do Pass.

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outside of Marion County) subject to review and adoption of the political subdivision's budget by a county, city, or town fiscal body. Requires approval of the supplemental appropriations of a political subdivision with a nonelected governing body (other than a library outside Marion County) by a county, city, or town fiscal body. Replaces a separate certification by county auditors concerning the amount of circuit breaker credits granted to taxpayers with an annual report by the department of local government finance. Permits waiver of tax bills under \$5. Extends period in which to file for a property tax appeal from 45 days to 60 days. Specifies when receipts received by designated contract markets, swap execution facilities, or derivatives clearing organizations or from market data service revenue are subject to the state adjusted gross income tax. Extends the sunset date for the Hoosier business investment tax credit from December 31, 2013, to December 31, 2015. Changes the procedures for submitting a certified copy of ordinances related to local income taxes to the state to require in all cases that the certified copy be sent to the commissioner of the department of state revenue, the director of the budget agency, and the commissioner of the department of local government finance by certified mail or in an approved electronic format within 10 days after adoption. Changes the schedule on which revenue from county adjusted gross income taxes and county economic development taxes are distributed to counties from a biannual schedule to a monthly schedule. Eliminates provisions that provide for distribution of revenues from certain local income taxes on a quarterly basis in the initial year of adoption. Repeals: (1) authority to impose a local income tax to fund the expenses of prosecuting a capital case in Parke County; (2) authority to impose a local income tax to provide revenue for remediation of a superfund site in Tippecanoe County; and (3) expired authority to grant a tax rate to replace revenue lost from elimination of the inventory tax. Replaces population references in the local income tax law to certain counties with the names of the counties. Makes technical corrections. Repeals the local Indiana business preference for public works projects.

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January 23, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1072

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 4-10-13-5 IS REPEALED [EFFECTIVE JULY 1,
2 2012]. Sec. 5: (a) The department of local government finance shall
3 prepare and publish each year the following report which must contain
4 the following property tax data by counties or by appropriate taxing
5 jurisdictions:
6 (1) The tax rates of the various taxing jurisdictions;
7 (2) An abstract of taxable real property including a recital of the
8 number of parcels and the gross assessed valuation of nonfarm
9 residential property including improvements thereon; the number
10 of parcels and the gross assessed valuation of commercial and
11 industrial real property, including improvements thereon; the
12 number of parcels and the gross assessed valuation of unimproved
13 real property; the number of parcels and the gross assessed
14 valuation of agricultural acreage including improvements thereon;
15 and the total amount of the gross assessed valuation of real estate

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1 and the total assessed valuation of improvements thereon. The
 2 abstract shall also include a recital of the total amount of net
 3 valuation of real property.
 4 (3) The total assessed valuation of personal property belonging to
 5 steam and electric railways and to public utilities.
 6 (4) The total number of taxpayers and the total assessed valuation
 7 of household goods and personal effects, excluding boats subject
 8 to the boat excise tax under IC 6-6-11.
 9 (5) The total number of units assessed and the assessed valuation
 10 of each of the following items of personal property:
 11 (A) Privately owned, noncommercial passenger cars.
 12 (B) Commercial passenger cars.
 13 (C) Trucks and tractors.
 14 (D) Motorcycles.
 15 (E) Buses.
 16 (F) Mobile homes.
 17 (G) Boats.
 18 (H) Airplanes.
 19 (I) Farm machinery.
 20 (J) Livestock.
 21 (K) Crops.
 22 (6) The total number of taxpayers and the total valuation of
 23 inventories and other personal property belonging to retail
 24 establishments; wholesale establishments; manufacturing
 25 establishments; and commercial establishments.
 26 (b) The department of local government finance is hereby
 27 authorized to prescribe and promulgate the forms as are necessary for
 28 the obtaining of such information from local assessing officials. The
 29 local assessing officials are directed to comply with this section.
 30 SECTION 2. IC 5-1-18-6, AS AMENDED BY P.L.219-2007,
 31 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2012]: Sec. 6. A political subdivision that issues bonds or
 33 enters into a lease after December 31, 2005, shall supply the
 34 department with information concerning the bond issue or lease not
 35 later than December 31 of the year in a **debt issuance report not later**
 36 **than one (1) month after the date on** which the bonds are issued or
 37 the lease is executed.
 38 SECTION 3. IC 5-1-18-7, AS ADDED BY P.L.199-2005,
 39 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2012]: Sec. 7. (a) Except as provided by subsection (b), the
 41 **bond issue information debt issuance report** required by section 6 of
 42 this chapter must be submitted on a form prescribed by the department

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- 1 and must include **the following information concerning bonds:**
- 2 (1) The par value of the bond issue.
- 3 (2) A schedule of maturities and interest rates.
- 4 (3) The purposes of the bond issue.
- 5 (4) The itemized costs of issuance information, including fees for
- 6 bond counsel, other legal counsel, underwriters, and financial
- 7 advisors.
- 8 (5) The type of bonds that are issued. ~~and~~
- 9 (6) Other information as required by the department.

10 A copy of the official statement and bond covenants, if any, must be
 11 supplied with this information.

12 (b) ~~The department may establish a procedure that permits A~~
 13 ~~political subdivision or a person acting on behalf of a political~~
 14 ~~subdivision to transfer all or part of the information shall submit the~~
 15 **debt issuance report information** described in subsection (a) to the
 16 department in a uniform format through a secure connection over the
 17 Internet or through other electronic means. **electronically, in the**
 18 **manner prescribed by the department.**

19 (c) **For taxes due and payable for an assessment date after**
 20 **January 15, 2012, the department may not approve an**
 21 **appropriation or a property tax levy that is associated with a debt**
 22 **unless the debt issuance report for the debt has been submitted to**
 23 **the department.**

24 SECTION 4. IC 5-1-18-8, AS ADDED BY P.L.199-2005,
 25 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2012]: Sec. 8. (a) Except as provided by subsection (b), the
 27 lease information required by section 6 of this chapter must be
 28 submitted on a form prescribed by the department and must include **the**
 29 **following information concerning leases:**

- 30 (1) The term of the lease.
- 31 (2) The annual and total amount of lease rental payments due
- 32 under the lease.
- 33 (3) The purposes of the lease.
- 34 (4) The itemized costs incurred by the political subdivision with
- 35 respect to the preparation and execution of the lease, including
- 36 fees for legal counsel and other professional advisors.
- 37 (5) If all or part of the lease rental payments are used by the lessor
- 38 as debt service payments for bonds issued for the acquisition,
- 39 construction, renovation, improvement, expansion, or use of a
- 40 building, structure, or other public improvement for the political
- 41 subdivision:
- 42 (A) the name of the lessor;

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1 (B) the par value of the bond issue; and
 2 (C) the purposes of the bond issue. ~~and~~
 3 (6) Other information as required by the department.
 4 (b) ~~The department may establish a procedure that permits A~~
 5 ~~political subdivision or a person acting on behalf of a political~~
 6 ~~subdivision to transfer all or part of the information shall submit the~~
 7 **debt issuance report information** described in subsection (a) to the
 8 department in a uniform format through the Internet or other electronic
 9 means, as determined electronically, in the manner prescribed by the
 10 department.

11 (c) **For taxes due and payable for an assessment date after**
 12 **January 15, 2012, the department may not approve an**
 13 **appropriation or a property tax levy that is associated with a debt**
 14 **unless the debt issuance report for the debt has been submitted to**
 15 **the department.**

16 SECTION 5. IC 5-1-18-9, AS ADDED BY P.L.199-2005,
 17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2012]: Sec. 9. (a) **This subsection applies to reporting that**
 19 **occurs before January 1, 2013.** Each political subdivision that has any
 20 outstanding bonds or leases shall submit a report to the department
 21 before March 1 of 2006 and each year thereafter that includes a
 22 summary of all the outstanding bonds of the political subdivision as of
 23 January 1 of that year. The report must:

- 24 (1) distinguish the outstanding bond issues and leases on the basis
- 25 of the type of bond or lease, as determined by the department;
- 26 (2) include a comparison of the political subdivision's outstanding
- 27 indebtedness compared to any applicable statutory or
- 28 constitutional limitations on indebtedness;
- 29 (3) include other information as required by the department; and
- 30 (4) be submitted on a form prescribed by the department or
- 31 through the Internet or other electronic means, as determined by
- 32 the department.

33 (b) **This subsection applies to reporting that occurs after**
 34 **December 31, 2012. The department may annually require each**
 35 **political subdivision to verify to the department that the list of**
 36 **indebtedness and related details in the department's database are**
 37 **current and accurate.**

38 SECTION 6. IC 5-11-1-4, AS AMENDED BY P.L.172-2011,
 39 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 4. (a) The state examiner shall require from
 41 every municipality and every state or local governmental unit, entity,
 42 or instrumentality financial reports covering the full period of each

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1 fiscal year. These reports shall be prepared, verified, and filed with the
 2 state examiner not later than sixty (60) days after the close of each
 3 fiscal year. ~~The reports must be filed electronically, in a manner~~
 4 ~~prescribed by the state examiner that is compatible with the technology~~
 5 ~~employed by the political subdivision. The reports must be in the~~
 6 **form and content prescribed by the state examiner and filed**
 7 **electronically in the manner prescribed under IC 5-14-3.8-7.**

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

12 SECTION 7. IC 5-11-13-1, AS AMENDED BY P.L.172-2011,
 13 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 1. (a) Every state, county, city, town,
 15 township, or school official, elective or appointive, who is the head of
 16 or in charge of any office, department, board, or commission of the
 17 state or of any county, city, town, or township, and every state, county,
 18 city, town, or township employee or agent who is the head of, or in
 19 charge of, or the executive officer of any department, bureau, board, or
 20 commission of the state, county, city, town, or township, and every
 21 executive officer by whatever title designated, who is in charge of any
 22 state educational institution or of any other state, county, or city
 23 institution, shall during the month of January of each year prepare,
 24 make, and sign a ~~written or printed~~ certified report, correctly and
 25 completely showing the names and business addresses of each and all
 26 officers, employees, and agents in their respective offices, departments,
 27 boards, commissions, and institutions, and the respective duties and
 28 compensation of each, and shall forthwith file said report in the office
 29 of the state examiner of the state board of accounts. **The report must**
 30 **also indicate whether the political subdivision offers a health plan,**
 31 **a pension, and other benefits to full-time and part-time employees.**
 32 However, no more than one (1) report covering the same officers,
 33 employees, and agents need be made from the state or any county, city,
 34 town, township, or school unit in any one year. **The certification must**
 35 **be filed electronically in the manner prescribed under**
 36 **IC 5-14-3.8-7.**

37 (b) The department of local government finance may not approve
 38 the budget of a county, city, town, or township or a supplemental
 39 appropriation for a county, city, town, or township until the county,
 40 city, town, or township files an annual report under subsection (a) for
 41 the preceding calendar year.

42 SECTION 8. IC 5-14-3.8-7, AS ADDED BY P.L.172-2011,



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1 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 UPON PASSAGE]: Sec. 7. The department may require that prescribed
 3 forms be submitted in an electronic format. **The department, working**
 4 **with the office of technology established by IC 4-13.1-2-1 or**
 5 **another organization that is part of a state educational institution,**
 6 **shall develop and maintain a secure, web-based system that**
 7 **facilitates electronic submission of the forms under this section.**
 8 **Political subdivisions shall submit forms under this section through**
 9 **the web-based system as prescribed by the department.**

10 SECTION 9. IC 5-22-15-20.9, AS ADDED BY P.L.172-2011,
 11 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2012]: Sec. 20.9. (a) ~~This section applies only to a contract~~
 13 ~~awarded by a political subdivision.~~

14 ~~(b)~~ As used in this section, "affected county" refers to a county:

- 15 (1) in which the political subdivision awarding a contract under
 16 this article is located; or
- 17 (2) that is adjacent to the county described in subdivision (1).

18 ~~(c)~~ **(b)** As used in this section, "local Indiana business" refers to any
 19 of the following:

- 20 (1) A business whose principal place of business is located in an
 21 affected county.
- 22 (2) A business that pays a majority of its payroll (in dollar
 23 volume) to residents of affected counties.
- 24 (3) A business that employs residents of affected counties as a
 25 majority of its employees.
- 26 (4) A business that makes significant capital investments in the
 27 affected counties as defined in rules adopted by the political
 28 subdivision.
- 29 (5) A business that has a substantial positive economic impact on
 30 the affected counties as defined by criteria in rules adopted by the
 31 political subdivision.

32 ~~(d)~~ **(c)** ~~There are~~ **A political subdivision may apply** the following
 33 price preferences for supplies purchased from a local Indiana business:

- 34 (1) Five percent (5%) for a purchase expected by the purchasing
 35 agency to be less than fifty thousand dollars (\$50,000).
- 36 (2) Three percent (3%) for a purchase expected by the purchasing
 37 agency to be at least fifty thousand dollars (\$50,000) but less than
 38 one hundred thousand dollars (\$100,000).
- 39 (3) One percent (1%) for a purchase expected by the purchasing
 40 agency to be at least one hundred thousand dollars (\$100,000).

41 **However, to apply a price preference authorized by this subsection**
 42 **to a purchase of supplies, the political subdivision must state in the**

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1 **solicitation for supplies that the political subdivision will apply this**
 2 **section.**

3 ~~(e)~~ **(d)** Notwithstanding subsection ~~(d)~~; **(c)**, a purchasing agency
 4 may award a contract to the lowest responsive and responsible offeror,
 5 regardless of the preference provided in this section, if the lowest
 6 responsive and responsible offeror is a local Indiana business.

7 ~~(f)~~ **(e)** A business that wants to claim a preference provided under
 8 this section must do all the following:

9 (1) State in the business's bid that the business claims the
 10 preference provided by this section.

11 (2) Provide the following information to the purchasing agency:

12 (A) The location of the business's principal place of business.

13 If the business claims the preference as a local Indiana
 14 business described in subsection ~~(c)(1)~~; **(b)(1)**, a statement
 15 explaining the reasons the business considers the location
 16 named as the business's principal place of business.

17 (B) The amount of the business's total payroll and the amount
 18 of the business's payroll paid to residents of affected counties.

19 (C) The number of the business's employees and the number
 20 of the business's employees who are residents of affected
 21 counties.

22 (D) If the business claims the preference as a local Indiana
 23 business described in subsection ~~(c)(4)~~; **(b)(4)**, a description
 24 of the capital investments made in the affected counties and a
 25 statement of the amount of those capital investments.

26 (E) If the business claims the preference as a local Indiana
 27 business described in subsection ~~(c)(5)~~; **(b)(5)**, a description
 28 of the substantial positive economic impact the business has
 29 on the affected counties.

30 SECTION 10. IC 5-28-16-3, AS ADDED BY P.L.4-2005,
 31 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 UPON PASSAGE]: Sec. 3. (a) An application requesting a grant or
 33 loan from the fund must be targeted to one (1) or more of the areas
 34 listed in section 2 of this chapter.

35 (b) A successful applicant for a grant or loan from the fund must
 36 meet the requirements of this section and be approved by the board. An
 37 application for a grant or loan from the fund must be made on an
 38 application form prescribed by the board. An applicant shall provide all
 39 information that the board finds necessary to make the determinations
 40 required by this chapter.

41 (c) All applications for a grant or loan from the fund must include
 42 the following:

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1 (1) A fully elaborated technical research or business plan,
 2 whichever applies, that is appropriate for review by outside
 3 experts as provided in this chapter.

4 (2) A detailed financial analysis that includes the commitment of
 5 resources by other entities that will be involved in the project.

6 (3) A statement of the economic development potential of the
 7 project, such as:

8 (A) a statement of the way in which support from the fund will
 9 lead to significantly increased funding from federal or private
 10 sources and from private sector research partners; or

11 (B) a projection of the jobs to be created.

12 (4) The identity, qualifications, and obligations of the applicant.

13 (5) Any other information that the board considers appropriate.

14 An applicant for a grant or loan from the fund may request that certain
 15 information that is submitted by the applicant be kept confidential.

16 **However, an applicant's projection of the jobs to be created by a**
 17 **project may not be kept confidential.** The board shall make a
 18 determination of confidentiality as soon as is practicable. If the board
 19 determines that the information should not be kept confidential, the
 20 applicant may withdraw the application, and the board must return the
 21 information before making it part of any public record.

22 (d) An application for a grant or loan from the fund submitted by an
 23 academic researcher must be made through the office of the president
 24 of the researcher's academic institution with the express endorsement
 25 of the institution's president. An application for a grant or loan from the
 26 fund submitted by a private researcher must be made through the office
 27 of the highest ranking officer of the researcher's institution with the
 28 express endorsement of the institution. Any other application must be
 29 made through the office of the highest ranking officer of the entity
 30 submitting the application. In the case of an application for a grant or
 31 loan from the fund that is submitted jointly by one (1) or more
 32 researchers or entities, the application must be endorsed by each
 33 institution or entity as required by this subsection.

34 SECTION 11. IC 5-28-16-6, AS ADDED BY P.L.4-2005,
 35 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 UPON PASSAGE]: Sec. 6. The board shall submit ~~an annual~~ a report
 37 to **the budget committee and** the legislative council before ~~September~~
 38 **± February 1 and August 1 of each year that covers the six (6)**
 39 **month period that ends one (1) month before the report is due.** The
 40 report must be in an electronic format under IC 5-14-6 and must
 41 contain the following information concerning fund activity in the
 42 preceding ~~state fiscal year:~~ **six (6) month period:**

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- 1 (1) The name of each entity receiving a grant from the fund.
 2 (2) The location of each entity sorted by:
 3 (A) county, in the case of an entity located in Indiana; or
 4 (B) state, in the case of an entity located outside Indiana.
 5 (3) The amount of each grant awarded to each entity.
 6 **(4) The projection of the number of jobs to be created by the**
 7 **entity's project.**

8 SECTION 12. IC 5-28-28-2, AS ADDED BY P.L.222-2007,
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: Sec. 2. As used in this chapter, "grant" refers to a
 11 grant given by the corporation, **including a grant from the Indiana**
 12 **twenty-first century research and technology fund.**

13 SECTION 13. IC 5-28-28-3, AS ADDED BY P.L.222-2007,
 14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: Sec. 3. As used in this chapter, "loan":

- 16 (1) refers to a loan made by the corporation, regardless of whether
 17 the loan is forgivable; ~~and~~
 18 (2) includes a loan guarantee made by the corporation; ~~and~~
 19 **(3) includes a loan from the Indiana twenty-first century**
 20 **research and technology fund.**

21 SECTION 14. IC 5-28-28-5, AS ADDED BY P.L.222-2007,
 22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 5. (a) Beginning February 1, 2008, the
 24 corporation shall:

- 25 (1) submit an economic incentives and compliance report to:
 26 (A) the governor; ~~and~~
 27 **(B) the budget committee; and**
 28 ~~(B)~~ **(C)** the legislative council in an electronic format under
 29 IC 5-14-6; and
 30 (2) publish the report on the corporation's Internet web site;
 31 on the schedule specified in subsection (b).

32 ~~(b) Before August 2, 2009,~~ The corporation shall submit and publish
 33 before February 1 and August 1 of each year an incentives and
 34 compliance report that covers the six (6) month period that ends one
 35 (1) month before the report is due. ~~After August 1, 2009,~~ the
 36 corporation shall submit and publish before August 1 of each year an
 37 incentives and compliance report that covers the twelve (12) month
 38 period that ends one (1) month before the report is due.

39 SECTION 15. IC 6-1.1-1-3, AS AMENDED BY P.L.146-2008,
 40 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2012]: Sec. 3. (a) Except as provided in subsection (b),
 42 "assessed value" or "assessed valuation" means an amount equal to:

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1 (1) for assessment dates before March 1, 2001, thirty-three and
 2 one-third percent (33 1/3%) of the true tax value of property; and
 3 (2) for assessment dates after February 28, 2001, the true tax
 4 value of property.

5 (b) For purposes of calculating a budget, rate, or levy under
 6 IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-20, IC 20-46-4,
 7 IC 20-46-5, and IC 20-46-6, "assessed value" or "assessed valuation"
 8 does not include the **net** assessed value of tangible property excluded
 9 and kept separately on a tax duplicate by a county auditor under
 10 IC 6-1.1-17-0.5.

11 SECTION 16. IC 6-1.1-11-8 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) On or before
 13 August 1 of each year, the county auditor of each county shall forward
 14 to the department of local government finance the duplicate copies of
 15 all approved exemption applications.

16 (b) The department of local government finance ~~shall~~ **may** review
 17 the approved applications forwarded under subsection (a). The
 18 department of local government finance may deny an exemption if the
 19 department determines that the property is not tax exempt under the
 20 laws of this state. However, before denying an exemption, the
 21 department of local government finance must give notice to the
 22 applicant, and the department must hold a hearing on the exemption
 23 application.

24 (c) ~~With respect to the approved applications forwarded under~~
 25 ~~subsection (a); the department shall annually report to the executive~~
 26 ~~director of the legislative services agency:~~

27 (1) ~~the number forwarded;~~

28 (2) ~~the number subjected to field investigation by the department;~~
 29 ~~and~~

30 (3) ~~the number denied by the department;~~

31 ~~during the year ending on July 1 of the year. The department must~~
 32 ~~submit the report under this subsection not later than August 1 of the~~
 33 ~~year and in an electronic format under IC 5-14-6.~~

34 (d) (c) The department shall adopt rules under IC 4-22-2 with
 35 respect to exempt real property to:

36 (1) provide just valuations; and

37 (2) ensure that assessments are:

38 (A) made; and

39 (B) recorded;

40 in accordance with law.

41 SECTION 17. IC 6-1.1-12-41, AS AMENDED BY P.L.146-2008,
 42 SECTION 118, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2012]: Sec. 41. (a) This section does not apply
2 to assessment years beginning after December 31, 2005.

3 (b) As used in this section, "assessed value of inventory" means the
4 assessed value determined after the application of any deductions or
5 adjustments that apply by statute or rule to the assessment of inventory,
6 other than the deduction allowed under subsection (f).

7 (c) As used in this section, "county income tax council" means a
8 council established by IC 6-3.5-6-2.

9 (d) As used in this section, "fiscal body" has the meaning set forth
10 in IC 36-1-2-6.

11 (e) As used in this section, "inventory" has the meaning set forth in
12 IC 6-1.1-3-11 (repealed).

13 (f) An ordinance may be adopted in a county to provide that a
14 deduction applies to the assessed value of inventory located in the
15 county. The deduction is equal to one hundred percent (100%) of the
16 assessed value of inventory located in the county for the appropriate
17 year of assessment. An ordinance adopted under this section in a
18 particular year applies:

19 (1) if adopted before March 31, 2004, to each subsequent
20 assessment year ending before January 1, 2006; and

21 (2) if adopted after March 30, 2004, and before June 1, 2005, to
22 the March 1, 2005, assessment date.

23 An ordinance adopted under this section may be consolidated with an
24 ordinance adopted under ~~IC 6-3.5-7-25~~ or IC 6-3.5-7-26. The
25 consolidation of an ordinance adopted under this section with an
26 ordinance adopted under IC 6-3.5-7-26 does not cause the ordinance
27 adopted under IC 6-3.5-7-26 to expire after December 31, 2005.

28 (g) An ordinance may not be adopted under subsection (f) after May
29 30, 2005. However, an ordinance adopted under this section:

30 (1) before March 31, 2004, may be amended after March 30,
31 2004; and

32 (2) before June 1, 2005, may be amended after May 30, 2005;
33 to consolidate an ordinance adopted under IC 6-3.5-7-26.

34 (h) The entity that may adopt the ordinance permitted under
35 subsection (f) is:

36 (1) the county income tax council if the county option income tax
37 is in effect on January 1 of the year in which an ordinance under
38 this section is adopted;

39 (2) the county fiscal body if the county adjusted gross income tax
40 is in effect on January 1 of the year in which an ordinance under
41 this section is adopted; or

42 (3) the county income tax council or the county fiscal body,

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1 whichever acts first, for a county not covered by subdivision (1)
2 or (2).
3 To adopt an ordinance under subsection (f), a county income tax
4 council shall use the procedures set forth in IC 6-3.5-6 concerning the
5 imposition of the county option income tax. The entity that adopts the
6 ordinance shall provide a certified copy of the ordinance to the
7 department of local government finance before February 1.
8 (i) A taxpayer is not required to file an application to qualify for the
9 deduction permitted under subsection (f).
10 (j) The department of local government finance shall incorporate the
11 deduction established in this section in the personal property return
12 form to be used each year for filing under IC 6-1.1-3-7 or
13 IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the
14 form. If a taxpayer fails to enter the deduction on the form, the
15 township assessor, or the county assessor if there is no township
16 assessor for the township, shall:
17 (1) determine the amount of the deduction; and
18 (2) within the period established in IC 6-1.1-16-1, issue a notice
19 of assessment to the taxpayer that reflects the application of the
20 deduction to the inventory assessment.
21 (k) The deduction established in this section must be applied to any
22 inventory assessment made by:
23 (1) an assessing official;
24 (2) a county property tax board of appeals; or
25 (3) the department of local government finance.
26 SECTION 18. IC 6-1.1-15-1, AS AMENDED BY P.L.172-2011,
27 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the
29 county board of a county or township official's action with respect to
30 either or both of the following:
31 (1) The assessment of the taxpayer's tangible property.
32 (2) A deduction for which a review under this section is
33 authorized by any of the following:
34 (A) IC 6-1.1-12-25.5.
35 (B) IC 6-1.1-12-28.5.
36 (C) IC 6-1.1-12-35.5.
37 (D) IC 6-1.1-12.1-5.
38 (E) IC 6-1.1-12.1-5.3.
39 (F) IC 6-1.1-12.1-5.4.
40 (b) At the time that notice of an action referred to in subsection (a)
41 is given to the taxpayer, the taxpayer shall also be informed in writing
42 of:

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- 1 (1) the opportunity for a review under this section, including a
- 2 preliminary informal meeting under subsection (h)(2) with the
- 3 county or township official referred to in this subsection; and
- 4 (2) the procedures the taxpayer must follow in order to obtain a
- 5 review under this section.

6 (c) In order to obtain a review of an assessment or deduction
 7 effective for the assessment date to which the notice referred to in
 8 subsection (b) applies, the taxpayer must file a notice in writing with
 9 the county or township official referred to in subsection (a) not later
 10 than forty-five (45) days after the date of the notice referred to in
 11 subsection (b) **for a review related to an assessment date before**
 12 **January 16, 2012, and sixty (60) days after the date of the notice**
 13 **for a review related to an assessment date after January 15, 2012.**

14 (d) A taxpayer may obtain a review by the county board of the
 15 assessment of the taxpayer's tangible property effective for an
 16 assessment date for which a notice of assessment is not given as
 17 described in subsection (b). To obtain the review, the taxpayer must file
 18 a notice in writing with the township assessor, or the county assessor
 19 if the township is not served by a township assessor. The right of a
 20 taxpayer to obtain a review under this subsection for an assessment
 21 date for which a notice of assessment is not given does not relieve an
 22 assessing official of the duty to provide the taxpayer with the notice of
 23 assessment as otherwise required by this article. The notice to obtain
 24 a review must be filed not later than the later of:

- 25 (1) May 10 of the year; or
- 26 (2) **either:**
 - 27 (A) forty-five (45) days after the date of the tax statement
 - 28 mailed by the county treasurer **for a review related to an**
 - 29 **assessment date before January 16, 2012; or**
 - 30 (B) **sixty (60) days after the date of the tax statement for a**
 - 31 **review related to an assessment date after January 15,**
 - 32 **2012;**

33 regardless of whether the assessing official changes the taxpayer's
 34 assessment.

35 (e) A change in an assessment made as a result of a notice for
 36 review filed by a taxpayer under subsection (d) after the time
 37 prescribed in subsection (d) becomes effective for the next assessment
 38 date. A change in an assessment made as a result of a notice for review
 39 filed by a taxpayer under subsection (c) or (d) remains in effect from
 40 the assessment date for which the change is made until the next
 41 assessment date for which the assessment is changed under this article.

42 (f) The written notice filed by a taxpayer under subsection (c) or (d)

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- 1 must include the following information:
- 2 (1) The name of the taxpayer.
- 3 (2) The address and parcel or key number of the property.
- 4 (3) The address and telephone number of the taxpayer.
- 5 (g) The filing of a notice under subsection (c) or (d):
- 6 (1) initiates a review under this section; and
- 7 (2) constitutes a request by the taxpayer for a preliminary
- 8 informal meeting with the official referred to in subsection (a).
- 9 (h) A county or township official who receives a notice for review
- 10 filed by a taxpayer under subsection (c) or (d) shall:
- 11 (1) immediately forward the notice to the county board; and
- 12 (2) attempt to hold a preliminary informal meeting with the
- 13 taxpayer to resolve as many issues as possible by:
- 14 (A) discussing the specifics of the taxpayer's assessment or
- 15 deduction;
- 16 (B) reviewing the taxpayer's property record card;
- 17 (C) explaining to the taxpayer how the assessment or
- 18 deduction was determined;
- 19 (D) providing to the taxpayer information about the statutes,
- 20 rules, and guidelines that govern the determination of the
- 21 assessment or deduction;
- 22 (E) noting and considering objections of the taxpayer;
- 23 (F) considering all errors alleged by the taxpayer; and
- 24 (G) otherwise educating the taxpayer about:
- 25 (i) the taxpayer's assessment or deduction;
- 26 (ii) the assessment or deduction process; and
- 27 (iii) the assessment or deduction appeal process.
- 28 (i) Not later than ten (10) days after the informal preliminary
- 29 meeting, the official referred to in subsection (a) shall forward to the
- 30 county auditor and the county board the results of the conference on a
- 31 form prescribed by the department of local government finance that
- 32 must be completed and signed by the taxpayer and the official. The
- 33 form must indicate the following:
- 34 (1) If the taxpayer and the official agree on the resolution of all
- 35 assessment or deduction issues in the review, a statement of:
- 36 (A) those issues; and
- 37 (B) the assessed value of the tangible property or the amount
- 38 of the deduction that results from the resolution of those issues
- 39 in the manner agreed to by the taxpayer and the official.
- 40 (2) If the taxpayer and the official do not agree on the resolution
- 41 of all assessment or deduction issues in the review:
- 42 (A) a statement of those issues; and

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- 1 (B) the identification of:
- 2 (i) the issues on which the taxpayer and the official agree;
- 3 and
- 4 (ii) the issues on which the taxpayer and the official
- 5 disagree.
- 6 (j) If the county board receives a form referred to in subsection
- 7 (i)(1) before the hearing scheduled under subsection (k):
- 8 (1) the county board shall cancel the hearing;
- 9 (2) the county official referred to in subsection (a) shall give
- 10 notice to the taxpayer, the county board, the county assessor, and
- 11 the county auditor of the assessment or deduction in the amount
- 12 referred to in subsection (i)(1)(B); and
- 13 (3) if the matter in issue is the assessment of tangible property,
- 14 the county board may reserve the right to change the assessment
- 15 under IC 6-1.1-13.
- 16 (k) If:
- 17 (1) subsection (i)(2) applies; or
- 18 (2) the county board does not receive a form referred to in
- 19 subsection (i) not later than one hundred twenty (120) days after
- 20 the date of the notice for review filed by the taxpayer under
- 21 subsection (c) or (d);
- 22 the county board shall hold a hearing on a review under this subsection
- 23 not later than one hundred eighty (180) days after the date of that
- 24 notice. The county board shall, by mail, give notice of the date, time,
- 25 and place fixed for the hearing to the taxpayer and the county or
- 26 township official with whom the taxpayer filed the notice for review.
- 27 The taxpayer and the county or township official with whom the
- 28 taxpayer filed the notice for review are parties to the proceeding before
- 29 the county board.
- 30 (l) At the hearing required under subsection (k):
- 31 (1) the taxpayer may present the taxpayer's reasons for
- 32 disagreement with the assessment or deduction; and
- 33 (2) the county or township official with whom the taxpayer filed
- 34 the notice for review must present:
- 35 (A) the basis for the assessment or deduction decision; and
- 36 (B) the reasons the taxpayer's contentions should be denied.
- 37 (m) The official referred to in subsection (a) may not require the
- 38 taxpayer to provide documentary evidence at the preliminary informal
- 39 meeting under subsection (h). The county board may not require a
- 40 taxpayer to file documentary evidence or summaries of statements of
- 41 testimonial evidence before the hearing required under subsection (k).
- 42 If the action for which a taxpayer seeks review under this section is the

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1 assessment of tangible property, the taxpayer is not required to have an
2 appraisal of the property in order to do the following:

- 3 (1) Initiate the review.
- 4 (2) Prosecute the review.

5 (n) The county board shall prepare a written decision resolving all
6 of the issues under review. The county board shall, by mail, give notice
7 of its determination not later than one hundred twenty (120) days after
8 the hearing under subsection (k) to the taxpayer, the official referred to
9 in subsection (a), the county assessor, and the county auditor.

- 10 (o) If the maximum time elapses:
 - 11 (1) under subsection (k) for the county board to hold a hearing; or
 - 12 (2) under subsection (n) for the county board to give notice of its
 - 13 determination;

14 the taxpayer may initiate a proceeding for review before the Indiana
15 board by taking the action required by section 3 of this chapter at any
16 time after the maximum time elapses.

17 SECTION 19. IC 6-1.1-15-10, AS AMENDED BY P.L.146-2008,
18 SECTION 139, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) If a petition for review to
20 any board or a proceeding for judicial review in the tax court regarding
21 an assessment or increase in assessment is pending, the taxes resulting
22 from the assessment or increase in assessment are, notwithstanding the
23 provisions of IC 6-1.1-22-9, not due until after the petition for review,
24 or the proceeding for judicial review, is finally adjudicated and the
25 assessment or increase in assessment is finally determined. However,
26 even though a petition for review or a proceeding for judicial review is
27 pending, the taxpayer shall pay taxes on the tangible property when the
28 property tax installments come due, unless the collection of the taxes
29 is enjoined under IC 33-26-6-2 pending a final determination in the
30 proceeding for judicial review. The amount of taxes which the taxpayer
31 is required to pay, pending the final determination of the assessment or
32 increase in assessment, shall be based on:

- 33 (1) the assessed value reported by the taxpayer on the taxpayer's
34 personal property return if a personal property assessment, or an
35 increase in such an assessment, is involved; or
- 36 (2) an amount based on the immediately preceding year's
37 assessment of real property if an assessment, or increase in
38 assessment, of real property is involved.

39 (b) If the petition for review or the proceeding for judicial review is
40 not finally determined by the last installment date for the taxes, the
41 taxpayer, upon showing of cause by a taxing official or at the tax court's
42 discretion, may be required to post a bond or provide other security in

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1 an amount not to exceed the taxes resulting from the contested
2 assessment or increase in assessment.

3 (c) Each county auditor shall keep separate on the tax duplicate a
4 record of that portion of the assessed value of property that is described
5 in IC 6-1.1-17-0.5(b). When establishing rates and calculating state
6 school support, the department of local government finance shall
7 exclude from assessed value in the county the **net** assessed value of
8 property kept separate on the tax duplicate by the county auditor under
9 IC 6-1.1-17-0.5.

10 SECTION 20. IC 6-1.1-17-0.5, AS AMENDED BY
11 P.L.182-2009(ss), SECTION 113, IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 0.5. (a) For purposes
13 of this section, "**net assessed value**" ~~has the meaning set forth in~~
14 ~~IC 6-1.1-1-3(a):~~ **means assessed value after the application of**
15 **deductions, exemptions, and abatelements.**

16 (b) The county auditor may exclude and keep separate on the tax
17 duplicate for taxes payable in a calendar year the **net** assessed value of
18 tangible property that meets the following conditions:

- 19 (1) The **net** assessed value of the property is at least nine percent
20 (9%) of the **net** assessed value of all tangible property subject to
21 taxation by a taxing ~~unit~~ **district**.
- 22 (2) The property is or has been part of a bankruptcy estate that is
23 subject to protection under the federal bankruptcy code.
- 24 (3) The owner of the property has discontinued all business
25 operations on the property.
- 26 (4) There is a high probability that the taxpayer will not pay
27 property taxes due on the property in the following year.

28 (c) This section does not limit, restrict, or reduce in any way the
29 property tax liability on the property.

30 (d) For each taxing ~~unit~~ **district** located in the county, the county
31 auditor may reduce for a calendar year the taxing ~~unit's~~ **district's net**
32 assessed value that is certified to the department of local government
33 finance under section 1 of this chapter and used to set tax rates for the
34 taxing ~~unit~~ **district** for taxes first due and payable in the immediately
35 succeeding calendar year. The county auditor may reduce a taxing
36 ~~unit's~~ **district's net** assessed value under this subsection only to enable
37 the taxing ~~unit~~ **district** to absorb the effects of reduced property tax
38 collections in the immediately succeeding calendar year that are
39 expected to result from any or a combination of the following:

- 40 (1) Successful appeals of the assessed value of property located
41 in the taxing ~~unit~~ **district**.
- 42 (2) Deductions under IC 6-1.1-12-37 and IC 6-1.1-12-37.5 that

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1 result from the granting of applications for the standard deduction
2 for the calendar year under IC 6-1.1-12-37 or IC 6-1.1-12-44 after
3 the county auditor certifies **net** assessed value as described in this
4 section.

5 (3) Deductions that result from the granting of applications for
6 deductions for the calendar year under IC 6-1.1-12-44 after the
7 county auditor certifies **net** assessed value as described in this
8 section.

9 (4) Reassessments of real property under IC 6-1.1-4-11.5.
10 Not later than December 31 of each year, the county auditor shall send
11 a certified statement, under the seal of the board of county
12 commissioners, to the fiscal officer of each political subdivision of the
13 county and to the department of local government finance. The
14 certified statement must list any adjustments to the amount of the
15 reduction under this subsection and the information submitted under
16 section 1 of this chapter that are necessary. The county auditor shall
17 keep separately on the tax duplicate the amount of any reductions made
18 under this subsection. The maximum amount of the reduction
19 authorized under this subsection is determined under subsection (e).

20 (e) The amount of the reduction in a taxing ~~unit's~~ **district's net**
21 assessed value for a calendar year under subsection (d) may not exceed
22 two percent (2%) of the **net** assessed value of tangible property subject
23 to assessment in the taxing ~~unit~~ **district** in that calendar year.

24 (f) The amount of a reduction under subsection (d) may not be
25 offered in a proceeding before the:

- 26 (1) county property tax assessment board of appeals;
- 27 (2) Indiana board; or
- 28 (3) Indiana tax court;

29 as evidence that a particular parcel has been improperly assessed.

30 SECTION 21. IC 6-1.1-17-1, AS AMENDED BY P.L.1-2010,
31 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2012]: Sec. 1. (a) On or before August 1 of each year, the
33 county auditor shall send a certified statement, under the seal of the
34 board of county commissioners, to the fiscal officer of each political
35 subdivision of the county and the department of local government
36 finance. The statement shall contain:

- 37 (1) information concerning the assessed valuation in the political
38 subdivision for the next calendar year;
- 39 (2) an estimate of the taxes to be distributed to the political
40 subdivision during the last six (6) months of the current calendar
41 year;
- 42 (3) the current assessed valuation as shown on the abstract of

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- 1 charges;
- 2 (4) the average growth in assessed valuation in the political
- 3 subdivision over the preceding three (3) budget years, excluding
- 4 years in which a general reassessment occurs, determined
- 5 according to procedures established by the department of local
- 6 government finance;
- 7 (5) the amount of the political subdivision's **net** assessed
- 8 valuation reduction determined under section 0.5(d) of this
- 9 chapter;
- 10 (6) for counties with taxing units that cross into or intersect with
- 11 other counties, the assessed valuation as shown on the most
- 12 current abstract of property; and
- 13 (7) any other information at the disposal of the county auditor that
- 14 might affect the assessed value used in the budget adoption
- 15 process.
- 16 (b) The estimate of taxes to be distributed shall be based on:
- 17 (1) the abstract of taxes levied and collectible for the current
- 18 calendar year, less any taxes previously distributed for the
- 19 calendar year; and
- 20 (2) any other information at the disposal of the county auditor
- 21 which might affect the estimate.
- 22 (c) The fiscal officer of each political subdivision shall present the
- 23 county auditor's statement to the proper officers of the political
- 24 subdivision.
- 25 (d) Subject to subsection (e), after the county auditor sends a
- 26 certified statement under subsection (a) or an amended certified
- 27 statement under this subsection with respect to a political subdivision
- 28 and before the department of local government finance certifies its
- 29 action with respect to the political subdivision under section 16(f) of
- 30 this chapter, the county auditor may amend the information concerning
- 31 assessed valuation included in the earlier certified statement. The
- 32 county auditor shall send a certified statement amended under this
- 33 subsection, under the seal of the board of county commissioners, to:
- 34 (1) the fiscal officer of each political subdivision affected by the
- 35 amendment; and
- 36 (2) the department of local government finance.
- 37 (e) Except as provided in subsection (f), before the county auditor
- 38 makes an amendment under subsection (d), the county auditor must
- 39 provide an opportunity for public comment on the proposed
- 40 amendment at a public hearing. The county auditor must give notice of
- 41 the hearing under IC 5-3-1. If the county auditor makes the amendment
- 42 as a result of information provided to the county auditor by an assessor,

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1 the county auditor shall give notice of the public hearing to the
2 assessor.

3 (f) The county auditor is not required to hold a public hearing under
4 subsection (e) if:

- 5 (1) the amendment under subsection (d) is proposed to correct a
- 6 mathematical error made in the determination of the amount of
- 7 assessed valuation included in the earlier certified statement;
- 8 (2) the amendment under subsection (d) is proposed to add to the
- 9 amount of assessed valuation included in the earlier certified
- 10 statement assessed valuation of omitted property discovered after
- 11 the county auditor sent the earlier certified statement; or
- 12 (3) the county auditor determines that the amendment under
- 13 subsection (d) will not result in an increase in the tax rate or tax
- 14 rates of the political subdivision.

15 SECTION 22. IC 6-1.1-17-3, AS AMENDED BY P.L.182-2009(ss),
16 SECTION 114, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) The proper officers of a
18 political subdivision shall formulate its estimated budget and its
19 proposed tax rate and tax levy on the form prescribed by the
20 department of local government finance and approved by the state
21 board of accounts. The political subdivision **or appropriate fiscal**
22 **body, if the political subdivision is subject to section 20 of this**
23 **chapter**, shall give notice by publication to taxpayers of:

- 24 (1) the estimated budget;
- 25 (2) the estimated maximum permissible levy;
- 26 (3) the current and proposed tax levies of each fund; and
- 27 (4) the amounts of excessive levy appeals to be requested.

28 ~~In the notice,~~ The political subdivision **or appropriate fiscal body**
29 shall also state the time and place at which **the political subdivision**
30 **or appropriate fiscal body will hold** a public hearing ~~will be held~~
31 on these items. The **political subdivision or appropriate fiscal body**
32 **shall publish the notice shall be published** twice in accordance with
33 IC 5-3-1 with the first publication at least ten (10) days before the date
34 fixed for the public hearing. ~~Beginning in 2009, The duties required by~~
35 ~~this subsection must be completed before September 10 of the calendar~~
36 ~~year. The first publication must be before September 14, and the~~
37 ~~second publication must be before September 21 of the year. The~~
38 **political subdivision shall pay for the publishing of the notice.**

39 (b) The board of directors of a solid waste management district
40 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
41 conduct the public hearing required under subsection (a):

- 42 (1) in any county of the solid waste management district; and

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1 (2) in accordance with the annual notice of meetings published
2 under IC 13-21-5-2.

3 (c) The trustee of each township in the county shall estimate the
4 amount necessary to meet the cost of township assistance in the
5 township for the ensuing calendar year. The township board shall adopt
6 with the township budget a tax rate sufficient to meet the estimated cost
7 of township assistance. The taxes collected as a result of the tax rate
8 adopted under this subsection are credited to the township assistance
9 fund.

10 (d) ~~This subsection expires January 1, 2009. A county shall adopt~~
11 ~~with the county budget and the department of local government finance~~
12 ~~shall certify under section 16 of this chapter a tax rate sufficient to raise~~
13 ~~the levy necessary to pay the following:~~

14 (1) ~~The cost of child services (as defined in IC 12-19-7-1) of the~~
15 ~~county payable from the family and children's fund.~~

16 (2) ~~The cost of children's psychiatric residential treatment~~
17 ~~services (as defined in IC 12-19-7.5-1) of the county payable from~~
18 ~~the children's psychiatric residential treatment services fund.~~

19 ~~A budget, tax rate, or tax levy adopted by a county fiscal body or~~
20 ~~approved or modified by a county board of tax adjustment that is less~~
21 ~~than the levy necessary to pay the costs described in subdivision (1) or~~
22 ~~(2) shall not be treated as a final budget, tax rate, or tax levy under~~
23 ~~section 11 of this chapter.~~

24 SECTION 23. IC 6-1.1-17-3.5, AS AMENDED BY
25 P.L.182-2009(ss), SECTION 115, IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3.5. (a) This section
27 does not apply to ~~civil~~ taxing units located in a county in which a
28 county board of tax adjustment reviews budgets, tax rates, and tax
29 levies. This section does not apply to a ~~civil~~ taxing unit that has its
30 proposed budget and proposed property tax levy approved under
31 section 20 of this chapter or IC 36-3-6-9.

32 (b) This section applies to a ~~civil~~ taxing unit other than a county. If
33 a ~~civil~~ taxing unit will impose property taxes due and payable in the
34 ensuing calendar year, the ~~civil~~ taxing unit shall file **the following**
35 **information in the manner prescribed by the department of local**
36 **government finance** with the fiscal body of the county in which the
37 ~~civil~~ taxing unit is located:

38 (1) A statement of the proposed or estimated tax rate and tax levy
39 for the ~~civil~~ taxing unit for the ensuing budget year. ~~and~~

40 (2) **In the case of a taxing unit other than a school**
41 **corporation**, a copy of the ~~civil~~ taxing unit's proposed budget for
42 the ensuing budget year.

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1 (c) In the case of a ~~civil~~ taxing unit located in more than one (1)
 2 county, the ~~civil~~ taxing unit shall file the information under subsection
 3 (b) with the fiscal body of the county in which the greatest part of the
 4 ~~civil~~ taxing unit's net assessed valuation is located.

5 (d) A ~~civil~~ taxing unit must file the information under subsection (b)
 6 at least forty-five (45) days before the ~~civil~~ taxing unit fixes its tax rate
 7 and tax levy and adopts its budget under this chapter: **before**
 8 **September 2 of a year.**

9 (e) A county fiscal body shall complete the following at least fifteen
 10 (15) days before the ~~civil~~ taxing unit fixes its tax rate and tax levy and
 11 adopts its budget under this chapter: **in a manner prescribed by the**
 12 **department of local government finance before October 2 of a**
 13 **year:**

14 (1) Review any proposed or estimated tax rate or tax levy or
 15 proposed budget filed by a ~~civil~~ taxing unit with the county fiscal
 16 body under this section.

17 **(2) In the case of a taxing unit other than a school**
 18 **corporation, review any proposed or estimated budget filed by**
 19 **a taxing unit with the county fiscal body under this section.**

20 ~~(2)~~ (3) Issue a nonbinding recommendation to a ~~civil~~ taxing unit
 21 regarding the ~~civil~~ taxing unit's proposed or estimated tax rate or
 22 tax levy. ~~or proposed budget.~~

23 **(4) In the case of a taxing unit other than a school**
 24 **corporation, issue a nonbinding recommendation to a taxing**
 25 **unit regarding the taxing unit's proposed budget.**

26 (f) The recommendation under subsection (e) must include a
 27 comparison of any increase in the ~~civil~~ taxing unit's budget or tax levy
 28 to:

29 (1) the average increase in Indiana nonfarm personal income for
 30 the preceding six (6) calendar years and the average increase in
 31 nonfarm personal income for the county for the preceding six (6)
 32 calendar years; and

33 (2) increases in the budgets and tax levies of other ~~civil~~ taxing
 34 units in the county.

35 (g) The department of local government finance must provide each
 36 county fiscal body with the most recent available information
 37 concerning increases in Indiana nonfarm personal income and
 38 increases in county nonfarm personal income.

39 (h) If a ~~civil~~ taxing unit fails to file the information required by
 40 subsection (b) with the fiscal body of the county in which the ~~civil~~
 41 taxing unit is located by the time prescribed in subsection (d), the most
 42 recent annual appropriations and annual tax levy of that ~~civil~~ taxing



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1 unit are continued for the ensuing budget year.

2 (i) If a county fiscal body fails to complete the requirements of
3 subsection (e) before the deadline in subsection (e) for any ~~civil~~ taxing
4 unit subject to this section, the most recent annual appropriations and
5 annual tax levy of the county are continued for the ensuing budget year.

6 SECTION 24. IC 6-1.1-17-8.5, AS ADDED BY P.L.154-2006,
7 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2012]: Sec. 8.5. (a) If a county auditor reduces a taxing unit's
9 **net** assessed valuation under section 0.5(d) of this chapter, the
10 department of local government finance shall, in the manner prescribed
11 in section 16 of this chapter, review the budget, tax rate, and tax levy
12 of the taxing unit.

13 (b) The county auditor may appeal to the department of local
14 government finance to reduce a taxing unit's **net** assessed valuation by
15 an amount that exceeds the limits set forth in section 0.5(e) of this
16 chapter. The department of local government finance:

17 (1) may require the county auditor to submit supporting
18 information with the county auditor's appeal;

19 (2) shall consider the appeal at the time of the review required by
20 subsection (a); and

21 (3) may approve, modify and approve, or reject the amount of the
22 reduction sought in the appeal.

23 SECTION 25. IC 6-1.1-17-16, AS AMENDED BY
24 P.L.182-2009(ss), SECTION 123, IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 16. (a) Subject to the
26 limitations and requirements prescribed in this section, the department
27 of local government finance may revise, reduce, or increase a political
28 subdivision's budget by fund, tax rate, or tax levy which the department
29 reviews under section 8 or 10 of this chapter.

30 (b) Subject to the limitations and requirements prescribed in this
31 section, the department of local government finance may review,
32 revise, reduce, or increase the budget by fund, tax rate, or tax levy of
33 any of the political subdivisions whose tax rates compose the aggregate
34 tax rate within a political subdivision whose budget, tax rate, or tax
35 levy is the subject of an appeal initiated under this chapter.

36 (c) Except as provided in subsections (j) and (k), before the
37 department of local government finance reviews, revises, reduces, or
38 increases a political subdivision's budget by fund, tax rate, or tax levy
39 under this section, the department must hold a public hearing on the
40 budget, tax rate, and tax levy. The department of local government
41 finance shall hold the hearing in the county in which the political
42 subdivision is located. The department of local government finance

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1 may consider the budgets by fund, tax rates, and tax levies of several
 2 political subdivisions at the same public hearing. At least five (5) days
 3 before the date fixed for a public hearing, the department of local
 4 government finance shall give notice of the time and place of the
 5 hearing and of the budgets by fund, levies, and tax rates to be
 6 considered at the hearing. The department of local government finance
 7 shall publish the notice in two (2) newspapers of general circulation
 8 published in the county. However, if only one (1) newspaper of general
 9 circulation is published in the county, the department of local
 10 government finance shall publish the notice in that newspaper.

11 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,
 12 the department of local government finance may not increase a political
 13 subdivision's budget by fund, tax rate, or tax levy to an amount which
 14 exceeds the amount originally fixed by the political subdivision.
 15 However, if the department of local government finance determines
 16 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the
 17 political subdivision, the maximum amount by which the department
 18 may increase the tax rate, tax levy, or budget is the amount originally
 19 fixed by the political subdivision, and not the amount that was
 20 incorrectly published or omitted in the notice described in
 21 IC 5-3-1-2.3(b). The department of local government finance shall give
 22 the political subdivision ~~written~~ notification **electronically in the**
 23 **manner prescribed by the department of local government finance**
 24 specifying any revision, reduction, or increase the department proposes
 25 in a political subdivision's tax levy or tax rate. The political subdivision
 26 has ten (10) calendar days from the date the political subdivision
 27 receives the notice to provide a ~~written~~ response **to electronically in**
 28 **the manner prescribed by** the department of local government
 29 ~~finance's Indianapolis office.~~ **finance.** The response may include
 30 budget reductions, reallocation of levies, a revision in the amount of
 31 miscellaneous revenues, and further review of any other item about
 32 which, in the view of the political subdivision, the department is in
 33 error. The department of local government finance shall consider the
 34 adjustments as specified in the political subdivision's response if the
 35 response is provided as required by this subsection and shall deliver a
 36 final decision to the political subdivision.

37 (e) The department of local government finance may not approve a
 38 levy for lease payments by a city, town, county, library, or school
 39 corporation if the lease payments are payable to a building corporation
 40 for use by the building corporation for debt service on bonds and if:

- 41 (1) no bonds of the building corporation are outstanding; or
- 42 (2) the building corporation has enough legally available funds on



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1 hand to redeem all outstanding bonds payable from the particular
2 lease rental levy requested.

3 (f) The department of local government finance shall certify its
4 action to:

- 5 (1) the county auditor;
- 6 (2) the political subdivision if the department acts pursuant to an
7 appeal initiated by the political subdivision;
- 8 (3) the taxpayer that initiated an appeal under section 13 of this
9 chapter, or, if the appeal was initiated by multiple taxpayers, the
10 first ten (10) taxpayers whose names appear on the statement filed
11 to initiate the appeal; and
- 12 (4) a taxpayer that owns property that represents at least ten
13 percent (10%) of the taxable assessed valuation in the political
14 subdivision.

15 (g) The following may petition for judicial review of the final
16 determination of the department of local government finance under
17 subsection (f):

- 18 (1) If the department acts under an appeal initiated by a political
19 subdivision, the political subdivision.
- 20 (2) If the department:
 - 21 (A) acts under an appeal initiated by one (1) or more taxpayers
22 under section 13 of this chapter; or
 - 23 (B) fails to act on the appeal before the department certifies its
24 action under subsection (f);
 a taxpayer who signed the statement filed to initiate the appeal.
- 25 (3) If the department acts under an appeal initiated by the county
26 auditor under section 14 of this chapter, the county auditor.
- 27 (4) A taxpayer that owns property that represents at least ten
28 percent (10%) of the taxable assessed valuation in the political
29 subdivision.
30

31 The petition must be filed in the tax court not more than forty-five (45)
32 days after the department certifies its action under subsection (f).

33 (h) The department of local government finance is expressly
34 directed to complete the duties assigned to it under this section not later
35 than February 15th of each year for taxes to be collected during that
36 year.

37 (i) Subject to the provisions of all applicable statutes, the
38 department of local government finance may increase a political
39 subdivision's tax levy to an amount that exceeds the amount originally
40 fixed by the political subdivision if the increase is:

- 41 (1) requested in writing by the officers of the political
42 subdivision;

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1 (2) either:
 2 (A) based on information first obtained by the political
 3 subdivision after the public hearing under section 3 of this
 4 chapter; or
 5 (B) results from an inadvertent mathematical error made in
 6 determining the levy; and
 7 (3) published by the political subdivision according to a notice
 8 provided by the department.
 9 (j) The department of local government finance shall annually
 10 review the budget by fund of each school corporation not later than
 11 April 1. The department of local government finance shall give the
 12 school corporation written notification specifying any revision,
 13 reduction, or increase the department proposes in the school
 14 corporation's budget by fund. A public hearing is not required in
 15 connection with this review of the budget.
 16 (k) The department of local government finance may hold a hearing
 17 under subsection (c) only if the notice required in section 12 of this
 18 chapter is published at least ten (10) days before the date of the
 19 hearing.
 20 SECTION 26. IC 6-1.1-17-20, AS AMENDED BY P.L.113-2010,
 21 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2012]: Sec. 20. (a) This section applies to each governing
 23 body of a taxing unit that
 24 (1) is not comprised of a majority of officials who are elected to
 25 serve on the governing body. and
 26 (2) either:
 27 (A) is:
 28 (i) a conservancy district subject to IC 14-33-9;
 29 (ii) a solid waste management district subject to IC 13-21;
 30 or
 31 (iii) a fire protection district subject to IC 36-8-11-18; or
 32 (B) has a percentage increase in the proposed budget for the
 33 taxing unit for the ensuing calendar year that is more than the
 34 result of:
 35 (i) the assessed value growth quotient determined under
 36 IC 6-1.1-18.5-2 for the ensuing calendar year; minus
 37 (ii) one (1).
 38 For purposes of this section, an individual who qualifies to be
 39 appointed to a governing body or serves on a governing body because
 40 of the individual's status as an elected official of another taxing unit
 41 shall be treated as an official who was not elected to serve on the
 42 governing body.

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1 (b) As used in this section, "taxing unit" has the meaning set forth
2 in IC 6-1.1-1-21, except that the term does not include:

3 ~~(1) a school corporation; or~~

4 **(1) a public library whose levies are subject to review and**
5 **modification under section 20.3 of this chapter; or**

6 (2) an entity whose tax levies are subject to review and
7 modification by a city-county legislative body under IC 36-3-6-9.

8 (c) If:

9 (1) the assessed valuation of a taxing unit is entirely contained
10 within a city or town; or

11 (2) the assessed valuation of a taxing unit is not entirely contained
12 within a city or town but the taxing unit was originally established
13 by the city or town;

14 the governing body shall submit its proposed budget and property tax
15 levy to the city or town fiscal body. The proposed budget and levy shall
16 be submitted ~~at least thirty (30) days before the city or town fiscal body~~
17 ~~is required to hold budget approval hearings under this chapter.~~
18 ~~However, in the case of a public library that is subject to this section~~
19 ~~and is described in subdivision (2), the public library shall submit its~~
20 ~~proposed budget and property tax levy to the county fiscal body in the~~
21 ~~manner provided in subsection (d), rather than to the city or town fiscal~~
22 ~~body, if more than fifty percent (50%) of the parcels of real property~~
23 ~~within the jurisdiction of the public library are located outside the city~~
24 ~~or town. to the city or town fiscal body in the manner prescribed by~~
25 ~~the department of local government finance before September 2 of~~
26 ~~a year.~~

27 (d) If subsection (c) does not apply, the governing body of the taxing
28 unit shall submit its proposed budget and property tax levy to the
29 county fiscal body in the county where the taxing unit has the most
30 assessed valuation. The proposed budget and levy shall be submitted
31 ~~at least thirty (30) days before the county fiscal body is required to hold~~
32 ~~budget approval hearings under this chapter. to the county fiscal body~~
33 ~~in the manner prescribed by the department of local government~~
34 ~~finance before September 2 of a year.~~

35 (e) The fiscal body of the city, town, or county (whichever applies)
36 shall review each budget and proposed tax levy and adopt a final
37 budget and tax levy for the taxing unit. The fiscal body may reduce or
38 modify but not increase the proposed budget or tax levy.

39 (f) If a taxing unit fails to file the information required in subsection
40 (c) or (d), whichever applies, with the appropriate fiscal body by the
41 time prescribed by this section, the most recent annual appropriations
42 and annual tax levy of that taxing unit are continued for the ensuing

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budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 27. IC 6-1.1-17-20.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 20.3. (a) This section applies to each governing body of a public library that:**

(1) is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

(B) one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) This section does not apply to:

(1) a school corporation;

(2) an entity whose tax levies are subject to review and modification by a fiscal body under section 20 of this chapter; or

(3) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a public library is entirely contained within a city or town; or

(2) the assessed valuation of a public library is not entirely contained within a city or town but the public library was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least thirty (30) days before the city or town fiscal body is required to hold budget approval hearings under this chapter. However, the governing body shall submit its

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1 proposed budget and property tax levy to the county fiscal body in
2 the manner provided in subsection (d), rather than to the city or
3 town fiscal body, if more than fifty percent (50%) of the parcels of
4 real property within the jurisdiction of the public library are
5 located outside the city or town.

6 (d) If subsection (c) does not apply, the governing body of the
7 public library shall submit its proposed budget and property tax
8 levy to the county fiscal body in the county where the public
9 library has the most assessed valuation. The proposed budget and
10 levy shall be submitted at least thirty (30) days before the county
11 fiscal body is required to hold budget approval hearings under this
12 chapter.

13 (e) The fiscal body of the city, town, or county (whichever
14 applies) shall review each budget and proposed tax levy and adopt
15 a final budget and tax levy for the public library. The fiscal body
16 may reduce or modify but not increase the proposed budget or tax
17 levy.

18 (f) If a public library fails to file the information required in
19 subsection (c) or (d), whichever applies, with the appropriate fiscal
20 body by the time prescribed by this section, the most recent annual
21 appropriations and annual tax levy of that public library are
22 continued for the ensuing budget year.

23 (g) If the appropriate fiscal body fails to complete the
24 requirements of subsection (e) before the adoption deadline in
25 section 5 of this chapter for any public library subject to this
26 section, the most recent annual appropriations and annual tax levy
27 of the city, town, or county, whichever applies, are continued for
28 the ensuing budget year.

29 SECTION 28. IC 6-1.1-18-5 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) If the proper
31 officers of a political subdivision desire to appropriate more money for
32 a particular year than the amount prescribed in the budget for that year
33 as finally determined under this article, they shall give notice of their
34 proposed additional appropriation. The notice shall state the time and
35 place at which a public hearing will be held on the proposal. The notice
36 shall be given once in accordance with IC 5-3-1-2(b).

37 (b) If the additional appropriation by the political subdivision is
38 made from a fund that receives:

- 39 (1) distributions from the motor vehicle highway account
40 established under IC 8-14-1-1 or the local road and street account
41 established under IC 8-14-2-4; or
- 42 (2) revenue from property taxes levied under IC 6-1.1;

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1 the political subdivision must report the additional appropriation to the
 2 department of local government finance. If the additional appropriation
 3 is made from a fund described under this subsection, subsections (f),
 4 (g), (h), and (i) apply to the political subdivision.

5 (c) However, if the additional appropriation is not made from a fund
 6 described under subsection (b), subsections (f), (g), (h), and (i) do not
 7 apply to the political subdivision. Subsections (f), (g), (h), and (i) do
 8 not apply to an additional appropriation made from the cumulative
 9 bridge fund if the appropriation meets the requirements under
 10 IC 8-16-3-3(c).

11 (d) A political subdivision may make an additional appropriation
 12 without approval of the department of local government finance if the
 13 additional appropriation is made from a fund that is not described
 14 under subsection (b). However, the fiscal officer of the political
 15 subdivision shall report the additional appropriation to the department
 16 of local government finance.

17 (e) After the public hearing, the proper officers of the political
 18 subdivision shall file a certified copy of their final proposal and any
 19 other relevant information to the department of local government
 20 finance.

21 (f) When the department of local government finance receives a
 22 certified copy of a proposal for an additional appropriation under
 23 subsection (e), the department shall determine whether sufficient funds
 24 are available or will be available for the proposal. The determination
 25 shall be made in writing and sent to the political subdivision not more
 26 than fifteen (15) days after the department of local government finance
 27 receives the proposal.

28 (g) In making the determination under subsection (f), the
 29 department of local government finance shall limit the amount of the
 30 additional appropriation to revenues available, or to be made available,
 31 which have not been previously appropriated.

32 (h) If the department of local government finance disapproves an
 33 additional appropriation under subsection (f), the department shall
 34 specify the reason for its disapproval on the determination sent to the
 35 political subdivision.

36 (i) A political subdivision may request a reconsideration of a
 37 determination of the department of local government finance under this
 38 section by filing a written request for reconsideration. A request for
 39 reconsideration must:

- 40 (1) be filed with the department of local government finance
 41 within fifteen (15) days of the receipt of the determination by the
 42 political subdivision; and

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1 (2) state with reasonable specificity the reason for the request.
2 The department of local government finance must act on a request for
3 reconsideration within fifteen (15) days of receiving the request.

4 **(j) This subsection applies to an additional appropriation by a**
5 **political subdivision that must have the political subdivision's**
6 **annual appropriations and annual tax levy adopted by a city, town,**
7 **or county fiscal body under IC 6-1.1-17-20 or by a legislative or**
8 **fiscal body under IC 36-3-6-9. The fiscal or legislative body of the**
9 **city, town, or county that adopted the political subdivision's annual**
10 **appropriation and annual tax levy must adopt the additional**
11 **appropriation by ordinance before the department of local**
12 **government finance may approve the additional appropriation.**

13 SECTION 29. IC 6-1.1-20.6-9.8, AS ADDED BY P.L.172-2011,
14 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2012]: Sec. 9.8. (a) This section applies to property taxes first
16 due and payable after December 31, 2009.

17 (b) ~~As used in~~ **The following definitions this section: apply**
18 **throughout this section:**

19 (1) ~~"exempt taxes"~~ **"Debt service obligations of a political**
20 **subdivision"** refers to:

21 (A) **the principal and interest payable during a calendar**
22 **year on bonds; and**

23 (B) **lease rental payments payable during a calendar year**
24 **on leases;**

25 **of a political subdivision payable from ad valorem property**
26 **taxes.**

27 (2) **"Protected taxes"** refers to the following:

28 (A) **Property taxes that are exempted from the application of**
29 **a credit granted under section 7 or 7.5 of this chapter by**
30 **section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or another**
31 **law. and (2) "nonexempt taxes"**

32 (B) **Property taxes imposed by a political subdivision to**
33 **pay for debt service obligations of a political subdivision**
34 **that are not exempted from the application of a credit**
35 **granted under section 7 or 7.5 of this chapter by section**
36 **7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or any other law.**
37 **Property taxes described in this subsection are subject to**
38 **the credit granted under section 7 or 7.5 of this chapter by**
39 **section 7(b), 7(c), 7.5(b), or 7.5(c) regardless of their**
40 **designation as protected taxes.**

41 (3) **"Unprotected taxes"** refers to property taxes that are not
42 **exempt protected taxes.**

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

10 SECTION 30. IC 6-1.1-20.6-10, AS AMENDED BY P.L.172-2011,
 11 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2012]: Sec. 10. (a) As used in this section, "debt service
 13 obligations of a political subdivision" refers to:

- 14 (1) the principal and interest payable during a calendar year on
 15 bonds; and
 16 (2) lease rental payments payable during a calendar year on
 17 leases;

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

19 (b) Political subdivisions are required by law to fully fund the
 20 payment of their debt obligations in an amount sufficient to pay any
 21 debt service or lease rentals on outstanding obligations, regardless of
 22 any reduction in property tax collections due to the application of tax
 23 credits granted under this chapter. ~~If the amount deposited in a fund~~
 24 ~~from which debt service obligations of the political subdivision are~~
 25 ~~paid is reduced as a result of the application of a credit granted under~~
 26 ~~this chapter below the amount needed to meet the debt service~~
 27 ~~obligations of a political subdivision as the obligations come due, the~~
 28 ~~political subdivision may transfer funds from one (1) or more of the~~
 29 ~~other funds of the political subdivision.~~

30 (c) Upon the failure of a political subdivision to pay any of the
 31 political subdivision's debt service obligations during a calendar year
 32 when due, the treasurer of state, upon being notified of the failure by
 33 a claimant, shall pay the unpaid debt service obligations that are due
 34 from money in the possession of the state that would otherwise be
 35 available for distribution to the political subdivision under any other
 36 law, deducting the payment from the amount distributed. A deduction
 37 under this subsection must be made:

- 38 (1) first from distributions of county adjusted gross income tax
 39 distributions under IC 6-3.5-1.1, county option income tax
 40 distributions under IC 6-3.5-6, or county economic development
 41 income tax distributions under IC 6-3.5-7 that would otherwise be
 42 distributed to the county under the schedule in IC 6-3.5-1.1-10,



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1 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,
2 and IC 6-3.5-7-17.3; and
3 (2) second from any other undistributed funds of the political
4 subdivision in the possession of the state.

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

9 SECTION 31. IC 6-1.1-20.6-11, AS ADDED BY P.L.146-2008,
10 SECTION 227, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2012]: Sec. 11. The ~~county auditor of each~~
12 ~~county shall certify to the~~ department of local government finance

13 ~~(1) the total amount of credits that are allowed under this chapter~~
14 ~~in the county for the calendar year; and~~

15 ~~(2) shall annually publish a report on its Internet web site that~~
16 ~~lists~~ the amount that each taxing unit's distribution of property
17 taxes will be reduced under section 9.5 of this chapter as a result
18 of the granting of the credits.

19 ~~If the amount of credits granted changes after the date the certification~~
20 ~~is made, the county auditor shall submit an amended certification to the~~
21 ~~department of local government finance. The initial certification and~~
22 ~~the amended certifications shall be submitted to the department of local~~
23 ~~government finance on the schedule prescribed by the department of~~
24 ~~local government finance.~~

25 SECTION 32. IC 6-1.1-21.8-5, AS AMENDED BY P.L.146-2008,
26 SECTION 245, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2012]: Sec. 5. The maximum amount that the
28 board may loan to a qualified taxing unit is determined under STEP
29 FOUR of the following formula:

30 STEP ONE: Determine the amount of the taxpayer's property
31 taxes due and payable in November 2001 that are attributable to
32 the qualified taxing unit as determined by the department of local
33 government finance.

34 STEP TWO: Multiply the STEP ONE amount by one and
35 thirty-one thousandths (1.031).

36 STEP THREE: Multiply the STEP TWO product by two (2).

37 STEP FOUR: Add the STEP ONE amount to the STEP THREE
38 product.

39 However, in the case of a qualified taxing unit that is a school
40 corporation, the amount determined under STEP FOUR shall be
41 reduced by the board to the extent that the school corporation receives
42 relief in the form of adjustments to the school corporation's **net**

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1 assessed valuation under IC 6-1.1-17-0.5 or **assessed valuation under**
 2 IC 6-1.1-19-5.3.

3 SECTION 33. IC 6-1.1-22-8.1, AS AMENDED BY P.L.1-2010,
 4 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2012]: Sec. 8.1. (a) The county treasurer shall:

6 (1) except as provided in ~~subsection~~ **subsections (h) and (i)**, mail
 7 to the last known address of each person liable for any property
 8 taxes or special assessment, as shown on the tax duplicate or
 9 special assessment records, or to the last known address of the
 10 most recent owner shown in the transfer book; and

11 (2) transmit by written, electronic, or other means to a mortgagee
 12 maintaining an escrow account for a person who is liable for any
 13 property taxes or special assessments, as shown on the tax
 14 duplicate or special assessment records;

15 a statement in the form required under subsection (b). ~~However, for~~
 16 ~~property taxes first due and payable in 2008, the county treasurer may~~
 17 ~~choose to use a tax statement that is different from the tax statement~~
 18 ~~prescribed by the department under subsection (b).~~ If a county chooses
 19 to use a different tax statement, the county must still transmit (with the
 20 tax bill) the statement in either color type or black-and-white type.

21 (b) The department of local government finance shall prescribe a
 22 form, subject to the approval of the state board of accounts, for the
 23 statement under subsection (a) that includes at least the following:

24 (1) A statement of the taxpayer's current and delinquent taxes and
 25 special assessments.

26 (2) A breakdown showing the total property tax and special
 27 assessment liability and the amount of the taxpayer's liability that
 28 will be distributed to each taxing unit in the county.

29 (3) An itemized listing for each property tax levy, including:

30 (A) the amount of the tax rate;

31 (B) the entity levying the tax owed; and

32 (C) the dollar amount of the tax owed.

33 (4) Information designed to show the manner in which the taxes
 34 and special assessments billed in the tax statement are to be used.

35 (5) A comparison showing any change in the assessed valuation
 36 for the property as compared to the previous year.

37 (6) A comparison showing any change in the property tax and
 38 special assessment liability for the property as compared to the
 39 previous year. The information required under this subdivision
 40 must identify:

41 (A) the amount of the taxpayer's liability distributable to each
 42 taxing unit in which the property is located in the current year

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- 1 and in the previous year; and
- 2 (B) the percentage change, if any, in the amount of the
- 3 taxpayer's liability distributable to each taxing unit in which
- 4 the property is located from the previous year to the current
- 5 year.
- 6 (7) An explanation of the following:
 - 7 (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 - 8 another law that are available in the taxing district where the
 - 9 property is located.
 - 10 (B) All property tax deductions that are available in the taxing
 - 11 district where the property is located.
 - 12 (C) The procedure and deadline for filing for any available
 - 13 homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 - 14 another law and each deduction.
 - 15 (D) The procedure that a taxpayer must follow to:
 - 16 (i) appeal a current assessment; or
 - 17 (ii) petition for the correction of an error related to the
 - 18 taxpayer's property tax and special assessment liability.
 - 19 (E) The forms that must be filed for an appeal or a petition
 - 20 described in clause (D).
 - 21 (F) The procedure and deadline that a taxpayer must follow
 - 22 and the forms that must be used if a credit or deduction has
 - 23 been granted for the property and the taxpayer is no longer
 - 24 eligible for the credit or deduction.
 - 25 (G) Notice that an appeal described in clause (D) requires
 - 26 evidence relevant to the true tax value of the taxpayer's
 - 27 property as of the assessment date that is the basis for the taxes
 - 28 payable on that property.
- 29 The department of local government finance shall provide the
- 30 explanation required by this subdivision to each county treasurer.
- 31 (8) A checklist that shows:
 - 32 (A) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
 - 33 another law and all property tax deductions; and
 - 34 (B) whether each homestead credit and property tax deduction
 - 35 applies in the current statement for the property transmitted
 - 36 under subsection (a).
- 37 (9) This subdivision applies to any property for which a deduction
- 38 or credit is listed under subdivision (8) if the notice required
- 39 under this subdivision was not provided to a taxpayer on a
- 40 reconciling statement under IC 6-1.1-22.5-12. The statement must
- 41 include in 2010, 2011, and 2012, a notice that must be returned
- 42 by the taxpayer to the county auditor with the taxpayer's

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1 verification of the items required by this subdivision. The notice
 2 must explain the tax consequences and applicable penalties if a
 3 taxpayer unlawfully claims a standard deduction under
 4 IC 6-1.1-12-37 on:

5 (A) more than one (1) parcel of property; or

6 (B) property that is not the taxpayer's principal place of
 7 residence or is otherwise not eligible for the standard
 8 deduction.

9 The notice must include a place for the taxpayer to indicate, under
 10 penalties of perjury, for each deduction and credit listed under
 11 subdivision (8), whether the property is eligible for the deduction
 12 or credit listed under subdivision (8). The notice must also
 13 include a place for each individual who qualifies the property for
 14 a deduction or credit listed in subdivision (8) to indicate the name
 15 of the individual and the name of the individual's spouse (if any),
 16 as the names appear in the records of the United States Social
 17 Security Administration for the purposes of the issuance of a
 18 Social Security card and Social Security number (or that they use
 19 as their legal names when they sign their names on legal
 20 documents), and either the last five (5) digits of each individual's
 21 Social Security number or, if an individual does not have a Social
 22 Security number, the numbers required from the individual under
 23 IC 6-1.1-12-37(e)(4)(B). The notice must explain that the
 24 taxpayer must complete and return the notice with the required
 25 information and that failure to complete and return the notice may
 26 result in disqualification of property for deductions and credits
 27 listed in subdivision (8), must explain how to return the notice,
 28 and must be on a separate form printed on paper that is a different
 29 color than the tax statement. The notice must be prepared in the
 30 form prescribed by the department of local government finance
 31 and include any additional information required by the
 32 department of local government finance. This subdivision expires
 33 January 1, 2015.

34 (c) The county treasurer may mail or transmit the statement one (1)
 35 time each year at least fifteen (15) days before the date on which the
 36 first or only installment is due. Whenever a person's tax liability for a
 37 year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this
 38 chapter, a statement that is mailed must include the date on which the
 39 installment is due and denote the amount of money to be paid for the
 40 installment. Whenever a person's tax liability is due in two (2)
 41 installments, a statement that is mailed must contain the dates on which
 42 the first and second installments are due and denote the amount of

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1 money to be paid for each installment. If a statement is returned to the
 2 county treasurer as undeliverable and the forwarding order is expired,
 3 the county treasurer shall notify the county auditor of this fact. Upon
 4 receipt of the county treasurer's notice, the county auditor may, at the
 5 county auditor's discretion, treat the property as not being eligible for
 6 any deductions under IC 6-1.1-12 or any homestead credits under
 7 IC 6-1.1-20.4 and IC 6-3.5-6-13.

8 (d) All payments of property taxes and special assessments shall be
 9 made to the county treasurer. The county treasurer, when authorized by
 10 the board of county commissioners, may open temporary offices for the
 11 collection of taxes in cities and towns in the county other than the
 12 county seat.

13 (e) The county treasurer, county auditor, and county assessor shall
 14 cooperate to generate the information to be included in the statement
 15 under subsection (b).

16 (f) The information to be included in the statement under subsection
 17 (b) must be simply and clearly presented and understandable to the
 18 average individual.

19 (g) After December 31, 2007, a reference in a law or rule to
 20 IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated
 21 as a reference to this section.

22 (h) Transmission of statements and other information under this
 23 subsection applies in a county only if the county legislative body adopts
 24 an authorizing ordinance. Subject to subsection (i); (j), in a county in
 25 which an ordinance is adopted under this subsection for property taxes
 26 and special assessments first due and payable after 2009, a person may
 27 direct the county treasurer and county auditor to transmit the following
 28 to the person by electronic mail:

29 (1) A statement that would otherwise be sent by the county
 30 treasurer to the person by regular mail under subsection (a)(1),
 31 including a statement that reflects installment payment due dates
 32 under section 9.5 or 9.7 of this chapter.

33 (2) A provisional tax statement that would otherwise be sent by
 34 the county treasurer to the person by regular mail under
 35 IC 6-1.1-22.5-6.

36 (3) A reconciling tax statement that would otherwise be sent by
 37 the county treasurer to the person by regular mail under any of the
 38 following:

39 (A) Section 9 of this chapter.

40 (B) Section 9.7 of this chapter.

41 (C) IC 6-1.1-22.5-12, including a statement that reflects
 42 installment payment due dates under IC 6-1.1-22.5-18.5.

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- 1 ~~(4)~~ A statement that would otherwise be sent by the county
- 2 auditor to the person by regular mail under IC 6-1.1-17-3(b).
- 3 ~~(5)~~ **(4)** Any other information that:
- 4 (A) concerns the property taxes or special assessments; and
- 5 (B) would otherwise be sent:
 - 6 (i) by the county treasurer or the county auditor to the person
 - 7 by regular mail; and
 - 8 (ii) before the last date the property taxes or special
 - 9 assessments may be paid without becoming delinquent.
- 10 **(i) A county council may pass an ordinance to refrain from**
- 11 **collecting tax and special assessment liabilities from taxpayers that**
- 12 **each have total tax and special assessment liability of not more**
- 13 **than five dollars (\$5).**
- 14 ~~(j)~~ **(j)** For property with respect to which more than one (1) person
- 15 is liable for property taxes and special assessments, subsection (h)
- 16 applies only if all the persons liable for property taxes and special
- 17 assessments designate the electronic mail address for only one (1)
- 18 individual authorized to receive the statements and other information
- 19 referred to in subsection (h).
- 20 ~~(j)~~ **(k)** ~~Before 2010~~, The department of local government finance
- 21 shall create a form to be used to implement subsection (h). The county
- 22 treasurer and county auditor shall:
 - 23 (1) make the form created under this subsection available to the
 - 24 public;
 - 25 (2) transmit a statement or other information by electronic mail
 - 26 under subsection (h) to a person who, at least thirty (30) days
 - 27 before the anticipated general mailing date of the statement or
 - 28 other information, files the form created under this subsection:
 - 29 (A) with the county treasurer; or
 - 30 (B) with the county auditor; and
 - 31 (3) publicize the availability of the electronic mail option under
 - 32 this subsection through appropriate media in a manner reasonably
 - 33 designed to reach members of the public.
- 34 ~~(k)~~ **(l)** The form referred to in subsection ~~(j)~~ **(k)** must:
 - 35 (1) explain that a form filed as described in subsection ~~(j)~~**(2)**
 - 36 **(k)****(2)** remains in effect until the person files a replacement form
 - 37 to:
 - 38 (A) change the person's electronic mail address; or
 - 39 (B) terminate the electronic mail option under subsection (h);
 - 40 and
 - 41 (2) allow a person to do at least the following with respect to the
 - 42 electronic mail option under subsection (h):

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- 1 (A) Exercise the option.
- 2 (B) Change the person's electronic mail address.
- 3 (C) Terminate the option.
- 4 (D) For a person other than an individual, designate the
- 5 electronic mail address for only one (1) individual authorized
- 6 to receive the statements and other information referred to in
- 7 subsection (h).
- 8 (E) For property with respect to which more than one (1)
- 9 person is liable for property taxes and special assessments,
- 10 designate the electronic mail address for only one (1)
- 11 individual authorized to receive the statements and other
- 12 information referred to in subsection (h).

13 ~~(j)~~ **(m)** The form created under subsection ~~(j)~~ **(k)** is considered filed
 14 with the county treasurer or the county auditor on the postmark date. If
 15 the postmark is missing or illegible, the postmark is considered to be
 16 one (1) day before the date of receipt of the form by the county
 17 treasurer or the county auditor.

18 ~~(m)~~ **(n)** The county treasurer shall maintain a record that shows at
 19 least the following:

- 20 (1) Each person to whom a statement or other information is
- 21 transmitted by electronic mail under this section.
- 22 (2) The information included in the statement.
- 23 (3) Whether the person received the statement.

24 SECTION 34. IC 6-1.1-30-17, AS ADDED BY P.L.146-2008,
 25 SECTION 268, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2012]: Sec. 17. (a) Except as provided in
 27 subsection (c) and subject to subsection (d), the department of state
 28 revenue and the auditor of state shall, when requested by the
 29 department of local government finance, withhold a percentage of the
 30 distributions of county adjusted gross income tax distributions under
 31 IC 6-3.5-1.1, county option income tax distributions under IC 6-3.5-6,
 32 or county economic development income tax distributions under
 33 IC 6-3.5-7 that would otherwise be distributed to the county under the
 34 schedules in IC 6-3.5-1.1-10, IC 6-3.5-1.1-21.1, IC 6-3.5-6-17,
 35 IC 6-3.5-6-17.3, IC 6-3.5-7-16, and IC 6-3.5-7-17.3, if:

- 36 ~~(1) local assessing officials have not provided information to the~~
- 37 ~~department of local government finance in a timely manner under~~
- 38 ~~IC 4-10-13-5(b);~~
- 39 ~~(2)~~ **(1)** the county assessor has not transmitted to the department
- 40 of local government finance by October 1 of the year in which the
- 41 distribution is scheduled to be made the data for all townships in
- 42 the county required to be transmitted under IC 6-1.1-4-25;

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- 1 ~~(3)~~ **(2)** the county auditor has not paid a bill for services under
- 2 IC 6-1.1-4-31.5 to the department of local government finance in
- 3 a timely manner;
- 4 ~~(4)~~ **(3)** the county assessor has not forwarded to the department of
- 5 local government finance in a timely manner sales disclosure
- 6 form data under IC 6-1.1-5.5-3;
- 7 ~~(5)~~ **(4)** the county auditor has not forwarded to the department of
- 8 local government finance the duplicate copies of all approved
- 9 exemption applications required to be forwarded by that date
- 10 under IC 6-1.1-11-8(a);
- 11 ~~(6)~~ **(5)** by the date the distribution is scheduled to be made, the
- 12 county auditor has not sent a certified statement required to be
- 13 sent by that date under IC 6-1.1-17-1 to the department of local
- 14 government finance;
- 15 ~~(7)~~ **(6)** the county does not maintain a certified computer system
- 16 that meets the requirements of IC 6-1.1-31.5-3.5;
- 17 ~~(8)~~ **(7)** the county auditor has not transmitted the data described
- 18 in IC 36-2-9-20 to the department of local government finance in
- 19 the form and on the schedule specified by IC 36-2-9-20;
- 20 ~~(9)~~ **(8)** the county has not established a parcel index numbering
- 21 system under 50 IAC 23-8-1 in a timely manner; or
- 22 ~~(10)~~ **(9)** a county official has not provided other information to the
- 23 department of local government finance in a timely manner as
- 24 required by the department of local government finance.

25 The percentage to be withheld is the percentage determined by the
 26 department of local government finance.

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

- 31 (1) provide information; or
- 32 (2) pay a bill for services;

33 has been corrected.

34 (c) The restrictions on distributions under subsection (a) do not
 35 apply if the department of local government finance determines that the
 36 failure to:

- 37 (1) provide information; or
- 38 (2) pay a bill for services;

39 in a timely manner is justified by unusual circumstances.

40 (d) The department of local government finance shall give the
 41 county auditor at least thirty (30) days notice in writing before the
 42 department of state revenue or the auditor of state withholds a

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1 distribution under subsection (a).

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

6 (f) This subsection applies to a county that will not receive a
7 distribution under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7. At the request
8 of the department of local government finance, an amount permitted to
9 be withheld under subsection (a) may be withheld from any state
10 revenues that would otherwise be distributed to the county or one (1)
11 or more taxing units in the county.

12 SECTION 35. IC 6-1.1-37-11 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) If a taxpayer is
14 entitled to a property tax refund or credit because an assessment is
15 decreased, the taxpayer shall also be paid, or credited with, interest on
16 the excess taxes that ~~he the taxpayer~~ paid at the rate of four percent
17 (4%) per annum.

18 (b) For purposes of this section and except as provided in subsection
19 (c), the interest shall be computed from the date on which the taxes
20 were paid or due, whichever is later, to the date of the refund or credit.
21 **If a taxpayer is sent a provisional tax statement and is later sent a**
22 **final or reconciling tax statement, interest shall be computed after**
23 **the date on which the taxes were paid or first due under the**
24 **provisional tax statement, whichever is later, through the date of**
25 **the refund or credit.**

26 (c) This subsection applies if a taxpayer who is entitled to a refund
27 or credit does not make a written request for the refund or credit to the
28 county auditor within forty-five (45) days after the final determination
29 of the county property tax assessment board of appeals, the state board
30 of tax commissioners, the department of local government finance, the
31 Indiana board, or the tax court that entitles the taxpayer to the refund
32 or credit. In the case of a taxpayer described in this subsection, the
33 interest shall be computed from the date on which the taxes were paid
34 or due to the date that is forty-five (45) days after the final
35 determination of the county property tax assessment board of appeals,
36 the state board of tax commissioners, the department of local
37 government finance, the Indiana board of tax review, or the Indiana tax
38 court. In any event, a property tax refund or credit must be issued not
39 later than ninety (90) days after the request is received.

40 SECTION 36. IC 6-1.1-41-3 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A political
42 subdivision that decides to establish a fund under this chapter must:



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1 (1) give notice of the proposal to the affected taxpayers; and
 2 (2) hold a public hearing on the proposal;
 3 before presenting the proposal to the department of local government
 4 finance for approval.

5 (b) Notice of the proposal and of the public hearing shall be given
 6 by publication in accordance with IC 5-3-1.

7 (c) For a cumulative fund authorized under IC 3-11-6 or
 8 IC 8-10-5-17, the political subdivision imposing a property tax levy
 9 shall post a notice of the proposal and the public hearing in three (3)
 10 public places in the political subdivision.

11 (d) A notice required by this section must describe the tax levy that
 12 will be imposed for the fund.

13 **(e) If a political subdivision adopts a proposal to establish a fund**
 14 **or modify a tax rate under this chapter at a public hearing held in**
 15 **accordance with this section, the political subdivision shall publish**
 16 **notice of adoption in accordance with IC 5-3-1-2(i) in a manner**
 17 **prescribed by the department of local government finance.**

18 SECTION 37. IC 6-1.1-41-5 IS REPEALED [EFFECTIVE JULY
 19 1, 2012]. Sec. 5: The department of local government finance shall
 20 require that a notice of submission under section 3 of this chapter be
 21 given to the taxpayers of the county. The notice shall be published in
 22 one (1) publication and posted in the same manner as required by
 23 section 3 of this chapter.

24 SECTION 38. IC 6-1.1-41-6 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. Not later than noon
 26 thirty (30) days after the publication of the notice of adoption required
 27 by section 3 of this chapter:

28 (1) at least ten (10) taxpayers in the taxing district, if the fund is
 29 authorized under IC 8-10-5-17, IC 8-16-3-1, IC 8-16-3.1-4,
 30 IC 14-27-6-48, IC 14-33-21-2, IC 36-8-14-2, IC 36-9-4-48, or
 31 IC 36-10-4-36;

32 (2) at least twenty (20) taxpayers in a county served by a hospital,
 33 if the fund is authorized under IC 16-22-4-1;

34 (3) at least thirty (30) taxpayers in a tax district, if the fund is
 35 authorized under IC 36-10-3-21 or IC 36-10-7.5-19;

36 (4) at least fifty (50) taxpayers in a municipality, **township, or**
 37 **county**, if subdivision (1), (2), (3), or (5) does not apply; or

38 (5) at least one hundred (100) taxpayers in the county, if the fund
 39 is authorized by IC 3-11-6;

40 may file a petition with the county auditor stating their objections to an
 41 action described in section 2 of this chapter. Upon the filing of the
 42 petition, the county auditor shall immediately certify the petition to the

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1 department of local government finance.

2 SECTION 39. IC 6-1.1-41-9 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) After a hearing
4 upon a proposal **under section 7 of this chapter**, the department of
5 local government finance shall certify approval, disapproval, or
6 modification of the proposal to the county auditor.

7 (b) A:

8 (1) taxpayer who signed a petition filed under section 6 of this
9 chapter; or

10 (2) political subdivision against which a petition under section 6
11 of this chapter is filed;

12 may petition for judicial review of the final determination of the
13 department of local government finance under subsection (a). The
14 petition must be filed in the tax court not more than forty-five (45) days
15 after the department certifies its action under subsection (a).

16 SECTION 40. IC 6-3-2-2.1 IS ADDED TO THE INDIANA CODE
17 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
18 JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 2.1. (a) This section**
19 **applies only to a covered taxpayer that has receipts attributable to**
20 **Indiana under both subsections (c) and (d).**

21 (b) As used in this section, "covered taxpayer" refers to the
22 following:

23 (1) **Designated contract markets, swap execution facilities, or**
24 **derivatives clearing organizations primarily regulated by the**
25 **United States Commodity Futures Trading Commission.**

26 (2) **Securities exchanges and securities clearing agencies**
27 **primarily regulated by the United States Securities and**
28 **Exchange Commission.**

29 **For purposes of this section, a designated contract market, swap**
30 **execution facility, or derivatives clearing organization is considered**
31 **to be primarily regulated by the United States Commodity Futures**
32 **Trading Commission if more than fifty percent (50%) of the**
33 **enterprise's total gross receipts are attributable to activities subject**
34 **to regulation by the United States Commodity Futures Trading**
35 **Commission or the United States securities exchanges.**

36 (c) **Notwithstanding section 2 of this chapter or any other law,**
37 **receipts received by a covered taxpayer, in respect of trade**
38 **execution (electronic or otherwise) and clearing, are in Indiana as**
39 **follows:**

40 (1) **If the receipts are attributable to transactions executed on**
41 **a physical trading floor located in Indiana, one hundred**
42 **percent (100%) of the receipts are attributable to Indiana.**

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1 **(2) If the receipts are attributable to transactions executed by**
 2 **means of an electronic transaction system, the receipts are**
 3 **attributable to Indiana based on a percentage determined by**
 4 **dividing the total Indiana population by the total United**
 5 **States population.**

6 **(3) If the receipts are attributable to the clearing of**
 7 **over-the-counter transactions, the receipts are attributable to**
 8 **Indiana based on a percentage determined by dividing the**
 9 **total Indiana population by the total United States population.**

10 **(d) Notwithstanding section 2 of this chapter or any other law,**
 11 **market data service revenue is sourced based on the billing address**
 12 **of a covered taxpayer's direct customers or the user location of**
 13 **direct customers and location of the customers of the covered**
 14 **taxpayer's distributors.**

15 SECTION 41. IC 6-3.1-26-26, AS AMENDED BY
 16 P.L.182-2009(ss), SECTION 202, IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 26. (a) This chapter
 18 applies to taxable years beginning after December 31, 2003.

19 (b) Notwithstanding the other provisions of this chapter, the
 20 corporation may not approve a credit for a qualified investment made
 21 after December 31, ~~2013~~ **2015**. However, this section may not be
 22 construed to prevent a taxpayer from carrying an unused tax credit
 23 attributable to a qualified investment made before January 1, ~~2014~~,
 24 **2016**, forward to a taxable year beginning after December 31, ~~2013~~,
 25 **2015**, in the manner provided by section 15 of this chapter.

26 SECTION 42. IC 6-3.5-1.1-2, AS AMENDED BY P.L.77-2011,
 27 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2012]: Sec. 2. (a) The county council of any county in which
 29 the county option income tax will not be in effect on December 1 of a
 30 year under an ordinance adopted during a previous calendar year may
 31 impose the county adjusted gross income tax on the adjusted gross
 32 income of county taxpayers of its county.

33 (b) Except as provided in section 2.3, 2.5, ~~2.6~~, 2.7, 2.8, 2.9, 3.3, 3.5,
 34 3.6, 24, 25, or 26 of this chapter, the county adjusted gross income tax
 35 may be imposed at a rate of one-half of one percent (0.5%),
 36 three-fourths of one percent (0.75%), or one percent (1%) on the
 37 adjusted gross income of resident county taxpayers of the county. Any
 38 county imposing the county adjusted gross income tax must impose the
 39 tax on the nonresident county taxpayers at a rate of one-fourth of one
 40 percent (0.25%) on their adjusted gross income. If the county council
 41 elects to decrease the county adjusted gross income tax, the county
 42 council may decrease the county adjusted gross income tax rate in



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1 increments of one-tenth of one percent (0.1%).

2 (c) To impose the county adjusted gross income tax, the county
3 council must adopt an ordinance. The ordinance must substantially
4 state the following:

5 "The _____ County Council imposes the county adjusted
6 gross income tax on the county taxpayers of _____ County.
7 The county adjusted gross income tax is imposed at a rate of
8 _____ percent (____%) on the resident county taxpayers of the
9 county and one-fourth of one percent (0.25%) on the nonresident
10 county taxpayers of the county."

11 (d) The auditor of a county shall record all votes taken on
12 ordinances presented for a vote under the authority of this section and,
13 **immediately not more than ten (10) days after the vote**, send a
14 certified copy of the results to **the commissioner of the department,**
15 **the director of the budget agency, and the commissioner of the**
16 **department of local government finance** by certified mail **or in an**
17 **electronic format approved by the director of the budget agency.**

18 (e) If the county adjusted gross income tax had previously been
19 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
20 1983) and that tax was in effect at the time of the enactment of this
21 chapter, then the county adjusted gross income tax continues in that
22 county at the rates in effect at the time of enactment until the rates are
23 modified or the tax is rescinded in the manner prescribed by this
24 chapter. If a county's adjusted gross income tax is continued under this
25 subsection, then the tax shall be treated as if it had been imposed under
26 this chapter and is subject to rescission or reduction as authorized in
27 this chapter.

28 SECTION 43. IC 6-3.5-1.1-2.5, AS AMENDED BY P.L.184-2006,
29 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2012]: Sec. 2.5. (a) This section applies only to a **Jackson**
31 **County, having a population of more than forty-one thousand (41,000)**
32 **but less than forty-three thousand (43,000).**

33 (b) As used in this section, "fiscal year" means a twelve (12) month
34 period beginning July 1 and ending June 30.

35 (c) The county council of a county described in subsection (a) may,
36 by ordinance, determine that additional county adjusted gross income
37 tax revenue is needed in the county to fund the operation and
38 maintenance of a jail and juvenile detention center opened after July 1,
39 1998.

40 (d) Notwithstanding section 2 of this chapter, if the county council
41 adopts an ordinance under subsection (c), the county council may
42 impose the county adjusted gross income tax at a rate of one and



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1 one-tenth percent (1.1%) on adjusted gross income for fiscal years
 2 beginning before July 1, 2011. For fiscal years beginning after June 30,
 3 2011, the rate is reduced to one percent (1%). If the county council
 4 imposes the county adjusted gross income tax at a rate of one and
 5 one-tenth percent (1.1%), the county council may decrease the rate or
 6 rescind the tax in the manner provided under this chapter.

7 (e) If a county imposes the county adjusted gross income tax at a
 8 rate of one and one-tenth percent (1.1%) under this section, the revenue
 9 derived from a tax rate of one-tenth percent (0.1%) on adjusted gross
 10 income:

11 (1) shall be paid to the county treasurer;

12 (2) may be used only to pay the costs of operating a jail and
 13 juvenile detention center opened after July 1, 1998; and

14 (3) may not be considered by the department of local government
 15 finance in determining the county's maximum permissible
 16 property tax levy limit under IC 6-1.1-18.5.

17 SECTION 44. IC 6-3.5-1.1-2.6 IS REPEALED [EFFECTIVE JULY
 18 1, 2012]. See: 2-6: (a) This section applies to Parke County.

19 (b) The county council may, by ordinance, determine that additional
 20 county adjusted gross income tax revenue is needed in the county to:

21 (1) fund the costs (including pre-trial costs) of a capital trial that
 22 has been moved to another county for trial; and

23 (2) to repay money borrowed for the purpose described in
 24 subdivision (1):

25 (c) In addition to the rates permitted by section 2 of this chapter; if
 26 the county council makes a determination described in subsection (b);
 27 the county council may by ordinance impose the county adjusted gross
 28 income tax at a rate not to exceed the lesser of:

29 (1) a rate necessary to carry out the purposes of subsection (b); or

30 (2) twenty-five hundredths percent (0.25%);

31 on the adjusted gross income of county taxpayers:

32 (d) The tax imposed under this section may be imposed only until
 33 the later of the following:

34 (1) The date on which the costs described in subsection (b);
 35 including the repayment of money borrowed for the purposes
 36 described in subsection (b); are fully paid.

37 (2) The date on which an ordinance adopted under subsection (c)
 38 is rescinded:

39 (e) The term of any borrowing described in subsection (b)(2) may
 40 not exceed three (3) years:

41 (f) The county treasurer shall establish a capital trial revenue fund
 42 to be used only for purposes described in this section. County adjusted

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1 gross income tax revenues derived from the tax rate imposed under this
 2 section shall be deposited in the capital trial revenue fund before
 3 making a certified distribution under section 11 of this chapter.

4 (g) County adjusted gross income tax revenues derived from the tax
 5 rate imposed under this section:

6 (1) may be used only for the purposes described in this section;

7 (2) may not be considered by the department of local government
 8 finance in determining the county's maximum permissible
 9 property tax levy limit under IC 6-1.1-18.5; and

10 (3) may be pledged for the payment of costs described in
 11 subsection (b):

12 (h) Notwithstanding any other law, money remaining in the capital
 13 trial revenue fund established under subsection (f) after the tax
 14 imposed by this section is terminated under subsection (d) shall be
 15 transferred to the county general fund to be used for criminal justice
 16 costs:

17 SECTION 45. IC 6-3.5-1.1-2.7 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2.7. (a) This section
 19 applies to a **Wayne County**. having a population of more than
 20 seventy-one thousand (71,000) but less than seventy-one thousand four
 21 hundred (71,400):

22 (b) The county council may, by ordinance, determine that additional
 23 county adjusted gross income tax revenue is needed in the county to:

24 (1) finance, construct, acquire, improve, renovate, or equip the
 25 county jail and related buildings and parking facilities, including
 26 costs related to the demolition of existing buildings and the
 27 acquisition of land; and

28 (2) repay bonds issued, or leases entered into, for constructing,
 29 acquiring, improving, renovating, and equipping the county jail
 30 and related buildings and parking facilities, including costs
 31 related to the demolition of existing buildings and the acquisition
 32 of land.

33 (c) In addition to the rates permitted by section 2 of this chapter, the
 34 county council may impose the county adjusted gross income tax at a
 35 rate of:

36 (1) fifteen-hundredths percent (0.15%);

37 (2) two-tenths percent (0.2%); or

38 (3) twenty-five hundredths percent (0.25%);

39 on the adjusted gross income of county taxpayers if the county council
 40 makes the finding and determination set forth in subsection (b). The tax
 41 imposed under this section may be imposed only until the later of the
 42 date on which the financing on, acquisition, improvement, renovation,

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1 and equipping described in subsection (b) is completed or the date on
 2 which the last of any bonds issued or leases entered into to finance the
 3 construction, acquisition, improvement, renovation, and equipping
 4 described in subsection (b) are fully paid. The term of the bonds issued
 5 (including any refunding bonds) or a lease entered into under
 6 subsection (b)(2) may not exceed twenty (20) years.

7 (d) If the county council makes a determination under subsection
 8 (b), the county council may adopt a tax rate under subsection (c). The
 9 tax rate may not be imposed at a rate greater than is necessary to pay
 10 the costs of financing, acquiring, improving, renovating, and equipping
 11 the county jail and related buildings and parking facilities, including
 12 costs related to the demolition of existing buildings and the acquisition
 13 of land.

14 (e) The county treasurer shall establish a county jail revenue fund
 15 to be used only for purposes described in this section. County adjusted
 16 gross income tax revenues derived from the tax rate imposed under this
 17 section shall be deposited in the county jail revenue fund before
 18 making a certified distribution under section 11 of this chapter.

19 (f) County adjusted gross income tax revenues derived from the tax
 20 rate imposed under this section:

- 21 (1) may only be used for the purposes described in this section;
- 22 (2) may not be considered by the department of local government
 23 finance in determining the county's maximum permissible
 24 property tax levy limit under IC 6-1.1-18.5; and
- 25 (3) may be pledged to the repayment of bonds issued, or leases
 26 entered into, for purposes described in subsection (b).

27 (g) A county described in subsection (a) possesses unique economic
 28 development challenges due to underemployment in relation to
 29 similarly situated counties. Maintaining low property tax rates is
 30 essential to economic development and the use of county adjusted gross
 31 income tax revenues as provided in this chapter to pay any bonds
 32 issued or leases entered into to finance the construction, acquisition,
 33 improvement, renovation, and equipping described under subsection
 34 (b), rather than use of property taxes, promotes that purpose.

35 (h) Notwithstanding any other law, funds accumulated from the
 36 county adjusted gross income tax imposed under this section after:

- 37 (1) the redemption of bonds issued; or
- 38 (2) the final payment of lease rentals due under a lease entered
 39 into under this section;

40 shall be transferred to the county highway fund to be used for
 41 construction, resurfacing, restoration, and rehabilitation of county
 42 highways, roads, and bridges.



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1 SECTION 46. IC 6-3.5-1.1-2.8, AS AMENDED BY P.L.147-2006,
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2012]: Sec. 2.8. (a) This section applies to:

- 4 (1) a **Elkhart** County; having a population of more than one
 5 hundred eighty-two thousand seven hundred ninety (182,790) but
 6 less than two hundred thousand (200,000); and
 7 (2) a **Marshall** County. having a population of more than
 8 forty-five thousand (45,000) but less than forty-five thousand nine
 9 hundred (45,900).

10 (b) The county council may, by ordinance, determine that additional
 11 county adjusted gross income tax revenue is needed in the county to:

- 12 (1) finance, construct, acquire, improve, renovate, or equip:
 13 (A) jail facilities;
 14 (B) juvenile court, detention, and probation facilities;
 15 (C) other criminal justice facilities; and
 16 (D) related buildings and parking facilities;

17 located in the county, including costs related to the demolition of
 18 existing buildings and the acquisition of land; and

- 19 (2) repay bonds issued or leases entered into for the purposes
 20 described in subdivision (1).

21 (c) The county council may, by ordinance, determine that additional
 22 county adjusted gross income tax revenue is needed in the county to
 23 operate or maintain:

- 24 (1) jail facilities;
 25 (2) juvenile court, detention, and probation facilities;
 26 (3) other criminal justice facilities; and
 27 (4) related buildings and parking facilities;

28 located in the county. A county council of a county described in
 29 subsection (a)(1) or (a)(2) may make a determination under both this
 30 subsection and subsection (b).

31 (d) In addition to the rates permitted by section 2 of this chapter, the
 32 county council may impose the county adjusted gross income tax at a
 33 rate of:

- 34 (1) fifteen-hundredths percent (0.15%);
 35 (2) two-tenths percent (0.2%); or
 36 (3) twenty-five hundredths percent (0.25%);

37 on the adjusted gross income of county taxpayers if the county council
 38 makes a finding and determination set forth in subsection (b) or (c).
 39 The tax rate may not be imposed at a rate greater than is necessary to
 40 carry out the purposes described in subsections (b) and (c), as
 41 applicable.

42 (e) This subsection applies only to a county described in subsection

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1 (a)(1). If the county council imposes the tax under this section to pay
2 for the purposes described in both subsections (b) and (c), when:

3 (1) the financing, construction, acquisition, improvement,
4 renovation, and equipping described in subsection (b) are
5 completed; and

6 (2) all bonds issued (including any refunding bonds) or leases
7 entered into to finance the construction, acquisition,
8 improvement, renovation, and equipping described in subsection
9 (b) are fully paid;

10 the county council shall, subject to subsection (d), establish a tax rate
11 under this section by ordinance such that the revenue from the tax does
12 not exceed the costs of operating and maintaining the jail facilities
13 referred to in subsection (b)(1)(A).

14 (f) The tax imposed under this section may be imposed only until
15 the last of the following dates:

16 (1) The date on which the financing, construction, acquisition,
17 improvement, renovation, and equipping described in subsection
18 (b) are completed.

19 (2) The date on which the last of any bonds issued (including any
20 refunding bonds) or leases entered into to finance the
21 construction, acquisition, improvement, renovation, and
22 equipping described in subsection (b) are fully paid.

23 (3) If the county imposing the tax under this section is a county
24 described in subsection (a)(1), the date on which an ordinance
25 adopted under subsection (c) is rescinded.

26 (g) The term of the bonds issued (including any refunding bonds) or
27 a lease entered into under subsection (b)(2) may not exceed twenty (20)
28 years.

29 (h) The county treasurer shall establish a criminal justice facilities
30 revenue fund to be used only for purposes described in this section.
31 County adjusted gross income tax revenues derived from the tax rate
32 imposed under this section shall be deposited in the criminal justice
33 facilities revenue fund before making a certified distribution under
34 section 11 of this chapter.

35 (i) County adjusted gross income tax revenues derived from the tax
36 rate imposed under this section:

37 (1) may be used only for the purposes described in this section;

38 (2) may not be considered by the department of local government
39 finance in determining the county's maximum permissible
40 property tax levy limit under IC 6-1.1-18.5; and

41 (3) may be pledged to the repayment of bonds issued or leases
42 entered into for any or all the purposes described in subsection

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1 (b).

2 (j) Notwithstanding any other law, money remaining in the criminal
3 justice facilities revenue fund established under subsection (h) after the
4 tax imposed by this section is terminated under subsection (f) shall be
5 transferred to the county highway fund to be used for construction,
6 resurfacing, restoration, and rehabilitation of county highways, roads,
7 and bridges.

8 SECTION 47. IC 6-3.5-1.1-2.9 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2.9. (a) This section
10 applies to a **Daviess** County. ~~having a population of more than~~
11 ~~twenty-nine thousand (29,000) but less than thirty thousand (30,000):~~

12 (b) The county council may, by ordinance, determine that additional
13 county adjusted gross income tax revenue is needed in the county to:

- 14 (1) finance, construct, acquire, improve, renovate, remodel, or
15 equip the county jail and related buildings and parking facilities,
16 including costs related to the demolition of existing buildings, the
17 acquisition of land, and any other reasonably related costs; and
18 (2) repay bonds issued or leases entered into for constructing,
19 acquiring, improving, renovating, remodeling, and equipping the
20 county jail and related buildings and parking facilities, including
21 costs related to the demolition of existing buildings, the
22 acquisition of land, and any other reasonably related costs.

23 (c) In addition to the rates permitted by section 2 of this chapter, the
24 county council may impose the county adjusted gross income tax at a
25 rate of:

- 26 (1) fifteen-hundredths percent (0.15%);
27 (2) two-tenths percent (0.2%); or
28 (3) twenty-five hundredths percent (0.25%);

29 on the adjusted gross income of county taxpayers if the county council
30 makes the finding and determination set forth in subsection (b). The tax
31 imposed under this section may be imposed only until the later of the
32 date on which the financing on, acquisition, improvement, renovation,
33 remodeling, and equipping described in subsection (b) are completed
34 or the date on which the last of any bonds issued or leases entered into
35 to finance the construction, acquisition, improvement, renovation,
36 remodeling, and equipping described in subsection (b) are fully paid.
37 The term of the bonds issued (including any refunding bonds) or a
38 lease entered into under subsection (b)(2) may not exceed twenty-five
39 (25) years.

40 (d) If the county council makes a determination under subsection
41 (b), the county council may adopt a tax rate under subsection (c). The
42 tax rate may not be imposed at a rate greater than is necessary to pay

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1 the costs of financing, acquiring, improving, renovating, remodeling,
 2 and equipping the county jail and related buildings and parking
 3 facilities, including costs related to the demolition of existing buildings,
 4 the acquisition of land, and any other reasonably related costs.

5 (e) The county treasurer shall establish a county jail revenue fund
 6 to be used only for purposes described in this section. County adjusted
 7 gross income tax revenues derived from the tax rate imposed under this
 8 section shall be deposited in the county jail revenue fund before
 9 making a certified distribution under section 11 of this chapter.

10 (f) County adjusted gross income tax revenues derived from the tax
 11 rate imposed under this section:

- 12 (1) may be used only for the purposes described in this section;
- 13 (2) may not be considered by the department of local government
 14 finance in determining the county's maximum permissible
 15 property tax levy limit under IC 6-1.1-18.5; and
- 16 (3) may be pledged to the repayment of bonds issued or leases
 17 entered into for purposes described in subsection (b).

18 (g) A county described in subsection (a) possesses unique
 19 governmental and economic development challenges due to:

- 20 (1) underemployment in relation to similarly situated counties and
 21 the loss of a major manufacturing business;
- 22 (2) an increase in property taxes for taxable years after December
 23 31, 2000, for the construction of a new elementary school; and
- 24 (3) overcrowding of the county jail, the costs associated with
 25 housing the county's inmates outside the county, and the potential
 26 unavailability of additional housing for inmates outside the
 27 county.

28 The use of county adjusted gross income tax revenues as provided in
 29 this chapter is necessary for the county to provide adequate jail
 30 capacity in the county and to maintain low property tax rates essential
 31 to economic development. The use of county adjusted gross income tax
 32 revenues as provided in this chapter to pay any bonds issued or leases
 33 entered into to finance the construction, acquisition, improvement,
 34 renovation, remodeling, and equipping described in subsection (b),
 35 rather than the use of property taxes, promotes those purposes.

36 (h) Notwithstanding any other law, funds accumulated from the
 37 county adjusted gross income tax imposed under this section after:

- 38 (1) the redemption of bonds issued; or
- 39 (2) the final payment of lease rentals due under a lease entered
 40 into under this section;

41 shall be transferred to the county highway fund to be used for
 42 construction, resurfacing, restoration, and rehabilitation of county



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1 highways, roads, and bridges.
2 SECTION 48. IC 6-3.5-1.1-3, AS AMENDED BY P.L.77-2011,
3 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2012]: Sec. 3. (a) The county council may increase the county
5 adjusted gross income tax rate imposed upon the resident county
6 taxpayers of the county. To increase the rate, the county council must
7 adopt an ordinance. The ordinance must substantially state the
8 following:

9 "The _____ County Council increases the county adjusted
10 gross income tax rate imposed upon the resident county taxpayers
11 of the county from _____ percent (___%) to _____ percent
12 (___%)."

13 (b) The auditor of a county shall record all votes taken on
14 ordinances presented for a vote under the authority of this section and,
15 **immediately not more than ten (10) days after the vote**, send a
16 certified copy of the results to **the commissioner of the department,**
17 **the director of the budget agency, and the commissioner of the**
18 **department of local government finance** by certified mail or in an
19 **electronic format approved by the director of the budget agency.**

20 SECTION 49. IC 6-3.5-1.1-3.1, AS AMENDED BY P.L.77-2011,
21 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2012]: Sec. 3.1. (a) The county council may decrease the
23 county adjusted gross income tax rate imposed upon the resident
24 county taxpayers of the county. To decrease the rate, the county council
25 must adopt an ordinance. The ordinance must substantially state the
26 following:

27 "The _____ County Council decreases the county adjusted
28 gross income tax rate imposed upon the resident county taxpayers
29 of the county from _____ percent (___%) to _____ percent
30 (___%)."

31 (b) A county council may not decrease the county adjusted gross
32 income tax rate if the county or any commission, board, department, or
33 authority that is authorized by statute to pledge the county adjusted
34 gross income tax has pledged the county adjusted gross income tax for
35 any purpose permitted by IC 5-1-14 or any other statute.

36 (c) The auditor of a county shall record all votes taken on
37 ordinances presented for a vote under the authority of this section and,
38 **immediately not more than ten (10) days after the vote**, send a
39 certified copy of the results to **the commissioner of the department,**
40 **the director of the budget agency, and the commissioner of the**
41 **department of local government finance** by certified mail or in an
42 **electronic format approved by the director of the budget agency.**

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1 (d) Notwithstanding IC 6-3.5-7, and except as provided in
 2 subsection (e), a county council that decreases the county adjusted
 3 gross income tax rate in a year may not in the same year adopt or
 4 increase the county economic development income tax under
 5 IC 6-3.5-7.

6 (e) This subsection applies only to a **LaPorte** County. ~~having a~~
 7 ~~population of more than one hundred ten thousand (110,000) but less~~
 8 ~~than one hundred fifteen thousand (115,000)~~. The county council may
 9 adopt or increase the county economic development income tax rate
 10 under IC 6-3.5-7 in the same year that the county council decreases the
 11 county adjusted gross income tax rate if the county economic
 12 development income tax rate plus the county adjusted gross income tax
 13 rate in effect after the county council decreases the county adjusted
 14 gross income tax rate is less than the county adjusted gross income tax
 15 rate in effect before the adoption of an ordinance under this section
 16 decreasing the rate of the county adjusted gross income tax.

17 SECTION 50. IC 6-3.5-1.1-3.5, AS AMENDED BY P.L.224-2007,
 18 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2012]: Sec. 3.5. (a) This section applies only to a **Pulaski**
 20 **County**. ~~having a population of more than thirteen thousand five~~
 21 ~~hundred (13,500) but less than fourteen thousand (14,000)~~.

22 (b) The county council of a county described in subsection (a) may,
 23 by ordinance, determine that additional county adjusted gross income
 24 tax revenue is needed in the county to fund the operation and
 25 maintenance of a jail and justice center.

26 (c) Notwithstanding section 2 of this chapter, if the county council
 27 adopts an ordinance under subsection (b), the county council may
 28 impose the county adjusted gross income tax at a rate of one and
 29 three-tenths percent (1.3%) on adjusted gross income. However, a
 30 county may impose the county adjusted gross income tax at a rate of
 31 one and three-tenths percent (1.3%) for only eight (8) years. After the
 32 county has imposed the county adjusted gross income tax at a rate of
 33 one and three-tenths percent (1.3%) for eight (8) years, the rate is
 34 reduced to one percent (1%). If the county council imposes the county
 35 adjusted gross income tax at a rate of one and three-tenths percent
 36 (1.3%), the county council may decrease the rate or rescind the tax in
 37 the manner provided under this chapter.

38 (d) If a county imposes the county adjusted gross income tax at a
 39 rate of one and three-tenths percent (1.3%) under this section, the
 40 revenue derived from a tax rate of three-tenths percent (0.3%) on
 41 adjusted gross income:

42 (1) shall be paid to the county treasurer;

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1 (2) may be used only to pay the costs of operating and
 2 maintaining a jail and justice center; and

3 (3) may not be considered by the department of local government
 4 finance under any provision of IC 6-1.1-18.5, including the
 5 determination of the county's maximum permissible property tax
 6 levy.

7 SECTION 51. IC 6-3.5-1.1-3.6 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3.6. (a) This section
 9 applies only to a **Union** County, ~~having a population of more than six~~
 10 ~~thousand (6,000) but less than eight thousand (8,000):~~

11 (b) The county council may, by ordinance, determine that additional
 12 county adjusted gross income tax revenue is needed in the county to:

13 (1) finance, construct, acquire, improve, renovate, or equip the
 14 county courthouse; and

15 (2) repay bonds issued, or leases entered into, for constructing,
 16 acquiring, improving, renovating, and equipping the county
 17 courthouse.

18 (c) In addition to the rates permitted under section 2 of this chapter,
 19 the county council may impose the county adjusted gross income tax
 20 at a rate of twenty-five hundredths percent (0.25%) on the adjusted
 21 gross income of county taxpayers if the county council makes the
 22 finding and determination set forth in subsection (b). The tax imposed
 23 under this section may be imposed only until the later of the date on
 24 which the financing on, acquisition, improvement, renovation, and
 25 equipping described in subsection (b) is completed or the date on
 26 which the last of any bonds issued or leases entered into to finance the
 27 construction, acquisition, improvement, renovation, and equipping
 28 described in subsection (b) are fully paid. The term of the bonds issued
 29 (including any refunding bonds) or a lease entered into under
 30 subsection (b)(2) may not exceed twenty-two (22) years.

31 (d) If the county council makes a determination under subsection
 32 (b), the county council may adopt a tax rate under subsection (c). The
 33 tax rate may not be imposed for a time greater than is necessary to pay
 34 the costs of financing, constructing, acquiring, renovating, and
 35 equipping the county courthouse.

36 (e) The county treasurer shall establish a county courthouse revenue
 37 fund to be used only for purposes described in this section. County
 38 adjusted gross income tax revenues derived from the tax rate imposed
 39 under this section shall be deposited in the county courthouse revenue
 40 fund before a certified distribution is made under section 11 of this
 41 chapter.

42 (f) County adjusted gross income tax revenues derived from the tax

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- 1 rate imposed under this section:
- 2 (1) may only be used for the purposes described in this section;
- 3 (2) may not be considered by the department of local government
- 4 finance in determining the county's maximum permissible
- 5 property tax levy under IC 6-1.1-18.5; and
- 6 (3) may be pledged to the repayment of bonds issued or leases
- 7 entered into for purposes described in subsection (b).
- 8 (g) A county described in subsection (a) possesses unique economic
- 9 development challenges due to:
- 10 (1) the county's heavy agricultural base;
- 11 (2) the presence of a large amount of state owned property in the
- 12 county that is exempt from property taxation; and
- 13 (3) recent obligations of the school corporation in the county that
- 14 have already increased property taxes in the county and imposed
- 15 additional property tax burdens on the county's agricultural base.
- 16 Maintaining low property tax rates is essential to economic
- 17 development. The use of county adjusted gross income tax revenues as
- 18 provided in this chapter to pay any bonds issued or leases entered into
- 19 to finance the construction, acquisition, improvement, renovation, and
- 20 equipping described in subsection (b), rather than the use of property
- 21 taxes, promotes that purpose.
- 22 (h) Notwithstanding any other law, funds accumulated from the
- 23 county adjusted gross income tax imposed under this section after:
- 24 (1) the redemption of the bonds issued; or
- 25 (2) the final payment of lease rentals due under a lease entered
- 26 into under this section;
- 27 shall be transferred to the county highway fund to be used for
- 28 construction, resurfacing, restoration, and rehabilitation of county
- 29 highways, roads, and bridges.
- 30 SECTION 52. IC 6-3.5-1.1-4, AS AMENDED BY P.L.77-2011,
- 31 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2012]: Sec. 4. (a) The county adjusted gross income tax
- 33 imposed by a county council under this chapter remains in effect until
- 34 rescinded.
- 35 (b) Except as provided in subsection (d), the county council may
- 36 rescind the county adjusted gross income tax by adopting an ordinance
- 37 to rescind the tax.
- 38 (c) The auditor of a county shall record all votes taken on
- 39 ordinances presented for a vote under the authority of this section and,
- 40 **immediately not more than ten (10) days after the vote**, send a
- 41 certified copy of the results to **the commissioner of the department,**
- 42 **the director of the budget agency, and the commissioner of the**

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1 **department of local government finance** by certified mail **or in an**
 2 **electronic format approved by the director of the budget agency.**

3 (d) A county council may not rescind the county adjusted gross
 4 income tax or take any action that would result in a civil taxing unit in
 5 the county having a smaller certified share than the certified share to
 6 which the civil taxing unit was entitled when the civil taxing unit
 7 pledged county adjusted gross income tax if the civil taxing unit or any
 8 commission, board, department, or authority that is authorized by
 9 statute to pledge county adjusted gross income tax has pledged county
 10 adjusted gross income tax for any purpose permitted by IC 5-1-14 or
 11 any other statute. The prohibition in this section does not apply if the
 12 civil taxing unit pledges legally available revenues to fully replace the
 13 civil taxing unit's certified share that has been pledged.

14 SECTION 53. IC 6-3.5-1.1-10, AS AMENDED BY P.L.77-2011,
 15 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 10. (a) ~~Except as~~
 17 ~~provided in subsection (b); one-half (1/2)~~ **One-twelfth (1/12)** of each
 18 adopting county's certified distribution for a calendar year shall be
 19 distributed from its account established under section 8 of this chapter
 20 to the appropriate county treasurer on ~~May 1 and the other one-half~~
 21 ~~(1/2) on November 1~~ **the first regular business day of each month of**
 22 that calendar year.

23 (b) This subsection applies to a county having a population of more
 24 than one hundred forty-five thousand (145,000) but less than one
 25 hundred forty-eight thousand (148,000); if an ordinance imposing the
 26 tax is adopted before July 1 of a year. Notwithstanding section 9 of this
 27 chapter the initial certified distribution certified for a county under
 28 section 9 of this chapter shall be distributed to the county treasurer
 29 from the account established for the county under section 8 of this
 30 chapter according to the following schedule during the eighteen (18)
 31 month period beginning on July 1 of the year in which the county
 32 initially adopts an ordinance under section 2 of this chapter:

33 (1) ~~One-fourth (1/4) on October 1 of the calendar year in which~~
 34 ~~the ordinance was adopted.~~

35 (2) ~~One-fourth (1/4) on January 1 of the calendar year following~~
 36 ~~the year in which the ordinance was adopted.~~

37 (3) ~~One-fourth (1/4) on May 1 of the calendar year following the~~
 38 ~~year in which the ordinance was adopted.~~

39 (4) ~~One-fourth (1/4) on November 1 of the calendar year~~
 40 ~~following the year in which the ordinance was adopted.~~

41 Notwithstanding section ~~11~~ of this chapter, the part of the certified
 42 distribution received under subdivision (1) that would otherwise be

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1 allocated to a civil taxing unit or school corporation as property tax
 2 replacement credits under section 11 of this chapter shall be set aside
 3 and treated for the calendar year when received by the civil taxing unit
 4 or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or
 5 IC 20-44-3. Certified distributions made to the county treasurer for
 6 calendar years following the eighteen (18) month period described in
 7 this subsection shall be made as provided in subsection (a):

8 ~~(e)~~ **(b)** Except for:

9 (1) revenue that must be used to pay the costs of:

10 (A) financing, constructing, acquiring, improving, renovating,
 11 equipping, operating, or maintaining facilities and buildings;

12 (B) debt service on bonds; or

13 (C) lease rentals;

14 under section 2.3 of this chapter;

15 (2) revenue that must be used to pay the costs of operating a jail
 16 and juvenile detention center under section 2.5 of this chapter;

17 (3) revenue that must be used to pay the costs of:

18 (A) financing, constructing, acquiring, improving, renovating,
 19 equipping, operating, or maintaining facilities and buildings;

20 (B) debt service on bonds; or

21 (C) lease rentals;

22 under section 2.8 of this chapter;

23 (4) revenue that must be used to pay the costs of construction,
 24 improvement, renovation, or remodeling of a jail and related
 25 buildings and parking structures under section 2.7, 2.9, or 3.3 of
 26 this chapter;

27 (5) revenue that must be used to pay the costs of operating and
 28 maintaining a jail and justice center under section 3.5(d) of this
 29 chapter;

30 (6) revenue that must be used to pay the costs of constructing,
 31 acquiring, improving, renovating, or equipping a county
 32 courthouse under section 3.6 of this chapter;

33 ~~(7) revenue under section 2.6 of this chapter;~~ or

34 ~~(8) (7)~~ revenue attributable to a tax rate under section 24, 25, or
 35 26 of this chapter;

36 distributions made to a county treasurer under ~~subsections~~ **subsection**
 37 ~~(a) and (b)~~ shall be treated as though they were property taxes that were
 38 due and payable during that same calendar year. Except as provided by
 39 **subsection (b) and** sections 24, 25, and 26 of this chapter, the certified
 40 distribution shall be distributed and used by the taxing units and school
 41 corporations as provided in sections 11 through 15 of this chapter.

42 ~~(d)~~ **(c)** All distributions from an account established under section

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1 8 of this chapter shall be made by warrants issued by the auditor of the
2 state to the treasurer of the state ordering the appropriate payments.

3 SECTION 54. IC 6-3.5-1.1-24, AS AMENDED BY P.L.77-2011,
4 SECTION 10, AND AS AMENDED BY P.L.172-2011, SECTION 73,
5 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2012]: Sec. 24. (a) In a county in which the
7 county adjusted gross income tax is in effect, the county council may
8 *before August 1 of a year*, adopt an ordinance to impose or increase (as
9 applicable) a tax rate under this section.

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

14 (c) *An ordinance adopted under this section takes effect October 1*
15 *of the year in which the ordinance is adopted.* If a county council
16 adopts an ordinance to impose or increase a tax rate under this section,
17 **not more than ten (10) days after the vote**, the county auditor shall
18 send a certified copy of the ordinance to the **commissioner of the**
19 **department, the director of the budget agency, and the commissioner**
20 **of the department of local government finance by certified mail or in**
21 **an electronic format approved by the director of the budget**
22 **agency.**

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

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

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

30 (2) The tax rate that must be imposed in the county *from October*
31 *1 of the year in which the tax rate is imposed through September*
32 *30 of the following year in the first year* is equal to the result of:

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

36 (B) two (2).

37 (3) The tax rate that must be imposed in the county *from October*
38 *1 of the following year through September 30 of the year after the*
39 *following year in the second year* is the tax rate determined for
40 the county under IC 6-3.5-1.5-1(b). The tax rate under this
41 subdivision continues in effect in later years unless the tax rate is
42 increased under this section.

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1 (4) 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 its
3 repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c)
4 apply to property taxes first due and payable in the ensuing
5 calendar year and to property taxes first due and payable in the
6 calendar year after the ensuing calendar year.

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

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

11 (2) The tax rate that must be imposed in the county *from October*
12 *1 of the year in which the tax rate is increased through September*
13 *30 of the following year* is equal to the result of:

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

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

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

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

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

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

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

33 (1) the quotient of:

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

37 (B) the STEP ONE amount; multiplied by

38 (2) the tax revenue received by the county treasurer under this
39 section.

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

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1 the result of:
 2 (1) the quotient of:
 3 (A) the amount determined under STEP TWO of
 4 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 5 (B) the STEP ONE amount; multiplied by
 6 (2) the tax revenue received by the county treasurer under this
 7 section.
 8 STEP FOUR: For distributions in 2009 and thereafter, the result
 9 of this STEP is zero (0). For distribution to the county for deposit
 10 in the county children's psychiatric residential treatment services
 11 fund before 2009, determine the result of:
 12 (1) the quotient of:
 13 (A) the amount determined under STEP THREE of
 14 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 15 (B) the STEP ONE amount; multiplied by
 16 (2) the tax revenue received by the county treasurer under this
 17 section.
 18 STEP FIVE: For distribution to the county for community mental
 19 health center purposes, determine the result of:
 20 (1) the quotient of:
 21 (A) the amount determined under STEP FOUR of
 22 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 23 (B) the STEP ONE amount; multiplied by
 24 (2) the tax revenue received by the county treasurer under this
 25 section.
 26 Except as provided in subsection (m), the county treasurer shall
 27 distribute the portion of the certified distribution that is attributable to
 28 a tax rate under this section as specified in this section. The county
 29 treasurer shall make the distributions under this subsection at the same
 30 time that distributions are made to civil taxing units under section 15
 31 of this chapter.
 32 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county
 33 council may not decrease or rescind a tax rate imposed under this
 34 chapter.
 35 (i) The tax rate under this section shall not be considered for
 36 purposes of computing:
 37 (1) the maximum income tax rate that may be imposed in a county
 38 under section 2 of this chapter or any other provision of this
 39 chapter; or
 40 (2) the maximum permissible property tax levy under *STEP*
 41 *EIGHT of IC 6-1.1-18.5-3(b); IC 6-1.1-18.5-3.*
 42 (j) The tax levy under this section shall not be considered for

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

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- 1 (q) A county council must each year hold at least one (1) public
- 2 meeting at which the county council discusses whether the tax rate
- 3 under this section should be imposed or increased.
- 4 (r) The department of local government finance and the department
- 5 of state revenue may take any actions necessary to carry out the
- 6 purposes of this section.
- 7 SECTION 55. IC 6-3.5-1.1-25, AS AMENDED BY P.L.172-2011,
- 8 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 9 JULY 1, 2012]: Sec. 25. (a) As used in this section, "public safety"
- 10 refers to the following:
- 11 (1) A police and law enforcement system to preserve public peace
- 12 and order.
- 13 (2) A firefighting and fire prevention system.
- 14 (3) Emergency ambulance services (as defined in
- 15 IC 16-18-2-107).
- 16 (4) Emergency medical services (as defined in IC 16-18-2-110).
- 17 (5) Emergency action (as defined in IC 13-11-2-65).
- 18 (6) A probation department of a court.
- 19 (7) Confinement, supervision, services under a community
- 20 corrections program (as defined in IC 35-38-2.6-2), or other
- 21 correctional services for a person who has been:
- 22 (A) diverted before a final hearing or trial under an agreement
- 23 that is between the county prosecuting attorney and the person
- 24 or the person's custodian, guardian, or parent and that provides
- 25 for confinement, supervision, community corrections services,
- 26 or other correctional services instead of a final action
- 27 described in clause (B) or (C);
- 28 (B) convicted of a crime; or
- 29 (C) adjudicated as a delinquent child or a child in need of
- 30 services.
- 31 (8) A juvenile detention facility under IC 31-31-8.
- 32 (9) A juvenile detention center under IC 31-31-9.
- 33 (10) A county jail.
- 34 (11) A communications system (as defined in IC 36-8-15-3) or an
- 35 enhanced emergency telephone system (as defined in
- 36 IC 36-8-16-2).
- 37 (12) Medical and health expenses for jail inmates and other
- 38 confined persons.
- 39 (13) Pension payments for any of the following:
- 40 (A) A member of the fire department (as defined in
- 41 IC 36-8-1-8) or any other employee of a fire department.
- 42 (B) A member of the police department (as defined in

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- 1 IC 36-8-1-9), a police chief hired under a waiver under
 2 IC 36-8-4-6.5, or any other employee hired by a police
 3 department.
 4 (C) A county sheriff or any other member of the office of the
 5 county sheriff.
 6 (D) Other personnel employed to provide a service described
 7 in this section.
- 8 (b) If a county council has imposed a tax rate of at least twenty-five
 9 hundredths of one percent (0.25%) under section 24 of this chapter, a
 10 tax rate of at least twenty-five hundredths of one percent (0.25%) under
 11 section 26 of this chapter, or a total combined tax rate of at least
 12 twenty-five hundredths of one percent (0.25%) under sections 24 and
 13 26 of this chapter, the county council may also adopt an ordinance to
 14 impose an additional tax rate under this section to provide funding for
 15 public safety.
- 16 (c) A tax rate under this section may not exceed twenty-five
 17 hundredths of one percent (0.25%).
- 18 (d) If a county council adopts an ordinance to impose a tax rate
 19 under this section, **not more than ten (10) days after the vote**, the
 20 county auditor shall send a certified copy of the ordinance to the
 21 **commissioner of the department, the director of the budget agency,**
 22 **and the commissioner of the department of local government finance**
 23 **by certified mail or in an electronic format approved by the director**
 24 **of the budget agency.**
- 25 (e) A tax rate under this section is in addition to any other tax rates
 26 imposed under this chapter and does not affect the purposes for which
 27 other tax revenue under this chapter may be used.
- 28 (f) Except as provided in subsection (k) or (l), the county auditor
 29 shall distribute the portion of the certified distribution that is
 30 attributable to a tax rate under this section to the county and to each
 31 municipality in the county that is carrying out or providing at least one
 32 (1) of the public safety purposes described in subsection (a). The
 33 amount that shall be distributed to the county or municipality is equal
 34 to the result of:
- 35 (1) the portion of the certified distribution that is attributable to a
 36 tax rate under this section; multiplied by
 37 (2) a fraction equal to:
- 38 (A) the attributed allocation amount (as defined in
 39 IC 6-3.5-1.1-15) of the county or municipality for the calendar
 40 year; divided by
 41 (B) the sum of the attributed allocation amounts of the county
 42 and each municipality in the county that is entitled to a

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

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

14 (h) The tax rate under this section and the tax revenue attributable
 15 to the tax rate under this section shall not be considered for purposes
 16 of computing:

17 (1) the maximum income tax rate that may be imposed in a county
 18 under section 2 of this chapter or any other provision of this
 19 chapter;

20 (2) the maximum permissible property tax levy under
 21 IC 6-1.1-18.5-3; or

22 (3) the credit under IC 6-1.1-20.6.

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

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

29 (k) 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 (l) A fire department, volunteer fire department, or emergency
 35 medical services provider that:

36 (1) provides fire protection or emergency medical services within
 37 the county; and

38 (2) is operated by or serves a political subdivision that is not
 39 otherwise entitled to receive a distribution of tax revenue under
 40 this section;

41 may before July 1 of a year apply to the county council for a
 42 distribution of tax revenue under this section during the following

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1 calendar year. The county council shall review an application
 2 submitted under this subsection and may before September 1 of a year
 3 adopt a resolution requiring that one (1) or more of the applicants shall
 4 receive a specified amount of the tax revenue to be distributed under
 5 this section during the following calendar year. A resolution approved
 6 under this subsection providing for a distribution to one (1) or more fire
 7 departments, volunteer fire departments, or emergency medical
 8 services providers applies only to distributions in the following
 9 calendar year. Any amount of tax revenue distributed under this
 10 subsection to a fire department, volunteer fire department, or
 11 emergency medical services provider shall be distributed before the
 12 remainder of the tax revenue is distributed under subsection (f).

13 SECTION 56. IC 6-3.5-1.1-26, AS AMENDED BY P.L.172-2011,
 14 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2012]: Sec. 26. (a) A county council may impose a tax rate
 16 under this section to provide property tax relief to taxpayers in the
 17 county. A county council is not required to impose any other tax before
 18 imposing a tax rate under this section.

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

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

25 (d) If a county council adopts an ordinance to impose or increase a
 26 tax rate under this section, **not more than ten (10) days after the vote**,
 27 the county auditor shall send a certified copy of the ordinance to the
 28 **commissioner of the department, the director of the budget agency**,
 29 and the **commissioner of the department of local government finance**
 30 **by certified mail or in an electronic format approved by the director**
 31 **of the budget agency.**

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

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

39 (1) Except as provided in subsection (j), the tax revenue may be
 40 used to provide local property tax replacement credits at a
 41 uniform rate to all taxpayers in the county. The local property tax
 42 replacement credits shall be treated for all purposes as property

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

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

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

19 (2) The tax revenue may be used to uniformly provide the
 20 homestead credit percentage in the county. The homestead credits
 21 shall be treated for all purposes as property tax levies. The
 22 homestead credits do not reduce the basis for determining any
 23 state homestead credit. The homestead credits shall be applied to
 24 the net property taxes due on the homestead after the application
 25 of all other assessed value deductions or property tax deductions
 26 and credits that apply to the amount owed under IC 6-1.1. The
 27 county auditor shall determine the homestead credit percentage
 28 for a particular year based on the amount of tax revenue that will
 29 be used under this subdivision to provide homestead credits in
 30 that year.

31 (3) The tax revenue may be used to provide local property tax
 32 replacement credits at a uniform rate for all qualified residential
 33 property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,
 34 and as defined in section 1 of this chapter after December 31,
 35 2008) in the county. The local property tax replacement credits
 36 shall be treated for all purposes as property tax levies. The county
 37 auditor shall determine the local property tax replacement credit
 38 percentage for a particular year based on the amount of tax
 39 revenue that will be used under this subdivision to provide local
 40 property tax replacement credits in that year.

41 (4) This subdivision applies only to Lake County. The Lake
 42 County council may adopt an ordinance providing that the tax

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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:

(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.

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1 Except as provided in subsection (g), the tax revenue under this
 2 section that is used to provide credits under this subdivision shall
 3 be treated for all purposes as property tax levies.
 4 The county council may adopt an ordinance changing the purposes for
 5 which tax revenue attributable to a tax rate under this section shall be
 6 used in the following year.

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

10 (1) the maximum income tax rate that may be imposed in a county
 11 under section 2 of this chapter or any other provision of this
 12 chapter;

13 (2) the maximum permissible property tax levy under
 14 IC 6-1.1-18.5-3; or

15 (3) the credit under IC 6-1.1-20.6.

16 (h) Tax revenue under this section shall be treated as a part of the
 17 receiving civil taxing unit's or school corporation's property tax levy for
 18 that year for purposes of fixing the budget of the civil taxing unit or
 19 school corporation and for determining the distribution of taxes that are
 20 distributed on the basis of property tax levies. To the extent the county
 21 auditor determines that there is income tax revenue remaining from the
 22 tax under this section after providing the property tax replacement
 23 credits, the excess shall be credited to a dedicated county account and
 24 may be used only for property tax replacement credits under this
 25 section in subsequent years.

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

29 (j) A taxpayer that owns an industrial plant located in Jasper County
 30 is ineligible for a local property tax replacement credit under this
 31 section against the property taxes due on the industrial plant if the
 32 assessed value of the industrial plant as of March 1, 2006, exceeds
 33 twenty percent (20%) of the total assessed value of all taxable property
 34 in the county on that date. The general assembly finds that the
 35 provisions of this subsection are necessary because the industrial plant
 36 represents such a large percentage of Jasper County's assessed
 37 valuation.

38 SECTION 57. IC 6-3.5-1.5-1, AS AMENDED BY
 39 P.L.182-2009(ss), SECTION 215, IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) The department
 41 of local government finance and ~~the department of state revenue~~
 42 ~~(before January 1, 2010)~~ or the budget agency ~~(after December 31,~~

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1 2009) shall, before ~~July~~ **September** 1 of each year, jointly calculate the
 2 county adjusted income tax rate or county option income tax rate (as
 3 applicable) that must be imposed in a county to raise income tax
 4 revenue in the following year equal to the sum of the following STEPS:

5 STEP ONE: Determine the greater of zero (0) or the result of:

6 (1) the department of local government finance's estimate of
 7 the sum of the maximum permissible ad valorem property tax
 8 levies calculated under IC 6-1.1-18.5 for all civil taxing units
 9 in the county for the ensuing calendar year (before any
 10 adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for
 11 the ensuing calendar year); minus

12 (2) the sum of the maximum permissible ad valorem property
 13 tax levies calculated under IC 6-1.1-18.5 for all civil taxing
 14 units in the county for the current calendar year.

15 In the case of a civil taxing unit that is located in more than one
 16 (1) county, the department of local government finance shall, for
 17 purposes of making the determination under this subdivision,
 18 apportion the civil taxing unit's maximum permissible ad valorem
 19 property tax levy among the counties in which the civil taxing unit
 20 is located.

21 STEP TWO: This STEP applies only to property taxes first due
 22 and payable before January 1, 2009. Determine the greater of zero
 23 (0) or the result of:

24 (1) the department of local government finance's estimate of
 25 the family and children property tax levy that will be imposed
 26 by the county under IC 12-19-7-4 (**before its repeal**) for the
 27 ensuing calendar year (before any adjustment under
 28 IC 12-19-7-4(b) (**before its repeal**) for the ensuing calendar
 29 year); minus

30 (2) the county's family and children property tax levy imposed
 31 by the county under IC 12-19-7-4 (**before its repeal**) for the
 32 current calendar year.

33 STEP THREE: This STEP applies only to property taxes first due
 34 and payable before January 1, 2009. Determine the greater of zero
 35 (0) or the result of:

36 (1) the department of local government finance's estimate of
 37 the children's psychiatric residential treatment services
 38 property tax levy that will be imposed by the county under
 39 IC 12-19-7.5-6 for (**before its repeal**) the ensuing calendar
 40 year (before any adjustment under IC 12-19-7.5-6(b) (**before**
 41 **its repeal**) for the ensuing calendar year); minus

42 (2) the children's psychiatric residential treatment services

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1 property tax imposed by the county under IC 12-19-7.5-6
 2 **(before its repeal)** for the current calendar year.
 3 STEP FOUR: Determine the greater of zero (0) or the result of:
 4 (1) the department of local government finance's estimate of
 5 the county's maximum community mental health centers
 6 property tax levy under IC 12-29-2-2 for the ensuing calendar
 7 year (before any adjustment under IC 12-29-2-2(c) for the
 8 ensuing calendar year); minus
 9 (2) the county's maximum community mental health centers
 10 property tax levy under IC 12-29-2-2 for the current calendar
 11 year.
 12 (b) In the case of a county that wishes to impose a tax rate under
 13 IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the
 14 department of local government finance and ~~the department of state~~
 15 ~~revenue (before January 1, 2010)~~ or the budget agency ~~(after December~~
 16 ~~31, 2009)~~ shall jointly estimate the amount that will be calculated under
 17 subsection (a) in the second year after the tax rate is first imposed. The
 18 department of local government finance and ~~the department of state~~
 19 ~~revenue (before January 1, 2010)~~ or the budget agency ~~(after December~~
 20 ~~31, 2009)~~ shall calculate the tax rate under IC 6-3.5-1.1-24 or
 21 IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the
 22 second year after the tax rate is first imposed to raise income tax
 23 revenue equal to the estimate under this subsection.
 24 (c) ~~The department (before January 1, 2010) or the budget agency~~
 25 ~~(after December 31, 2009)~~ and the department of local government
 26 finance shall make the calculations under subsections (a) and (b) based
 27 on the best information available at the time the calculation is made.
 28 (d) Notwithstanding IC 6-3.5-1.1-24(h) and IC 6-3.5-6-30(h), if a
 29 county has adopted an income tax rate under IC 6-3.5-1.1-24 or
 30 IC 6-3.5-6-30 to replace property tax levy growth, the part of the tax
 31 rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 that was used before
 32 January 1, 2009, to reduce levy growth in the county family and
 33 children's fund property tax levy and the children's psychiatric
 34 residential treatment services property tax levy shall instead be used for
 35 property tax relief in the same manner that a tax rate under
 36 IC 6-3.5-1.1-26 or IC 6-3.5-6-32 is used for property tax relief.
 37 SECTION 58. IC 6-3.5-1.5-2, AS ADDED BY P.L.224-2007,
 38 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2012]: Sec. 2. The department of local government finance
 40 shall, before ~~July~~ **September** 1 of each year, certify the amount
 41 calculated for a county under section 1 of this chapter to the county
 42 auditor.

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1 SECTION 59. IC 6-3.5-6-8, AS AMENDED BY P.L.77-2011,
 2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2012]: Sec. 8. (a) The county income tax council of any
 4 county in which the county adjusted gross income tax will not be in
 5 effect on December 1 of a year under an ordinance adopted during a
 6 previous calendar year may impose the county option income tax on the
 7 adjusted gross income of county taxpayers of its county.

8 (b) Except as provided in sections 30, 31, and 32 of this chapter, the
 9 county option income tax may initially be imposed at a rate of
 10 two-tenths of one percent (0.2%) on the resident county taxpayers of
 11 the county and at a rate of five-hundredths of one percent (0.05%) for
 12 all other county taxpayers.

13 (c) To impose the county option income tax, a county income tax
 14 council must pass an ordinance. The ordinance must substantially state
 15 the following:

16 "The _____ County Income Tax Council imposes the
 17 county option income tax on the county taxpayers of
 18 _____ County. The county option income tax is
 19 imposed at a rate of two-tenths of one percent (0.2%) on the
 20 resident county taxpayers of the county and at a rate of
 21 five-hundredths of one percent (0.05%) on all other county
 22 taxpayers."

23 (d) Except as provided in sections 30, 31, and 32 of this chapter, if
 24 the county option income tax is imposed on the county taxpayers of a
 25 county, then the county option income tax rate that is in effect for
 26 resident county taxpayers of that county increases by one-tenth of one
 27 percent (0.1%) on each succeeding October 1 until the rate equals
 28 six-tenths of one percent (0.6%).

29 (e) The county option income tax rate in effect for the county
 30 taxpayers of a county who are not resident county taxpayers of that
 31 county is at all times one-fourth (1/4) of the tax rate imposed upon
 32 resident county taxpayers.

33 (f) The auditor of a county shall record all votes taken on ordinances
 34 presented for a vote under this section and, **immediately not more than**
 35 **ten (10) days after the vote**, send a certified copy of the results to **the**
 36 **commissioner of the department, the director of the budget agency,**
 37 **and the commissioner of the department of local government**
 38 **finance** by certified mail **or in an electronic format approved by the**
 39 **director of the budget agency.**

40 SECTION 60. IC 6-3.5-6-9, AS AMENDED BY P.L.77-2011,
 41 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2012]: Sec. 9. (a) If on ~~March 31~~ **January 1** of a calendar year

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1 the county option income tax rate in effect for resident county
 2 taxpayers equals six tenths of one percent (0.6%), excluding a tax rate
 3 imposed under section 30, 31, or 32 of this chapter, the county income
 4 tax council of that county may pass an ordinance to increase its tax rate
 5 for resident county taxpayers. If a county income tax council passes an
 6 ordinance under this section, its county option income tax rate for
 7 resident county taxpayers increases by one-tenth of one percent (0.1%)
 8 in the year in which the ordinance is adopted, as provided in section 1.5
 9 of this chapter, and on each succeeding October 1 until its rate reaches
 10 a maximum of one percent (1%), excluding a tax rate imposed under
 11 section 30, 31, or 32 of this chapter.

12 (b) The auditor of the county shall record any vote taken on an
 13 ordinance proposed under the authority of this section and, **immediately**
 14 **not more than ten (10) days after the vote**, send a certified copy of
 15 the results to **the commissioner of the department, the director of the**
 16 **budget agency, and the commissioner of the department of local**
 17 **government finance** by certified mail or in an electronic format
 18 **approved by the director of the budget agency.**

19 SECTION 61. IC 6-3.5-6-11, AS AMENDED BY P.L.77-2011,
 20 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2012]: Sec. 11. (a) This section does not apply to a tax rate
 22 imposed under section 30 of this chapter.

23 (b) The county income tax council of any county may adopt an
 24 ordinance to permanently freeze the county option income tax rates at
 25 the rate in effect for its county on December 1 of a year.

26 (c) To freeze the county option income tax rates, a county income
 27 tax council must adopt an ordinance. The ordinance must substantially
 28 state the following:

29 "The _____ County Income Tax Council permanently
 30 freezes the county option income tax rates at the rate in effect on
 31 December 1 of the current year."

32 (d) An ordinance adopted under the authority of this section remains
 33 in effect until rescinded.

34 (e) If a county income tax council rescinds an ordinance as adopted
 35 under this section, the county option income tax rate shall
 36 automatically increase by one-tenth of one percent (0.1%) until:

37 (1) the tax rate is again frozen under another ordinance adopted
 38 under this section; or

39 (2) the tax rate equals six-tenths of one percent (0.6%) (if the
 40 frozen tax rate equaled an amount less than six-tenths of one
 41 percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled
 42 an amount in excess of six-tenths of one percent (0.6%)).



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1 (f) The county auditor shall record any vote taken on an ordinance
 2 proposed under the authority of this section and, ~~immediately~~ **not more**
 3 **than ten (10) days after the vote**, send a certified copy of the results
 4 to **the commissioner of the department, the director of the budget**
 5 **agency, and the commissioner of the department of local**
 6 **government finance** by certified mail **or in an electronic format**
 7 **approved by the director of the budget agency.**

8 SECTION 62. IC 6-3.5-6-12, AS AMENDED BY P.L.77-2011,
 9 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2012]: Sec. 12. (a) The county option income tax imposed by
 11 a county income tax council under this chapter remains in effect until
 12 rescinded.

13 (b) Subject to subsection (c), the county income tax council of a
 14 county may rescind the county option income tax by passing an
 15 ordinance.

16 (c) A county income tax council may not rescind the county option
 17 income tax or take any action that would result in a civil taxing unit in
 18 the county having a smaller distributive share than the distributive
 19 share to which it was entitled when it pledged county option income
 20 tax, if the civil taxing unit or any commission, board, department, or
 21 authority that is authorized by statute to pledge county option income
 22 tax, has pledged county option income tax for any purpose permitted
 23 by IC 5-1-14 or any other statute.

24 (d) The auditor of a county shall record all votes taken on a
 25 proposed ordinance presented for a vote under the authority of this
 26 section and, ~~immediately~~ **not more than ten (10) days after the vote**,
 27 send a certified copy of the results to **the commissioner of the**
 28 **department, the director of the budget agency, and the**
 29 **commissioner of the department of local government finance** by
 30 certified mail **or in an electronic format approved by the director**
 31 **of the budget agency.**

32 SECTION 63. IC 6-3.5-6-12.5, AS AMENDED BY P.L.77-2011,
 33 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2012]: Sec. 12.5. (a) The county income tax council may
 35 adopt an ordinance to decrease the county option income tax rate in
 36 effect.

37 (b) To decrease the county option income tax rate, the county
 38 income tax council must adopt an ordinance. The ordinance must
 39 substantially state the following:

40 "The _____ County Income Tax Council decreases the
 41 county option income tax rate from _____ percent (___ %)
 42 to _____ percent (___ %)."



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1 (c) A county income tax council may not decrease the county option
 2 income tax if the county or any commission, board, department, or
 3 authority that is authorized by statute to pledge the county option
 4 income tax has pledged the county option income tax for any purpose
 5 permitted by IC 5-1-14 or any other statute.

6 (d) The county auditor shall record the votes taken on an ordinance
 7 under this subsection and, **not more than ten (10) days after the vote**,
 8 shall send a certified copy of the ordinance to the **commissioner of the**
 9 **department, the director of the budget agency, and the**
 10 **commissioner of the department of local government finance** by
 11 certified mail **not more than thirty (30) days after the ordinance is**
 12 **adopted. or in an electronic format approved by the director of the**
 13 **budget agency.**

14 (e) Notwithstanding IC 6-3.5-7, a county income tax council that
 15 decreases the county option income tax in a year may not in the same
 16 year adopt or increase the county economic development income tax
 17 under IC 6-3.5-7.

18 SECTION 64. IC 6-3.5-6-17, AS AMENDED BY P.L.229-2011,
 19 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 17. (a) Revenue derived
 21 from the imposition of the county option income tax shall, in the
 22 manner prescribed by this section, be distributed to the county that
 23 imposed it. The amount that is to be distributed to a county during an
 24 ensuing calendar year equals the amount of county option income tax
 25 revenue that the budget agency determines has been:

26 (1) received from that county for a taxable year ending in a
 27 calendar year preceding the calendar year in which the
 28 determination is made; and

29 (2) reported on an annual return or amended return processed by
 30 the department in the state fiscal year ending before July 1 of the
 31 calendar year in which the determination is made;

32 as adjusted (as determined after review of the recommendation of the
 33 budget agency) for refunds of county option income tax made in the
 34 state fiscal year.

35 (b) Before August 2 of each calendar year, the budget agency shall
 36 certify to the county auditor of each adopting county the amount
 37 determined under subsection (a) plus the amount of interest in the
 38 county's account that has accrued and has not been included in a
 39 certification made in a preceding year. The amount certified is the
 40 county's "certified distribution" for the immediately succeeding
 41 calendar year. The amount certified shall be adjusted, as necessary,
 42 under subsections (c), (d), (e), and (f). The budget agency shall provide

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1 the county council with an informative summary of the calculations
 2 used to determine the certified distribution. The summary of
 3 calculations must include:

- 4 (1) the amount reported on individual income tax returns
 5 processed by the department during the previous fiscal year;
 6 (2) adjustments for over distributions in prior years;
 7 (3) adjustments for clerical or mathematical errors in prior years;
 8 (4) adjustments for tax rate changes; and
 9 (5) the amount of excess account balances to be distributed under
 10 IC 6-3.5-6-17.3.

11 The budget agency shall also certify information concerning the part of
 12 the certified distribution that is attributable to a tax rate under section
 13 30, 31, or 32 of this chapter. This information must be certified to the
 14 county auditor and to the department of local government finance not
 15 later than September 1 of each calendar year. The part of the certified
 16 distribution that is attributable to a tax rate under section 30, 31, or 32
 17 of this chapter may be used only as specified in those provisions.

18 (c) The budget agency shall certify an amount less than the amount
 19 determined under subsection (b) if the budget agency determines that
 20 the reduced distribution is necessary to offset overpayments made in a
 21 calendar year before the calendar year of the distribution. The budget
 22 agency may reduce the amount of the certified distribution over several
 23 calendar years so that any overpayments are offset over several years
 24 rather than in one (1) lump sum.

25 (d) The budget agency shall adjust the certified distribution of a
 26 county to correct for any clerical or mathematical errors made in any
 27 previous certification under this section. The budget agency may
 28 reduce the amount of the certified distribution over several calendar
 29 years so that any adjustment under this subsection is offset over several
 30 years rather than in one (1) lump sum.

31 (e) This subsection applies to a county that imposes, increases,
 32 decreases, or rescinds a tax or tax rate under this chapter before
 33 November 1 in the same calendar year in which the budget agency
 34 makes a certification under this section. The budget agency shall adjust
 35 the certified distribution of a county to provide for a distribution in the
 36 immediately following calendar year and in each calendar year
 37 thereafter. The budget agency shall provide for a full transition to
 38 certification of distributions as provided in subsection (a)(1) through
 39 (a)(2) in the manner provided in subsection (c). If the county imposes,
 40 increases, decreases, or rescinds a tax or tax rate under this chapter
 41 after the date for which a certification under subsection (b) is based, the
 42 budget agency shall adjust the certified distribution of the county after

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1 August 1 of the calendar year. The adjustment shall reflect any other
 2 adjustment required under subsections (c), (d), and (f). The adjusted
 3 certification shall be treated as the county's "certified distribution" for
 4 the immediately succeeding calendar year. The budget agency shall
 5 certify the adjusted certified distribution to the county auditor for the
 6 county and provide the county council with an informative summary of
 7 the calculations that revises the informative summary provided in
 8 subsection (b) and reflects the changes made in the adjustment.

9 (f) This subsection applies in the year a county initially imposes a
 10 tax rate under section 30 of this chapter. Notwithstanding any other
 11 provision, the budget agency shall adjust the part of the county's
 12 certified distribution that is attributable to the tax rate under section 30
 13 of this chapter to provide for a distribution in the immediately
 14 following calendar year equal to the result of:

15 (1) the sum of the amounts determined under STEP ONE through
 16 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county
 17 initially imposes a tax rate under section 30 of this chapter;
 18 multiplied by

19 (2) the following:

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

22 (B) In a county other than a county containing a consolidated
 23 city, two (2).

24 (g) One-twelfth (1/12) of each adopting county's certified
 25 distribution for a calendar year shall be distributed from its account
 26 established under section 16 of this chapter to the appropriate county
 27 treasurer on the first **regular business** day of each month of that
 28 calendar year.

29 (h) Upon receipt, each monthly payment of a county's certified
 30 distribution shall be allocated among, distributed to, and used by the
 31 civil taxing units of the county as provided in sections 18 and 19 of this
 32 chapter.

33 (i) All distributions from an account established under section 16 of
 34 this chapter shall be made by warrants issued by the auditor of state to
 35 the treasurer of state ordering the appropriate payments.

36 (j) The budget agency shall before May 1 of every odd-numbered
 37 year publish an estimate of the statewide total amount of certified
 38 distributions to be made under this chapter during the following two (2)
 39 calendar years.

40 (k) The budget agency shall before May 1 of every even-numbered
 41 year publish an estimate of the statewide total amount of certified
 42 distributions to be made under this chapter during the following

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1 calendar year.

2 (l) The estimates under subsections (j) and (k) must specify the
3 amount of the estimated certified distributions that are attributable to
4 the additional rate authorized under section 30 of this chapter, the
5 additional rate authorized under section 31 of this chapter, the
6 additional rate authorized under section 32 of this chapter, and any
7 other additional rates authorized under this chapter.

8 SECTION 65. IC 6-3.5-6-28, AS AMENDED BY P.L.77-2011,
9 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2012]: Sec. 28. (a) This section applies only to Howard
11 County.

12 (b) Maintaining low property tax rates is essential to economic
13 development, and the use of county option income tax revenues as
14 provided in this section and as needed in the county to fund the
15 operation and maintenance of a jail and juvenile detention center,
16 rather than the use of property taxes, promotes that purpose.

17 (c) In addition to the rates permitted by sections 8 and 9 of this
18 chapter, the county fiscal body may impose a county option income tax
19 at a rate that does not exceed twenty-five hundredths percent (0.25%)
20 on the adjusted gross income of resident county taxpayers. The tax rate
21 may be adopted in any increment of one hundredth percent (0.01%).
22 Before the county fiscal body may adopt a tax rate under this section,
23 the county fiscal body must make the finding and determination set
24 forth in subsection (d). Section 8(e) of this chapter applies to the
25 application of the additional tax rate to nonresident taxpayers.

26 (d) In order to impose the county option income tax as provided in
27 this section, the county fiscal body must adopt an ordinance:

28 (1) finding and determining that revenues from the county option
29 income tax are needed in the county to fund the operation and
30 maintenance of a jail, a juvenile detention center, or both; and

31 (2) agreeing to freeze the part of any property tax levy imposed in
32 the county for the operation of the jail or juvenile detention
33 center, or both, covered by the ordinance at the rate imposed in
34 the year preceding the year in which a full year of additional
35 county option income tax is certified for distribution to the county
36 under this section for the term in which an ordinance is in effect
37 under this section.

38 (e) If the county fiscal body makes a determination under subsection
39 (d), the county fiscal body may adopt a tax rate under subsection (c).
40 Subject to the limitations in subsection (c), the county fiscal body may
41 amend an ordinance adopted under this section to increase, decrease,
42 or rescind the additional tax rate imposed under this section. ~~As soon~~

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1 as practicable after the adoption of an ordinance under this section; **Not**
 2 **more than ten (10) days after the vote**, the county fiscal body shall
 3 send a certified copy of the ordinance to the county auditor, **the**
 4 **commissioner of the department, the director of the budget agency,**
 5 **and the commissioner of the** department of local government finance
 6 **and the department of state revenue. by certified mail or in an**
 7 **electronic format approved by the director of the budget agency.**

8 (f) The county treasurer shall establish a county jail revenue fund to
 9 be used only for the purposes described in this section. County option
 10 income tax revenues derived from the tax rate imposed under this
 11 section shall be deposited in the county jail revenue fund before
 12 making a certified distribution under section 18 of this chapter.

13 (g) County option income tax revenues derived from the tax rate
 14 imposed under this section:

15 (1) may only be used for the purposes described in this section;
 16 and

17 (2) may not be considered by the department of local government
 18 finance in determining the county's maximum permissible
 19 property tax levy limit under IC 6-1.1-18.5.

20 (h) The department of local government finance shall enforce an
 21 agreement under subsection (d)(2).

22 (i) The budget agency shall adjust the certified distribution of a
 23 county to provide for an increased distribution of taxes in the
 24 immediately following calendar year after the county adopts an
 25 increased tax rate under this section and in each calendar year
 26 thereafter. The budget agency shall provide for a full transition to
 27 certification of distributions as provided in section 17(a)(1) through
 28 17(a)(2) of this chapter in the manner provided in section 17(c) of this
 29 chapter.

30 (j) The department shall separately designate a tax rate imposed
 31 under this section in any tax form as the Howard County jail operating
 32 and maintenance income tax.

33 SECTION 66. IC 6-3.5-6-29, AS AMENDED BY P.L.77-2011,
 34 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2012]: Sec. 29. (a) This section applies only to Scott County.
 36 Scott County is a county in which:

37 (1) maintaining low property tax rates is essential to economic
 38 development; and

39 (2) the use of additional county option income tax revenues as
 40 provided in this section, rather than the use of property taxes, to
 41 fund:

42 (A) the financing, construction, acquisition, improvement,

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- 1 renovation, equipping, operation, or maintenance of jail
 2 facilities; and
 3 (B) the repayment of bonds issued or leases entered into for
 4 the purposes described in clause (A), except operation or
 5 maintenance;
 6 promotes the purpose of maintaining low property tax rates.
- 7 (b) The county fiscal body may impose the county option income tax
 8 on the adjusted gross income of resident county taxpayers at a rate, in
 9 addition to the rates permitted by sections 8 and 9 of this chapter, not
 10 to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this
 11 chapter applies to the application of the additional rate to nonresident
 12 taxpayers.
- 13 (c) To impose the county option income tax as provided in this
 14 section, the county fiscal body must adopt an ordinance finding and
 15 determining that additional revenues from the county option income tax
 16 are needed in the county to fund:
- 17 (1) the financing, construction, acquisition, improvement,
 18 renovation, equipping, operation, or maintenance of jail facilities;
 19 and
 20 (2) the repayment of bonds issued or leases entered into for the
 21 purposes described in subdivision (1), except operation or
 22 maintenance.
- 23 (d) If the county fiscal body makes a determination under subsection
 24 (c), the county fiscal body may adopt an additional tax rate under
 25 subsection (b). Subject to the limitations in subsection (b), the county
 26 fiscal body may amend an ordinance adopted under this section to
 27 increase, decrease, or rescind the additional tax rate imposed under this
 28 section. ~~As soon as practicable after the adoption of an ordinance under~~
 29 ~~this section, Not more than ten (10) days after the vote,~~ the county
 30 fiscal body shall send a certified copy of the ordinance to the county
 31 auditor, **the commissioner of the department, the director of the**
 32 **budget agency, and the commissioner of the department of local**
 33 **government finance and the department. by certified mail or in an**
 34 **electronic format approved by the director of the budget agency.**
- 35 (e) If the county imposes an additional tax rate under this section,
 36 the county treasurer shall establish a county jail revenue fund to be
 37 used only for the purposes described in this section. County option
 38 income tax revenues derived from the tax rate imposed under this
 39 section shall be deposited in the county jail revenue fund before
 40 making a certified distribution under section 18 of this chapter.
- 41 (f) County option income tax revenues derived from an additional
 42 tax rate imposed under this section:

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- 1 (1) may be used only for the purposes described in this section;
- 2 (2) may not be considered by the department of local government
- 3 finance in determining the county's maximum permissible
- 4 property tax levy limit under IC 6-1.1-18.5; and
- 5 (3) may be pledged for the repayment of bonds issued or leases
- 6 entered into to fund the purposes described in subsection (c)(1),
- 7 except operation or maintenance.

8 (g) If the county imposes an additional tax rate under this section,
 9 the budget agency shall adjust the certified distribution of the county
 10 to provide for an increased distribution of taxes in the immediately
 11 following calendar year after the county adopts the increased tax rate
 12 and in each calendar year thereafter. The budget agency shall provide
 13 for a full transition to certification of distributions as provided in
 14 section 17(a)(1) through 17(a)(2) of this chapter in the manner
 15 provided in section 17(c) of this chapter.

16 SECTION 67. IC 6-3.5-6-30, AS AMENDED BY P.L.172-2011,
 17 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2012]: Sec. 30. (a) In a county in which the county option
 19 income tax is in effect, the county income tax council may adopt an
 20 ordinance to impose or increase (as applicable) a tax rate under this
 21 section.

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

26 (c) If a county income tax council adopts an ordinance to impose or
 27 increase a tax rate under this section, **not more than ten (10) days**
 28 **after the vote**, the county auditor shall send a certified copy of the
 29 ordinance to the **commissioner of the** department, **the director of the**
 30 **budget agency**, and the **commissioner of the** department of local
 31 government finance by certified mail **or in an electronic format**
 32 **approved by the director of the budget agency.**

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

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

- 38 (1) The county income tax council shall, in the ordinance
- 39 imposing the tax rate, specify the tax rate for each of the
- 40 following two (2) years.
- 41 (2) The tax rate that must be imposed in the county in the first
- 42 year is equal to the result of:

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

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- 1 (1) the quotient of:
 2 (A) the part of the amount determined under STEP ONE of
 3 IC 6-3.5-1.5-1(a) in the preceding year that was attributable
 4 to the civil taxing unit; divided by
 5 (B) the STEP ONE amount; multiplied by
 6 (2) the tax revenue received by the county treasurer under this
 7 section.
 8 STEP THREE: For distributions in 2009 and thereafter, the result
 9 of this STEP is zero (0). For distribution to the county for deposit
 10 in the county family and children's fund before 2009, determine
 11 the result of:
 12 (1) the quotient of:
 13 (A) the amount determined under STEP TWO of
 14 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 15 (B) the STEP ONE amount; multiplied by
 16 (2) the tax revenue received by the county treasurer under this
 17 section.
 18 STEP FOUR: For distributions in 2009 and thereafter, the result
 19 of this STEP is zero (0). For distribution to the county for deposit
 20 in the county children's psychiatric residential treatment services
 21 fund before 2009, determine the result of:
 22 (1) the quotient of:
 23 (A) the amount determined under STEP THREE of
 24 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 25 (B) the STEP ONE amount; multiplied by
 26 (2) the tax revenue received by the county treasurer under this
 27 section.
 28 STEP FIVE: For distribution to the county for community mental
 29 health center purposes, determine the result of:
 30 (1) the quotient of:
 31 (A) the amount determined under STEP FOUR of
 32 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 33 (B) the STEP ONE amount; multiplied by
 34 (2) the tax revenue received by the county treasurer under this
 35 section.
 36 Except as provided in subsection (m), the county treasurer shall
 37 distribute the portion of the certified distribution that is attributable to
 38 a tax rate under this section as specified in this section. The county
 39 treasurer shall make the distributions under this subsection at the same
 40 time that distributions are made to civil taxing units under section 18
 41 of this chapter.
 42 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county



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1 income tax council may not decrease or rescind a tax rate imposed
2 under this section.

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

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

8 (2) the maximum permissible property tax levy under
9 IC 6-1.1-18.5-3.

10 (j) The tax levy under this section shall not be considered for
11 purposes of the credit under IC 6-1.1-20.6.

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

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

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

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

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

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

31 (o) A county stabilization fund is established in each county that
32 imposes a tax rate under this section. The county stabilization fund
33 shall be administered by the county auditor. If for a year the certified
34 distributions attributable to a tax rate under this section exceed the
35 amount calculated under STEP ONE through STEP FOUR of
36 IC 6-3.5-1.5-1(a) that is used by the department of local government
37 finance and the department of state revenue to determine the tax rate
38 under this section, the excess shall be deposited in the county
39 stabilization fund. Money shall be distributed from the county
40 stabilization fund in a year by the county auditor to political
41 subdivisions entitled to a distribution of tax revenue attributable to the
42 tax rate under this section if:



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

7 (2) the certified distributions attributable to a tax rate under this
8 section in a year are less than the certified distributions
9 attributable to a tax rate under this section in the preceding year.

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

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

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

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

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

24 SECTION 68. IC 6-3.5-6-31, AS AMENDED BY P.L.172-2011,
25 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2012]: Sec. 31. (a) As used in this section, "public safety"
27 refers to the following:

28 (1) A police and law enforcement system to preserve public peace
29 and order.

30 (2) A firefighting and fire prevention system.

31 (3) Emergency ambulance services (as defined in
32 IC 16-18-2-107).

33 (4) Emergency medical services (as defined in IC 16-18-2-110).

34 (5) Emergency action (as defined in IC 13-11-2-65).

35 (6) A probation department of a court.

36 (7) Confinement, supervision, services under a community
37 corrections program (as defined in IC 35-38-2.6-2), or other
38 correctional services for a person who has been:

39 (A) diverted before a final hearing or trial under an agreement
40 that is between the county prosecuting attorney and the person
41 or the person's custodian, guardian, or parent and that provides
42 for confinement, supervision, community corrections services,

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- 1 or other correctional services instead of a final action
 2 described in clause (B) or (C);
 3 (B) convicted of a crime; or
 4 (C) adjudicated as a delinquent child or a child in need of
 5 services.
 6 (8) A juvenile detention facility under IC 31-31-8.
 7 (9) A juvenile detention center under IC 31-31-9.
 8 (10) A county jail.
 9 (11) A communications system (as defined in IC 36-8-15-3) or an
 10 enhanced emergency telephone system (as defined in
 11 IC 36-8-16-2).
 12 (12) Medical and health expenses for jail inmates and other
 13 confined persons.
 14 (13) Pension payments for any of the following:
 15 (A) A member of the fire department (as defined in
 16 IC 36-8-1-8) or any other employee of a fire department.
 17 (B) A member of the police department (as defined in
 18 IC 36-8-1-9), a police chief hired under a waiver under
 19 IC 36-8-4-6.5, or any other employee hired by a police
 20 department.
 21 (C) A county sheriff or any other member of the office of the
 22 county sheriff.
 23 (D) Other personnel employed to provide a service described
 24 in this section.
 25 (b) The county income tax council may adopt an ordinance to
 26 impose an additional tax rate under this section to provide funding for
 27 public safety if:
 28 (1) the county income tax council has imposed a tax rate under
 29 section 30 of this chapter, in the case of a county containing a
 30 consolidated city; or
 31 (2) the county income tax council has imposed a tax rate of at
 32 least twenty-five hundredths of one percent (0.25%) under section
 33 30 of this chapter, a tax rate of at least twenty-five hundredths of
 34 one percent (0.25%) under section 32 of this chapter, or a total
 35 combined tax rate of at least twenty-five hundredths of one
 36 percent (0.25%) under sections 30 and 32 of this chapter, in the
 37 case of a county other than a county containing a consolidated
 38 city.
 39 (c) A tax rate under this section may not exceed the following:
 40 (1) Five-tenths of one percent (0.5%), in the case of a county
 41 containing a consolidated city.
 42 (2) Twenty-five hundredths of one percent (0.25%), in the case of

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1 a county other than a county containing a consolidated city.

2 (d) If a county income tax council adopts an ordinance to impose a
3 tax rate under this section, **not more than ten (10) days after the vote**,
4 the county auditor shall send a certified copy of the ordinance to the
5 **commissioner of the department, the director of the budget agency**,
6 and the **commissioner of the department of local government finance**
7 by certified mail **or in an electronic format approved by the director**
8 **of the budget agency**.

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

12 (f) Except as provided in subsections (l) and (m), the county auditor
13 shall distribute the portion of the certified distribution that is
14 attributable to a tax rate under this section to the county and to each
15 municipality in the county that is carrying out or providing at least one
16 (1) of the public safety purposes described in subsection (a). The
17 amount that shall be distributed to the county or municipality is equal
18 to the result of:

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

21 (2) a fraction equal to:

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

24 (B) the sum of the total property taxes being collected in the
25 county by the county and each municipality in the county that
26 is entitled to a distribution under this section for the calendar
27 year.

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

35 (g) The department of local government finance may not require a
36 county or municipality receiving tax revenue under this section to
37 reduce the county's or municipality's property tax levy for a particular
38 year on account of the county's or municipality's receipt of the tax
39 revenue.

40 (h) The tax rate under this section and the tax revenue attributable
41 to the tax rate under this section shall not be considered for purposes
42 of computing:

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1 (1) the maximum income tax rate that may be imposed in a county
2 under section 8 or 9 of this chapter or any other provision of this
3 chapter;
4 (2) the maximum permissible property tax levy under
5 IC 6-1.1-18.5-3; or
6 (3) the credit under IC 6-1.1-20.6.
7 (i) The tax rate under this section may be imposed or rescinded at
8 the same time and in the same manner that the county may impose or
9 increase a tax rate under section 30 of this chapter.
10 (j) The department of local government finance and the department
11 of state revenue may take any actions necessary to carry out the
12 purposes of this section.
13 (k) Notwithstanding any other provision, in Lake County the county
14 council (and not the county income tax council) is the entity authorized
15 to take actions concerning the additional tax rate under this section.
16 (l) Two (2) or more political subdivisions that are entitled to receive
17 a distribution under this section may adopt resolutions providing that
18 some part or all of those distributions shall instead be paid to one (1)
19 political subdivision in the county to carry out specific public safety
20 purposes specified in the resolutions.
21 (m) A fire department, volunteer fire department, or emergency
22 medical services provider that:
23 (1) provides fire protection or emergency medical services within
24 the county; and
25 (2) is operated by or serves a political subdivision that is not
26 otherwise entitled to receive a distribution of tax revenue under
27 this section;
28 may before July 1 of a year apply to the county income tax council for
29 a distribution of tax revenue under this section during the following
30 calendar year. The county income tax council shall review an
31 application submitted under this subsection and may before September
32 1 of a year adopt a resolution requiring that one (1) or more of the
33 applicants shall receive a specified amount of the tax revenue to be
34 distributed under this section during the following calendar year. A
35 resolution approved under this subsection providing for a distribution
36 to one (1) or more fire departments, volunteer fire departments, or
37 emergency services providers applies only to distributions in the
38 following calendar year. Any amount of tax revenue distributed under
39 this subsection to a fire department, volunteer fire department, or
40 emergency medical services provider shall be distributed before the
41 remainder of the tax revenue is distributed under subsection (f).

42 SECTION 69. IC 6-3.5-6-32, AS AMENDED BY P.L.172-2011,



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1 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2012]: Sec. 32. (a) A county income tax council may impose
3 a tax rate under this section to provide property tax relief to taxpayers
4 in the county. A county income tax council is not required to impose
5 any other tax before imposing a tax rate under this section.

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

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

13 (d) If a county income tax council adopts an ordinance to impose or
14 increase a tax rate under this section, **not more than ten (10) days**
15 **after the vote**, the county auditor shall send a certified copy of the
16 ordinance to the **commissioner of the department, the director of the**
17 **budget agency, and the commissioner of the department of local**
18 **government finance by certified mail or in an electronic format**
19 **approved by the director of the budget agency.**

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

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

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

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

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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 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

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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:

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

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

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

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

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

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

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1 (2) the maximum permissible property tax levy under
 2 IC 6-1.1-18.5-3; or
 3 (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 county
 9 auditor determines that there is income tax revenue remaining from the
 10 tax under this section after providing the property tax replacement, the
 11 excess shall be credited to a dedicated county account and may be used
 12 only for property tax replacement under this section in subsequent
 13 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) Notwithstanding any other provision, in Lake County the county
 18 council (and not the county income tax council) is the entity authorized
 19 to take actions concerning the tax rate under this section.
 20 SECTION 70. IC 6-3.5-6-33, AS AMENDED BY P.L.77-2011,
 21 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2012]: Sec. 33. (a) This section applies only to Monroe
 23 County.
 24 (b) Maintaining low property tax rates is essential to economic
 25 development, and the use of county option income tax revenues as
 26 provided in this chapter and as needed in the county to fund the
 27 operation and maintenance of a juvenile detention center and other
 28 facilities to provide juvenile services, rather than the use of property
 29 taxes, promotes that purpose.
 30 (c) In addition to the rates permitted by sections 8 and 9 of this
 31 chapter, the county fiscal body may impose an additional county option
 32 income tax at a rate of not more than twenty-five hundredths percent
 33 (0.25%) on the adjusted gross income of resident county taxpayers if
 34 the county fiscal body makes the finding and determination set forth in
 35 subsection (d). Section 8(e) of this chapter applies to the application of
 36 the additional rate to nonresident taxpayers.
 37 (d) In order to impose the county option income tax as provided in
 38 this section, the county fiscal body must adopt an ordinance:
 39 (1) finding and determining that revenues from the county option
 40 income tax are needed in the county to fund the operation and
 41 maintenance of a juvenile detention center and other facilities
 42 necessary to provide juvenile services; and

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1 (2) agreeing to freeze for the term in which an ordinance is in
2 effect under this section the part of any property tax levy imposed
3 in the county for the operation of the juvenile detention center and
4 other facilities covered by the ordinance at the rate imposed in the
5 year preceding the year in which a full year of additional county
6 option income tax is certified for distribution to the county under
7 this section.

8 (e) If the county fiscal body makes a determination under subsection
9 (d), the county fiscal body may adopt a tax rate under subsection (c).
10 Subject to the limitations in subsection (c), the county fiscal body may
11 amend an ordinance adopted under this section to increase, decrease,
12 or rescind the additional tax rate imposed under this section. ~~As soon~~
13 ~~as practicable after the adoption of an ordinance under this section,~~ **Not**
14 **more than ten (10) days after the vote,** the county fiscal body shall
15 send a certified copy of the ordinance to the county auditor, **the**
16 **commissioner of the department, the director of the budget agency,**
17 **and the commissioner of the department of local government finance**
18 **and the department of state revenue: by certified mail or in an**
19 **electronic format approved by the director of the budget agency.**

20 (f) The county treasurer shall establish a county juvenile detention
21 center revenue fund to be used only for the purposes described in this
22 section. County option income tax revenues derived from the tax rate
23 imposed under this section shall be deposited in the county juvenile
24 detention center revenue fund before a certified distribution is made
25 under section 18 of this chapter.

26 (g) County option income tax revenues derived from the tax rate
27 imposed under this section:

28 (1) may be used only for the purposes described in this section;
29 and

30 (2) may not be considered by the department of local government
31 finance in determining the county's maximum permissible
32 property tax levy limit under IC 6-1.1-18.5.

33 (h) The department of local government finance shall enforce an
34 agreement made under subsection (d)(2).

35 (i) The budget agency shall adjust the certified distribution of a
36 county to provide for an increased distribution of taxes in the
37 immediately following calendar year after the county adopts an
38 increased tax rate under this section and in each calendar year
39 thereafter. The budget agency shall provide for a full transition to
40 certification of distributions as provided in section 17(a)(1) through
41 17(a)(2) of this chapter in the manner provided in section 17(c) of this
42 chapter.

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1 SECTION 71. IC 6-3.5-7-1 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) Except as
 3 otherwise provided in this section, as used in this chapter, "adjusted
 4 gross income" has the meaning set forth in IC 6-3-1-3.5(a).

5 (b) In the case of a county taxpayer who is not a resident of a county
 6 that has imposed the county economic development income tax, the
 7 term "adjusted gross income" includes only adjusted gross income
 8 derived from the taxpayer's principal place of business or employment.

9 (c) In the case of a county taxpayer who is a resident of a **Perry**
 10 **County, having a population of more than eighteen thousand three**
 11 **hundred (18,300) but less than nineteen thousand three hundred**
 12 **(19,300);** the term "adjusted gross income" does not include adjusted
 13 gross income that is:

14 (1) earned in a county that is:

15 (A) located in another state; and

16 (B) adjacent to the county in which the taxpayer resides; and

17 (2) subject to an income tax imposed by a county, city, town, or
 18 other local governmental entity in the other state.

19 SECTION 72. IC 6-3.5-7-1.5 IS REPEALED [EFFECTIVE JULY
 20 1, 2012]. Sec. 1.5: As used in this chapter, "capital project" includes
 21 substance removal or remedial action in a designated unit.

22 SECTION 73. IC 6-3.5-7-4.3 IS REPEALED [EFFECTIVE JULY
 23 1, 2012]. Sec. 4.3: As used in this chapter, "designated unit" refers to
 24 a county having a population of more than one hundred forty-eight
 25 thousand (148,000) but less than one hundred seventy thousand
 26 (170,000):

27 SECTION 74. IC 6-3.5-7-4.6 IS REPEALED [EFFECTIVE JULY
 28 1, 2012]. Sec. 4.6: As used in this chapter, "remedial action" has the
 29 meaning set forth in IC 13-11-2-185.

30 SECTION 75. IC 6-3.5-7-4.7 IS REPEALED [EFFECTIVE JULY
 31 1, 2012]. Sec. 4.7: As used in this chapter, "removal" has the meaning
 32 set forth in IC 13-11-2-187.

33 SECTION 76. IC 6-3.5-7-4.8 IS REPEALED [EFFECTIVE JULY
 34 1, 2012]. Sec. 4.8: As used in this chapter, "substance" has the meaning
 35 set forth in IC 13-11-2-98 for "hazardous substance".

36 SECTION 77. IC 6-3.5-7-5, AS AMENDED BY P.L.199-2011,
 37 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2012]: Sec. 5. (a) Except as provided in subsection (c), the
 39 county economic development income tax may be imposed on the
 40 adjusted gross income of county taxpayers. The entity that may impose
 41 the tax is:

42 (1) the county income tax council (as defined in IC 6-3.5-6-1) if

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- 1 the county option income tax is in effect on ~~March 31~~ **October 1**
- 2 of the year the county economic development income tax is
- 3 imposed;
- 4 (2) the county council if the county adjusted gross income tax is
- 5 in effect on ~~March 31~~ **October 1** of the year the county economic
- 6 development tax is imposed; or
- 7 (3) the county income tax council or the county council,
- 8 whichever acts first, for a county not covered by subdivision (1)
- 9 or (2).

10 To impose the county economic development income tax, a county
 11 income tax council shall use the procedures set forth in IC 6-3.5-6
 12 concerning the imposition of the county option income tax.

13 (b) Except as provided in ~~subsections (c) (g), (k), (p), and (r)~~ **this**
 14 **section** and section 28 of this chapter, the county economic
 15 development income tax may be imposed at a rate of:

- 16 (1) one-tenth percent (0.1%);
- 17 (2) two-tenths percent (0.2%);
- 18 (3) twenty-five hundredths percent (0.25%);
- 19 (4) three-tenths percent (0.3%);
- 20 (5) thirty-five hundredths percent (0.35%);
- 21 (6) four-tenths percent (0.4%);
- 22 (7) forty-five hundredths percent (0.45%); or
- 23 (8) five-tenths percent (0.5%);

24 on the adjusted gross income of county taxpayers.

25 (c) Except as provided in ~~subsection (h), (i), (j), (k), (l), (m), (n), (o),~~
 26 ~~(p), (s), (v), (w), (x), or (y),~~ **this section**, the county economic
 27 development income tax rate plus the county adjusted gross income tax
 28 rate, if any, that are in effect on January 1 of a year may not exceed one
 29 and twenty-five hundredths percent (1.25%). Except as provided in
 30 ~~subsection (g), (p), (r), (t), (u), (w), (x), or (y),~~ **this section**, the county
 31 economic development tax rate plus the county option income tax rate,
 32 if any, that are in effect on January 1 of a year may not exceed one
 33 percent (1%).

34 (d) To impose, increase, decrease, or rescind the county economic
 35 development income tax, the appropriate body must adopt an
 36 ordinance.

37 (e) The ordinance to impose the tax must substantially state the
 38 following:

39 "The _____ County _____ imposes the county economic
 40 development income tax on the county taxpayers of _____
 41 County. The county economic development income tax is imposed at
 42 a rate of _____ percent (____%) on the county taxpayers of the

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1 county."

2 (f) The auditor of a county shall record all votes taken on ordinances
3 presented for a vote under the authority of this chapter and shall, not
4 more than ten (10) days after the vote, send a certified copy of the
5 results to the commissioner of the department, **the director of the**
6 **budget agency, and the commissioner of the department of local**
7 **government finance** by certified mail **or in an electronic format**
8 **approved by the director of the budget agency.**

9 (g) This subsection applies to a county having a population of more
10 than one hundred forty-eight thousand (148,000) but less than one
11 hundred seventy thousand (170,000). Except as provided in subsection
12 (p); in addition to the rates permitted by subsection (b); the:

13 (1) county economic development income tax may be imposed at
14 a rate of:

15 (A) fifteen-hundredths percent (0.15%);

16 (B) two-tenths percent (0.2%); or

17 (C) twenty-five hundredths percent (0.25%); and

18 (2) county economic development income tax rate plus the county
19 option income tax rate that are in effect on January 1 of a year
20 may equal up to one and twenty-five hundredths percent (1.25%);
21 if the county income tax council makes a determination to impose rates
22 under this subsection and section 22 of this chapter.

23 (h) (g) For a **Jackson** County, having a population of more than
24 forty-one thousand (41,000) but less than forty-three thousand
25 (43,000); except as provided in subsection (p); (o), the county
26 economic development income tax rate plus the county adjusted gross
27 income tax rate that are in effect on January 1 of a year may not exceed
28 one and thirty-five hundredths percent (1.35%) if the county has
29 imposed the county adjusted gross income tax at a rate of one and
30 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

31 (i) (h) For a **Pulaski** County, having a population of more than
32 thirteen thousand five hundred (13,500) but less than fourteen thousand
33 (14,000); except as provided in subsection (p); (o), the county
34 economic development income tax rate plus the county adjusted gross
35 income tax rate that are in effect on January 1 of a year may not exceed
36 one and fifty-five hundredths percent (1.55%).

37 (j) (i) For a **Wayne** County, having a population of more than
38 seventy-one thousand (71,000) but less than seventy-one thousand four
39 hundred (71,400); except as provided in subsection (p); (o), the county
40 economic development income tax rate plus the county adjusted gross
41 income tax rate that are in effect on January 1 of a year may not exceed
42 one and five-tenths percent (1.5%).



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1 ~~(k)~~ (j) This subsection applies to a **Randolph** County, having a
2 population of more than twenty-seven thousand four hundred (27,400)
3 but less than twenty-seven thousand five hundred (27,500). Except as
4 provided in subsection ~~(p)~~; ~~(o)~~, in addition to the rates permitted under
5 subsection (b):

6 (1) the county economic development income tax may be imposed
7 at a rate of twenty-five hundredths percent (0.25%); and

8 (2) the sum of the county economic development income tax rate
9 and the county adjusted gross income tax rate that are in effect on
10 January 1 of a year may not exceed one and five-tenths percent
11 (1.5%);

12 if the county council makes a determination to impose rates under this
13 subsection and section 22.5 of this chapter.

14 ~~(h)~~ (k) For a **Daviess** County, having a population of more than
15 twenty-nine thousand (29,000) but less than thirty thousand (30,000);
16 except as provided in subsection ~~(p)~~; ~~(o)~~, the county economic
17 development income tax rate plus the county adjusted gross income tax
18 rate that are in effect on January 1 of a year may not exceed one and
19 five-tenths percent (1.5%).

20 ~~(m)~~ (l) For:

21 (1) a **Elkhart** County; having a population of more than one
22 hundred eighty-two thousand seven hundred ninety (182,790) but
23 less than two hundred thousand (200,000); or

24 (2) a **Marshall** County; having a population of more than
25 forty-five thousand (45,000) but less than forty-five thousand nine
26 hundred (45,900);

27 except as provided in subsection ~~(p)~~; ~~(o)~~, the county economic
28 development income tax rate plus the county adjusted gross income tax
29 rate that are in effect on January 1 of a year may not exceed one and
30 five-tenths percent (1.5%).

31 ~~(n)~~ (m) For a **Union** County, having a population of more than six
32 thousand (6,000) but less than eight thousand (8,000); except as
33 provided in subsection ~~(p)~~; ~~(o)~~, the county economic development
34 income tax rate plus the county adjusted gross income tax rate that are
35 in effect on January 1 of a year may not exceed one and five-tenths
36 percent (1.5%).

37 ~~(o)~~ (n) This subsection applies to a **Knox** County, having a
38 population of more than thirty-nine thousand (39,000) but less than
39 thirty-nine thousand six hundred (39,600). Except as provided in
40 subsection ~~(p)~~; ~~(o)~~, in addition to the rates permitted under subsection
41 (b):

42 (1) the county economic development income tax may be imposed

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1 at a rate of twenty-five hundredths percent (0.25%); and
 2 (2) the sum of the county economic development income tax rate
 3 and:
 4 (A) the county adjusted gross income tax rate that are in effect
 5 on January 1 of a year may not exceed one and five-tenths
 6 percent (1.5%); or
 7 (B) the county option income tax rate that are in effect on
 8 January 1 of a year may not exceed one and twenty-five
 9 hundredths percent (1.25%);
 10 if the county council makes a determination to impose rates under this
 11 subsection and section 24 of this chapter.
 12 ~~(p)~~ (o) In addition:
 13 (1) the county economic development income tax may be imposed
 14 at a rate that exceeds by not more than twenty-five hundredths
 15 percent (0.25%) the maximum rate that would otherwise apply
 16 under this section; and
 17 (2) the:
 18 (A) county economic development income tax; and
 19 (B) county option income tax or county adjusted gross income
 20 tax;
 21 may be imposed at combined rates that exceed by not more than
 22 twenty-five hundredths percent (0.25%) the maximum combined
 23 rates that would otherwise apply under this section.
 24 However, the additional rate imposed under this subsection may not
 25 exceed the amount necessary to mitigate the increased ad valorem
 26 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 **(repealed)**
 27 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or
 28 residential property (as defined in section 26 of this chapter), as
 29 appropriate under the ordinance adopted by the adopting body in the
 30 county, resulting from the deduction of the assessed value of inventory
 31 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the
 32 exclusion in 2008 of inventory from the definition of personal property
 33 in IC 6-1.1-1-11.
 34 ~~(q)~~ (p) If the county economic development income tax is imposed
 35 as authorized under subsection ~~(p)~~ (o) at a rate that exceeds the
 36 maximum rate that would otherwise apply under this section, the
 37 certified distribution must be used for the purpose provided in section
 38 ~~25(e)~~ or 26 of this chapter to the extent that the certified distribution
 39 results from the difference between:
 40 (1) the actual county economic development tax rate; and
 41 (2) the maximum rate that would otherwise apply under this
 42 section.

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1 ~~(p)~~ **(q)** This subsection applies only to a county described in section
2 27 of this chapter. Except as provided in subsection ~~(p)~~; **(o)**, in addition
3 to the rates permitted by subsection (b), the:

4 (1) county economic development income tax may be imposed at
5 a rate of twenty-five hundredths percent (0.25%); and

6 (2) county economic development income tax rate plus the county
7 option income tax rate that are in effect on January 1 of a year
8 may equal up to one and twenty-five hundredths percent (1.25%);
9 if the county council makes a determination to impose rates under this
10 subsection and section 27 of this chapter.

11 ~~(s)~~ **(r)** Except as provided in subsection ~~(p)~~; **(o)**, the county
12 economic development income tax rate plus the county adjusted gross
13 income tax rate that are in effect on January 1 of a year may not exceed
14 one and five-tenths percent (1.5%) if the county has imposed the
15 county adjusted gross income tax under IC 6-3.5-1.1-3.3.

16 ~~(t)~~ **(s)** This subsection applies to Howard County. Except as
17 provided in subsection ~~(p)~~; **(o)**, the sum of the county economic
18 development income tax rate and the county option income tax rate that
19 are in effect on January 1 of a year may not exceed one and twenty-five
20 hundredths percent (1.25%).

21 ~~(u)~~ **(t)** This subsection applies to Scott County. Except as provided
22 in subsection ~~(p)~~; **(o)**, the sum of the county economic development
23 income tax rate and the county option income tax rate that are in effect
24 on January 1 of a year may not exceed one and twenty-five hundredths
25 percent (1.25%).

26 ~~(v)~~ **(u)** This subsection applies to Jasper County. Except as provided
27 in subsection ~~(p)~~; **(o)**, the sum of the county economic development
28 income tax rate and the county adjusted gross income tax rate that are
29 in effect on January 1 of a year may not exceed one and five-tenths
30 percent (1.5%).

31 ~~(w)~~ **(v)** An additional county economic development income tax rate
32 imposed under section 28 of this chapter may not be considered in
33 calculating any limit under this section on the sum of:

34 (1) the county economic development income tax rate plus the
35 county adjusted gross income tax rate; or

36 (2) the county economic development tax rate plus the county
37 option income tax rate.

38 ~~(x)~~ **(w)** The income tax rate limits imposed by subsection (c) or ~~(y)~~
39 **(x)** or any other provision of this chapter do not apply to:

40 (1) a county adjusted gross income tax rate imposed under
41 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or

42 (2) a county option income tax rate imposed under IC 6-3.5-6-30,

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1 IC 6-3.5-6-31, or IC 6-3.5-6-32.
2 For purposes of computing the maximum combined income tax rate
3 under subsection (c) or ~~(y)~~ (x) or any other provision of this chapter
4 that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and
5 this chapter, a county's county adjusted gross income tax rate or county
6 option income tax rate for a particular year does not include the county
7 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,
8 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate
9 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

10 ~~(y)~~ (x) This subsection applies to Monroe County. Except as
11 provided in subsection ~~(p)~~; (o), if an ordinance is adopted under
12 IC 6-3.5-6-33, the sum of the county economic development income
13 tax rate and the county option income tax rate that are in effect on
14 January 1 of a year may not exceed one and twenty-five hundredths
15 percent (1.25%).

16 ~~(z)~~ (y) This subsection applies to Perry County. Except as provided
17 in subsection ~~(p)~~; (o), if an ordinance is adopted under section 27.5 of
18 this chapter, the county economic development income tax rate plus the
19 county option income tax rate that is in effect on January 1 of a year
20 may not exceed one and seventy-five hundredths percent (1.75%).

21 SECTION 78. IC 6-3.5-7-6, AS AMENDED BY P.L.77-2011,
22 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2012]: Sec. 6. (a) The body imposing the tax may decrease or
24 increase the county economic development income tax rate imposed
25 upon the county taxpayers as long as the resulting rate does not exceed
26 the rates specified in section 5(b) and 5(c) or ~~5(g)~~ of this chapter. The
27 rate imposed under this section must be adopted at one (1) of the rates
28 specified in section 5(b) of this chapter. To decrease or increase the
29 rate, the appropriate body must adopt an ordinance. The ordinance
30 must substantially state the following:

31 "The _____ County _____ increases (decreases) the
32 county economic development income tax rate imposed upon the
33 county taxpayers of the county from _____ percent (____%) to
34 _____ percent (____%)."

35 (b) The auditor of a county shall record all votes taken on
36 ordinances presented for a vote under the authority of this section and,
37 **immediately not more than ten (10) days after the vote**, send a
38 certified copy of the results to **the commissioner of the department,**
39 **the director of the budget agency, and the commissioner of the**
40 **department of local government finance** by certified mail or in an
41 **electronic format approved by the director of the budget agency.**

42 SECTION 79. IC 6-3.5-7-7, AS AMENDED BY P.L.77-2011,

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1 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2012]: Sec. 7. (a) The county economic development income
3 tax imposed under this chapter remains in effect until rescinded.

4 (b) Subject to section 14 of this chapter, the body imposing the
5 county economic development income tax may rescind the tax by
6 adopting an ordinance.

7 (c) The auditor of a county shall record all votes taken on
8 ordinances presented for a vote under the authority of this section and,
9 **immediately not more than ten (10) days after the vote**, send a
10 certified copy of the results to **the commissioner of the department,**
11 **the director of the budget agency, and the commissioner of the**
12 **department of local government finance** by certified mail **or in an**
13 **electronic format approved by the director of the budget agency.**

14 SECTION 80. IC 6-3.5-7-11, AS AMENDED BY P.L.229-2011,
15 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2012]: Sec. 11. (a) Revenue derived from the imposition of
17 the county economic development income tax shall, in the manner
18 prescribed by this section, be distributed to the county that imposed it.

19 (b) Before August 2 of each calendar year, the budget agency, shall
20 certify to the county auditor of each adopting county the sum of the
21 amount of county economic development income tax revenue that the
22 budget agency determines has been:

23 (1) received from that county for a taxable year ending before the
24 calendar year in which the determination is made; and

25 (2) reported on an annual return or amended return processed by
26 the department in the state fiscal year ending before July 1 of the
27 calendar year in which the determination is made;

28 as adjusted for refunds of county economic development income tax
29 made in the state fiscal year plus the amount of interest in the county's
30 account that has been accrued and has not been included in a
31 certification made in a preceding year. The amount certified is the
32 county's certified distribution, which shall be distributed on the dates
33 specified in section 16 of this chapter for the following calendar year.

34 (c) The amount certified under subsection (b) shall be adjusted
35 under subsections (d), (e), (f), (g), and (h). The budget agency shall
36 provide the county council with an informative summary of the
37 calculations used to determine the certified distribution. The summary
38 of calculations must include:

39 (1) the amount reported on individual income tax returns
40 processed by the department during the previous fiscal year;

41 (2) adjustments for over distributions in prior years;

42 (3) adjustments for clerical or mathematical errors in prior years;

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- 1 (4) adjustments for tax rate changes; and
- 2 (5) the amount of excess account balances to be distributed under
- 3 IC 6-3.5-7-17.3.
- 4 (d) The budget agency shall certify an amount less than the amount
- 5 determined under subsection (b) if the budget agency determines that
- 6 the reduced distribution is necessary to offset overpayments made in a
- 7 calendar year before the calendar year of the distribution. The budget
- 8 agency may reduce the amount of the certified distribution over several
- 9 calendar years so that any overpayments are offset over several years
- 10 rather than in one (1) lump sum.
- 11 (e) The budget agency shall adjust the certified distribution of a
- 12 county to correct for any clerical or mathematical errors made in any
- 13 previous certification under this section. The budget agency may
- 14 reduce the amount of the certified distribution over several calendar
- 15 years so that any adjustment under this subsection is offset over several
- 16 years rather than in one (1) lump sum.
- 17 (f) The budget agency shall adjust the certified distribution of a
- 18 county to provide the county with the distribution required under
- 19 section 16(b) of this chapter.
- 20 (g) The budget agency shall adjust the certified distribution of a
- 21 county to provide the county with the amount of any tax increase
- 22 imposed under section 25 or 26 of this chapter to provide additional
- 23 homestead credits as provided in those provisions.
- 24 (h) This subsection applies to a county that imposes, increases,
- 25 decreases, or rescinds a tax or tax rate under this chapter before
- 26 November 1 in the same calendar year in which the budget agency
- 27 makes a certification under this section. The budget agency shall adjust
- 28 the certified distribution of a county to provide for a distribution in the
- 29 immediately following calendar year and in each calendar year
- 30 thereafter. The budget agency shall provide for a full transition to
- 31 certification of distributions as provided in subsection (b)(1) through
- 32 (b)(2) in the manner provided in subsection (d). If the county imposes,
- 33 increases, decreases, or rescinds a tax or tax rate under this chapter
- 34 after the date for which a certification under subsection (b) is based, the
- 35 budget agency shall adjust the certified distribution of the county after
- 36 August 1 of the calendar year. The adjustment shall reflect any other
- 37 adjustment authorized under subsections (c), (d), (e), (f), and (g). The
- 38 adjusted certification shall be treated as the county's certified
- 39 distribution for the immediately succeeding calendar year. The budget
- 40 agency shall certify the adjusted certified distribution to the county
- 41 auditor for the county and provide the county council with an
- 42 informative summary of the calculations that revises the informative

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1 summary provided in subsection (c) and reflects the changes made in
2 the adjustment.

3 (i) The budget agency shall before May 1 of every odd-numbered
4 year publish an estimate of the statewide total amount of certified
5 distributions to be made under this chapter during the following two (2)
6 calendar years.

7 (j) The budget agency shall before May 1 of every even-numbered
8 year publish an estimate of the statewide total amount of certified
9 distributions to be made under this chapter during the following
10 calendar year.

11 (k) The estimates under subsections (i) and (j) must specify the
12 amount of the estimated certified distributions that are attributable to
13 any additional rates authorized under this chapter.

14 SECTION 81. IC 6-3.5-7-12, AS AMENDED BY P.L.199-2011,
15 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 12. (a) Except as
17 provided in sections 23, ~~25~~, 26, 27, 27.5, and 28 of this chapter, the
18 county auditor shall distribute in the manner specified in this section
19 the certified distribution to the county.

20 (b) Except as provided in subsections (c) and (h) and ~~sections~~
21 **section 15 and 25** of this chapter, and subject to adjustment as provided
22 in IC 36-8-19-7.5, the amount of the certified distribution that the
23 county and each city or town in a county is entitled to receive ~~during~~
24 **May and November each month** of each year equals the product of the
25 following:

- 26 (1) The amount of the certified distribution for that month;
27 multiplied by
- 28 (2) A fraction. The numerator of the fraction equals the sum of:
 - 29 (A) total property taxes that are first due and payable to the
30 county, city, or town during the calendar year in which the
31 month falls; plus
 - 32 (B) for a county, the welfare allocation amount.

33 The denominator of the fraction equals the sum of the total
34 property taxes that are first due and payable to the county and all
35 cities and towns of the county during the calendar year in which
36 the month falls, plus the welfare allocation amount. The welfare
37 allocation amount is an amount equal to the sum of the property
38 taxes imposed by the county in 1999 for the county's welfare fund
39 and welfare administration fund and, if the county received a
40 certified distribution under this chapter in 2008, the property
41 taxes imposed by the county in 2008 for the county's county
42 medical assistance to wards fund, family and children's fund,

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1 children's psychiatric residential treatment services fund, county
 2 hospital care for the indigent fund, and children with special
 3 health care needs county fund.

4 (c) This subsection applies to a county council or county income tax
 5 council that imposes a tax under this chapter after June 1, 1992. The
 6 body imposing the tax may adopt an ordinance before August 2 of a
 7 year to provide for the distribution of certified distributions under this
 8 subsection instead of a distribution under subsection (b). The following
 9 apply if an ordinance is adopted under this subsection:

10 (1) The ordinance is effective January 1 of the following year.

11 (2) Except as provided in ~~sections 25 and section~~ 26 of this
 12 chapter, the amount of the certified distribution that the county
 13 and each city and town in the county is entitled to receive during
 14 ~~May and November~~ **each month** of each year equals the product
 15 of:

16 (A) the amount of the certified distribution for the month;
 17 multiplied by

18 (B) a fraction. For a city or town, the numerator of the fraction
 19 equals the population of the city or the town. For a county, the
 20 numerator of the fraction equals the population of the part of
 21 the county that is not located in a city or town. The
 22 denominator of the fraction equals the sum of the population
 23 of all cities and towns located in the county and the population
 24 of the part of the county that is not located in a city or town.

25 (3) The ordinance may be made irrevocable for the duration of
 26 specified lease rental or debt service payments.

27 (d) The body imposing the tax may not adopt an ordinance under
 28 subsection (c) if, before the adoption of the proposed ordinance, any of
 29 the following have pledged the county economic development income
 30 tax for any purpose permitted by IC 5-1-14 or any other statute:

31 (1) The county.

32 (2) A city or town in the county.

33 (3) A commission, a board, a department, or an authority that is
 34 authorized by statute to pledge the county economic development
 35 income tax.

36 (e) The department of local government finance shall provide each
 37 county auditor with the fractional amount of the certified distribution
 38 that the county and each city or town in the county is entitled to receive
 39 under this section.

40 (f) Money received by a county, city, or town under this section
 41 shall be deposited in the unit's economic development income tax fund.

42 (g) Except as provided in subsection (b)(2)(B), in determining the

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1 fractional amount of the certified distribution the county and its cities
2 and towns are entitled to receive under subsection (b) during a calendar
3 year, the department of local government finance shall consider only
4 property taxes imposed on tangible property subject to assessment in
5 that county.

6 (h) In a county having a consolidated city, only the consolidated city
7 is entitled to the certified distribution, subject to the requirements of
8 sections 15 ~~25~~, and 26 of this chapter.

9 SECTION 82. IC 6-3.5-7-13.1, AS AMENDED BY P.L.199-2011,
10 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2012]: Sec. 13.1. (a) The fiscal officer of each county, city, or
12 town for a county in which the county economic development tax is
13 imposed shall establish an economic development income tax fund.
14 Except as provided in sections 23, ~~25~~, 26, 27, and 27.5 of this chapter,
15 the revenue received by a county, city, or town under this chapter shall
16 be deposited in the unit's economic development income tax fund.

17 (b) As used in this subsection, "homestead" means a homestead that
18 is eligible for a standard deduction under IC 6-1.1-12-37. Except as
19 provided in sections 15, 23, ~~25~~, 26, 27, and 27.5 of this chapter,
20 revenues from the county economic development income tax may be
21 used as follows:

22 (1) By a county, city, or town for economic development projects,
23 for paying, notwithstanding any other law, under a written
24 agreement all or a part of the interest owed by a private developer
25 or user on a loan extended by a financial institution or other
26 lender to the developer or user if the proceeds of the loan are or
27 are to be used to finance an economic development project, for
28 the retirement of bonds under section 14 of this chapter for
29 economic development projects, for leases under section 21 of
30 this chapter, or for leases or bonds entered into or issued prior to
31 the date the economic development income tax was imposed if the
32 purpose of the lease or bonds would have qualified as a purpose
33 under this chapter at the time the lease was entered into or the
34 bonds were issued.

35 (2) By a county, city, or town for:
36 (A) the construction or acquisition of, or remedial action with
37 respect to, a capital project for which the unit is empowered to
38 issue general obligation bonds or establish a fund under any
39 statute listed in IC 6-1.1-18.5-9.8;
40 (B) the retirement of bonds issued under any provision of
41 Indiana law for a capital project;
42 (C) the payment of lease rentals under any statute for a capital

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- 1 project;
- 2 (D) contract payments to a nonprofit corporation whose
- 3 primary corporate purpose is to assist government in planning
- 4 and implementing economic development projects;
- 5 (E) operating expenses of a governmental entity that plans or
- 6 implements economic development projects;
- 7 (F) to the extent not otherwise allowed under this chapter,
- 8 funding substance removal or remedial action in a designated
- 9 unit; or
- 10 (G) funding of a revolving fund established under
- 11 IC 5-1-14-14.
- 12 (3) By a county, city, or town for any lawful purpose for which
- 13 money in any of its other funds may be used.
- 14 (4) By a city or county described in IC 36-7.5-2-3(b) for making
- 15 transfers required by IC 36-7.5-4-2. If the county economic
- 16 development income tax rate is increased after April 30, 2005, in
- 17 a **Porter** County, ~~having a population of more than one hundred~~
- 18 ~~forty-five thousand (145,000) but less than one hundred~~
- 19 ~~forty-eight thousand (148,000);~~ the first three million five
- 20 hundred thousand dollars (\$3,500,000) of the tax revenue that
- 21 results each year from the tax rate increase shall be used by the
- 22 county or by eligible municipalities (as defined in
- 23 IC 36-7.5-1-11.3) in the county only to make the county's transfer
- 24 required by IC 36-7.5-4-2. The first three million five hundred
- 25 thousand dollars (\$3,500,000) of the tax revenue that results each
- 26 year from the tax rate increase shall be paid by the county
- 27 treasurer to the treasurer of the northwest Indiana regional
- 28 development authority under IC 36-7.5-4-2 before certified
- 29 distributions are made to the county or any cities or towns in the
- 30 county under this chapter from the tax revenue that results each
- 31 year from the tax rate increase. If a **Porter** County ~~having a~~
- 32 ~~population of more than one hundred forty-five thousand~~
- 33 ~~(145,000) but less than one hundred forty-eight thousand~~
- 34 ~~(148,000)~~ ceases to be a member of the northwest Indiana
- 35 regional development authority under IC 36-7.5 but two (2) or
- 36 more municipalities in the county have become members of the
- 37 northwest Indiana regional development authority as authorized
- 38 by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer
- 39 the three million five hundred thousand dollars (\$3,500,000) to
- 40 the treasurer of the northwest Indiana regional development
- 41 authority under IC 36-7.5-4-2 before certified distributions are
- 42 made to the county or any cities or towns in the county. In a

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1 **Porter** County, ~~having a population of more than one hundred~~
 2 ~~forty-five thousand (145,000) but less than one hundred~~
 3 ~~forty-eight thousand (148,000)~~; all of the tax revenue that results
 4 each year from the tax rate increase that is in excess of the first
 5 three million five hundred thousand dollars (\$3,500,000) that
 6 results each year from the tax rate increase must be used by the
 7 county and cities and towns in the county for homestead credits
 8 under subdivision (5).

9 (5) This subdivision applies only in a **Porter** County. ~~having a~~
 10 ~~population of more than one hundred forty-five thousand~~
 11 ~~(145,000) but less than one hundred forty-eight thousand~~
 12 ~~(148,000)~~. All of the tax revenue that results each year from a tax
 13 rate increase described in subdivision (4) that is in excess of the
 14 first three million five hundred thousand dollars (\$3,500,000) that
 15 results each year from the tax rate increase must be used by the
 16 county and cities and towns in the county for homestead credits
 17 under this subdivision. The following apply to homestead credits
 18 provided under this subdivision:

- 19 (A) The homestead credits must be applied uniformly to
 20 provide a homestead credit for homesteads in the county, city,
 21 or town.
- 22 (B) The homestead credits shall be treated for all purposes as
 23 property tax levies.
- 24 (C) The homestead credits shall be applied to the net property
 25 taxes due on the homestead after the application of all other
 26 assessed value deductions or property tax deductions and
 27 credits that apply to the amount owed under IC 6-1.1.
- 28 (D) The department of local government finance shall
 29 determine the homestead credit percentage for a particular
 30 year based on the amount of county economic development
 31 income tax revenue that will be used under this subdivision to
 32 provide homestead credits in that year.

33 (6) This subdivision applies only in a **Lake** County. ~~having a~~
 34 ~~population of more than four hundred thousand (400,000) but less~~
 35 ~~than seven hundred thousand (700,000)~~. A county or a city or
 36 town in the county may use county economic development
 37 income tax revenue to provide homestead credits in the county,
 38 city, or town. The following apply to homestead credits provided
 39 under this subdivision:

- 40 (A) The county, city, or town fiscal body must adopt an
 41 ordinance authorizing the homestead credits. The ordinance
 42 must specify the amount of county economic development

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income tax revenue that will be used to provide homestead credits in the following year.

(B) A county, city, or town fiscal body that adopts an ordinance under this subdivision must forward a copy of the ordinance to the county auditor and the department of local government finance not more than thirty (30) days after the ordinance is adopted.

(C) The homestead credits must be applied uniformly to increase the homestead credit under IC 6-1.1-20.9 (repealed) for homesteads in the county, city, or town (for property taxes first due and payable before January 1, 2009) or to provide a homestead credit for homesteads in the county, city, or town (for property taxes first due and payable after December 31, 2008).

(D) The homestead credits shall be treated for all purposes as property tax levies.

(E) 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.

(F) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(7) For a regional venture capital fund established under section 13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.

(8) This subdivision applies only to a **LaPorte** County, if:

(A) that has a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); and

(B) in which:

(i) (A) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and

(ii) (B) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the

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1 county economic development income tax rate is increased after
 2 June 30, 2006, in the county, the first three million five hundred
 3 thousand dollars (\$3,500,000) of the tax revenue that results each
 4 year from the tax rate increase shall be used by the county only to
 5 make the county's transfer required by IC 36-7.5-4-2. The first
 6 three million five hundred thousand dollars (\$3,500,000) of the
 7 tax revenue that results each year from the tax rate increase shall
 8 be paid by the county treasurer to the treasurer of the northwest
 9 Indiana regional development authority under IC 36-7.5-4-2
 10 before certified distributions are made to the county or any cities
 11 or towns in the county under this chapter from the tax revenue
 12 that results each year from the tax rate increase. All of the tax
 13 revenue that results each year from the tax rate increase that is in
 14 excess of the first three million five hundred thousand dollars
 15 (\$3,500,000) that results each year from the tax rate increase must
 16 be used by the county and cities and towns in the county for
 17 homestead credits under subdivision (9).

18 (9) This subdivision applies only to a county described in
 19 subdivision (8). All of the tax revenue that results each year from
 20 a tax rate increase described in subdivision (8) that is in excess of
 21 the first three million five hundred thousand dollars (\$3,500,000)
 22 that results each year from the tax rate increase must be used by
 23 the county and cities and towns in the county for homestead
 24 credits under this subdivision. The following apply to homestead
 25 credits provided under this subdivision:

26 (A) The homestead credits must be applied uniformly to
 27 provide a homestead credit for homesteads in the county, city,
 28 or town.

29 (B) The homestead credits shall be treated for all purposes as
 30 property tax levies.

31 (C) The homestead credits shall be applied to the net property
 32 taxes due on the homestead after the application of all other
 33 assessed value deductions or property tax deductions and
 34 credits that apply to the amount owed under IC 6-1.1.

35 (D) The department of local government finance shall
 36 determine the homestead credit percentage for a particular
 37 year based on the amount of county economic development
 38 income tax revenue that will be used under this subdivision to
 39 provide homestead credits in that year.

40 (c) As used in this section, an economic development project is any
 41 project that:

42 (1) the county, city, or town determines will:

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- 1 (A) promote significant opportunities for the gainful
- 2 employment of its citizens;
- 3 (B) attract a major new business enterprise to the unit; or
- 4 (C) retain or expand a significant business enterprise within
- 5 the unit; and
- 6 (2) involves an expenditure for:
 - 7 (A) the acquisition of land;
 - 8 (B) interests in land;
 - 9 (C) site improvements;
 - 10 (D) infrastructure improvements;
 - 11 (E) buildings;
 - 12 (F) structures;
 - 13 (G) rehabilitation, renovation, and enlargement of buildings
 - 14 and structures;
 - 15 (H) machinery;
 - 16 (I) equipment;
 - 17 (J) furnishings;
 - 18 (K) facilities;
 - 19 (L) administrative expenses associated with such a project,
 - 20 including contract payments authorized under subsection
 - 21 (b)(2)(D);
 - 22 (M) operating expenses authorized under subsection (b)(2)(E);
 - 23 or
 - 24 (N) to the extent not otherwise allowed under this chapter,
 - 25 substance removal or remedial action in a designated unit;
 - 26 or any combination of these.

27 (d) If there are bonds outstanding that have been issued under
 28 section 14 of this chapter or leases in effect under section 21 of this
 29 chapter, a county, city, or town may not expend money from its
 30 economic development income tax fund for a purpose authorized under
 31 subsection (b)(3) in a manner that would adversely affect owners of the
 32 outstanding bonds or payment of any lease rentals due.

33 SECTION 83. IC 6-3.5-7-15 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 15. (a) The executive
 35 of a county, city, or town may, subject to the use of the certified
 36 distribution permitted under ~~sections 25 and section~~ **section** 26 of this chapter:

- 37 (1) adopt a capital improvement plan specifying the uses of the
- 38 revenues to be received under this chapter; or
- 39 (2) designate the county or a city or town in the county as the
- 40 recipient of all or a part of its share of the distribution.

41 (b) If a designation is made under subsection (a)(2), the county
 42 treasurer shall transfer the share or part of the share to the designated

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1 unit unless that unit does not have a capital improvement plan.

2 (c) A county, city, or town that fails to adopt a capital improvement
3 plan may not receive:

4 (1) its fractional amount of the certified distribution; or

5 (2) any amount designated under subsection (a)(2);

6 for the year or years in which the unit does not have a plan. The county
7 treasurer shall retain the certified distribution and any designated
8 distribution for such a unit in a separate account until the unit adopts
9 a plan. Interest on the separate account becomes part of the account. If
10 a unit fails to adopt a plan for a period of three (3) years, then the
11 balance in the separate account shall be distributed to the other units in
12 the county based on property taxes first due and payable to the units
13 during the calendar year in which the three (3) year period expires.

14 (d) A capital improvement plan must include the following
15 components:

16 (1) Identification and general description of each project that
17 would be funded by the county economic development income
18 tax.

19 (2) The estimated total cost of the project.

20 (3) Identification of all sources of funds expected to be used for
21 each project.

22 (4) The planning, development, and construction schedule of each
23 project.

24 (e) A capital improvement plan:

25 (1) must encompass a period of no less than two (2) years; and

26 (2) must incorporate projects the cost of which is at least
27 seventy-five percent (75%) of the fractional amount certified
28 distribution expected to be received by the county, city, or town
29 in that period of time.

30 (f) In making a designation under subsection (a)(2), the executive
31 must specify the purpose and duration of the designation. If the
32 designation is made to provide for the payment of lease rentals or bond
33 payments, the executive may specify that the designation and its
34 duration are irrevocable.

35 SECTION 84. IC 6-3.5-7-16, AS AMENDED BY P.L.77-2011,
36 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 16. (a) ~~Except as~~
38 ~~provided in subsections (b) and (c), on May 1 of each year, one-half~~
39 ~~(1/2) One-twelfth (1/12)~~ of each county's certified distribution for a
40 calendar year shall be distributed from its account established under
41 section 10 of this chapter to the **appropriate** county treasurer ~~The other~~
42 ~~one-half (1/2) shall be distributed on November 1 the first regular~~

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1 **business day of each month** of that calendar year.

2 (b) This subsection applies to a county having a population of more

3 than one hundred forty-five thousand (145,000) but less than one

4 hundred forty-eight thousand (148,000), if the ordinance imposing the

5 tax is adopted before July 1 of a year. Notwithstanding section 11 of

6 this chapter, the initial certified distribution certified for a county under

7 section 11 of this chapter shall be distributed to the county treasurer

8 from the account established for the county under section 10 of this

9 chapter according to the following schedule during the eighteen (18)

10 month period beginning on July 1 of the year in which the county

11 initially adopts an ordinance under section 5 of this chapter:

12 (1) One-fourth (1/4) on October 1 of the year in which the

13 ordinance was adopted.

14 (2) One-fourth (1/4) on January 1 of the calendar year following

15 the year in which the ordinance was adopted.

16 (3) One-fourth (1/4) on May 1 of the calendar year following the

17 year in which the ordinance was adopted.

18 (4) One-fourth (1/4) on November 1 of the calendar year

19 following the year in which the ordinance was adopted.

20 The county auditor and county treasurer shall distribute amounts

21 received under this subsection to a county and each city or town in the

22 county in the same proportions as are set forth in section 12 of this

23 chapter. Certified distributions made to the county treasurer for

24 calendar years following the eighteen (18) month period described in

25 this subsection shall be made as provided in subsection (a).

26 (c) Before July 1 of each year, a county's certified distribution for

27 additional homestead credits under section 25 or 26 of this chapter for

28 the year shall be distributed from the county's account established

29 under section 10 of this chapter.

30 (d) (b) All distributions from an account established under section

31 10 of this chapter shall be made by warrants issued by the auditor of

32 state to the treasurer of state ordering the appropriate payments.

33 SECTION 85. IC 6-3.5-7-22 IS REPEALED [EFFECTIVE JULY

34 1, 2012]. See: 22: (a) This section only applies to a designated unit.

35 (b) The county income tax council may, by ordinance, determine

36 that economic development income tax money is needed in the county

37 to fund substance removal and remedial action, including the

38 repayment of bonds or other debt incurred for substance removal or

39 remedial action, and the actions taken to fund substance removal and

40 remedial action serve a public purpose by promoting public health,

41 welfare, and safety.

42 (c) If the county income tax council makes a determination under

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1 subsection (b); the county income tax council may adopt a tax rate
2 under section 5(g) of this chapter. The tax rate may not be imposed at
3 a rate or for a time greater than is necessary to fund substance removal
4 and remedial action in the county; including the repayment of bonds or
5 other debt incurred for substance removal or remedial action.

6 (d) The county treasurer shall establish a substance removal and
7 remedial action fund to be used only for the purposes described in this
8 section. County economic development income tax revenues derived
9 from the tax rate imposed under section 5(g) of this chapter shall be
10 deposited in the substance removal and remedial action fund before
11 making a certified distribution under section 12 of this chapter.

12 (e) The county income tax council may, by ordinance, appropriate
13 or pledge any part of the substance removal and remediation action
14 fund to a political subdivision or to an entity formed by an interlocal
15 cooperation agreement under IC 36-1-7 for the purposes set forth in
16 this chapter in the county.

17 (f) The county auditor shall distribute the amount specified in the
18 ordinance to the designated political subdivision or to an entity formed
19 by an interlocal cooperation agreement under IC 36-1-7 from the
20 substance removal and remedial action fund.

21 (g) Bonds issued by a political subdivision or an entity formed by an
22 interlocal cooperation agreement under IC 36-1-7 payable from the
23 substance removal and remedial action fund do not constitute debt of
24 a designated unit or a city or town in the designated unit; and the bonds
25 shall contain a statement on their face to that effect and to the effect
26 that the bonds are payable solely from money in the substance removal
27 and remedial action fund; and other available funds; and are not
28 supported by the full faith and credit of the county, city, or town.

29 SECTION 86. IC 6-3.5-7-22.5 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 22.5. (a) This section
31 applies to a **Randolph** County. having a population of more than
32 twenty-seven thousand four hundred (27,400) but less than
33 twenty-seven thousand five hundred (27,500).

34 (b) In addition to the rates permitted by section 5 of this chapter, the
35 county council may impose the county economic development income
36 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
37 gross income of county taxpayers if the county council makes the
38 finding and determination set forth in subsection (c).

39 (c) In order to impose the county economic development income tax
40 as provided in this section, the county council must adopt an ordinance
41 finding and determining that revenues from the county economic
42 development income tax are needed to pay the costs of:

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- 1 (1) financing, constructing, acquiring, renovating, and equipping
 2 the county courthouse, and financing and renovating the former
 3 county hospital for additional office space, educational facilities,
 4 nonsecure juvenile facilities, and other county functions,
 5 including the repayment of bonds issued, or leases entered into for
 6 constructing, acquiring, renovating, and equipping the county
 7 courthouse and for renovating the former county hospital for
 8 additional office space, educational facilities, nonsecure juvenile
 9 facilities, and other county functions;
 10 (2) financing constructing, acquiring, renovating, and equipping
 11 buildings for a volunteer fire department (as defined in
 12 IC 36-8-12-2) that provides services in any part of the county; and
 13 (3) financing constructing, acquiring, and renovating firefighting
 14 apparatus or other related equipment for a volunteer fire
 15 department (as defined in IC 36-8-12-2) that provides services in
 16 any part of the county.
- 17 (d) If the county council makes a determination under subsection
 18 (c), the county council may adopt a tax rate under subsection (b). The
 19 tax rate may not be imposed at a rate or for a time greater than is
 20 necessary to pay for the purposes described in this section.
- 21 (e) The county treasurer shall establish a county option tax revenue
 22 fund to be used only for the purposes described in this section. County
 23 economic development income tax revenues derived from the tax rate
 24 imposed under this section shall be deposited in the county option tax
 25 revenue fund before making a certified distribution under section 11 of
 26 this chapter.
- 27 (f) County economic development income tax revenues derived
 28 from the tax rate imposed under this section:
 29 (1) may only be used for the purposes described in this section;
 30 (2) may not be considered by the department of local government
 31 finance in determining the county's maximum permissible
 32 property tax levy limit under IC 6-1.1-18.5; and
 33 (3) may be pledged to the repayment of bonds issued, or leases
 34 entered into, for the purposes described in subsection (c).
- 35 (g) A county described in subsection (a) possesses:
 36 (1) unique fiscal challenges to finance the operations of county
 37 government due to the county's ongoing obligation to repay
 38 amounts received by the county due to an overpayment of the
 39 county's certified distribution under IC 6-3.5-1.1-9 for a prior
 40 year; and
 41 (2) unique capital financing needs related to the purposes
 42 described in subsection (c).

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1 SECTION 87. IC 6-3.5-7-23, AS AMENDED BY P.L.146-2008,
2 SECTION 349, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2012]: Sec. 23. (a) This section applies only to
4 a **Hancock** County. ~~having a population of more than fifty-five~~
5 ~~thousand (55,000) but less than sixty-five thousand (65,000):~~

6 (b) The county council may by ordinance determine that, in order to
7 promote the development of libraries in the county and thereby
8 encourage economic development, it is necessary to use economic
9 development income tax revenue to replace library property taxes in the
10 county. However, a county council may adopt an ordinance under this
11 subsection only if all territory in the county is included in a library
12 district.

13 (c) If the county council makes a determination under subsection
14 (b), the county council may designate the county economic
15 development income tax revenue generated by the tax rate adopted
16 under section 5 of this chapter, or revenue generated by a portion of the
17 tax rate, as revenue that will be used to replace public library property
18 taxes imposed by public libraries in the county. The county council
19 may not designate for library property tax replacement purposes any
20 county economic development income tax revenue that is generated by
21 a tax rate of more than fifteen-hundredths percent (0.15%).

22 (d) The county treasurer shall establish a library property tax
23 replacement fund to be used only for the purposes described in this
24 section. County economic development income tax revenues derived
25 from the portion of the tax rate designated for property tax replacement
26 credits under subsection (c) shall be deposited in the library property
27 tax replacement fund before certified distributions are made under
28 section 12 of this chapter. Any interest earned on money in the library
29 property tax replacement fund shall be credited to the library property
30 tax replacement fund.

31 (e) The amount of county economic development income tax
32 revenue dedicated to providing library property tax replacement credits
33 shall, in the manner prescribed in this section, be allocated to public
34 libraries operating in the county and shall be used by those public
35 libraries as property tax replacement credits. The amount of property
36 tax replacement credits that each public library in the county is entitled
37 to receive during a calendar year under this section equals the lesser of:

- 38 (1) the product of:
 - 39 (A) the amount of revenue deposited by the county auditor in
 - 40 the library property tax replacement fund; multiplied by
 - 41 (B) a fraction described as follows:
 - 42 (i) The numerator of the fraction equals the sum of the total

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1 property taxes that would have been collected by the public
2 library during the previous calendar year from taxpayers
3 located within the library district if the property tax
4 replacement under this section had not been in effect.

5 (ii) The denominator of the fraction equals the sum of the
6 total property taxes that would have been collected during
7 the previous year from taxpayers located within the county
8 by all public libraries that are eligible to receive property tax
9 replacement credits under this section if the property tax
10 replacement under this section had not been in effect; or

11 (2) the total property taxes that would otherwise be collected by
12 the public library for the calendar year if the property tax
13 replacement credit under this section were not in effect.

14 The department of local government finance shall make any
15 adjustments necessary to account for the expansion of a library district.
16 However, a public library is eligible to receive property tax
17 replacement credits under this section only if it has entered into
18 reciprocal borrowing agreements with all other public libraries in the
19 county. If the total amount of county economic development income
20 tax revenue deposited by the county auditor in the library property tax
21 replacement fund for a calendar year exceeds the total property tax
22 liability that would otherwise be imposed for public libraries in the
23 county for the year, the excess shall remain in the library property tax
24 replacement fund and shall be used for library property tax replacement
25 purposes in the following calendar year.

26 (f) Notwithstanding subsection (e), if a public library did not impose
27 a property tax levy during the previous calendar year, that public
28 library is entitled to receive a part of the property tax replacement
29 credits to be distributed for the calendar year. The amount of property
30 tax replacement credits the public library is entitled to receive during
31 the calendar year equals the product of:

32 (1) the amount of revenue deposited in the library property tax
33 replacement fund; multiplied by

34 (2) a fraction. The numerator of the fraction equals the budget of
35 the public library for that calendar year. The denominator of the
36 fraction equals the aggregate budgets of public libraries in the
37 county for that calendar year.

38 If for a calendar year a public library is allocated a part of the property
39 tax replacement credits under this subsection, then the amount of
40 property tax credits distributed to other public libraries in the county
41 for the calendar year shall be reduced by the amount to be distributed
42 as property tax replacement credits under this subsection. The

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1 department of local government finance shall make any adjustments
2 required by this subsection and provide the adjustments to the county
3 auditor.

4 (g) The department of local government finance shall inform the
5 county auditor of the amount of property tax replacement credits that
6 each public library in the county is entitled to receive under this
7 section. The county auditor shall certify to each public library the
8 amount of property tax replacement credits that the public library is
9 entitled to receive during that calendar year. The county auditor shall
10 also certify these amounts to the county treasurer.

11 (h) A public library receiving property tax replacement credits under
12 this section shall allocate the credits among each fund for which a
13 distinct property tax levy is imposed. The amount that must be
14 allocated to each fund equals:

15 (1) the amount of property tax replacement credits provided to the
16 public library under this section; multiplied by

17 (2) the amount determined in STEP THREE of the following
18 formula:

19 STEP ONE: Determine the property taxes that would have
20 been collected for each fund by the public library during the
21 previous calendar year if the property tax replacement under
22 this section had not been in effect.

23 STEP TWO: Determine the sum of the total property taxes that
24 would have been collected for all funds by the public library
25 during the previous calendar year if the property tax
26 replacement under this section had not been in effect.

27 STEP THREE: Divide the STEP ONE amount by the STEP
28 TWO amount.

29 However, if a public library did not impose a property tax levy during
30 the previous calendar year or did not impose a property tax levy for a
31 particular fund during the previous calendar year, but the public library
32 is imposing a property tax levy in the current calendar year or is
33 imposing a property tax levy for the particular fund in the current
34 calendar year, the department of local government finance shall adjust
35 the amount of property tax replacement credits allocated among the
36 various funds of the public library and shall provide the adjustment to
37 the county auditor. If a public library receiving property tax
38 replacement credits under this section does not impose a property tax
39 levy for a particular fund that is first due and payable in a calendar year
40 in which the property tax replacement credits are being distributed, the
41 public library is not required to allocate to that fund a part of the
42 property tax replacement credits to be distributed to the public library.

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1 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives
 2 property tax replacement credits under this section is subject to the
 3 procedures for the issuance of bonds set forth in IC 6-1.1-20.

4 (i) For each public library that receives property tax credits under
 5 this section, the department of local government finance shall certify
 6 to the county auditor the property tax rate applicable to each fund after
 7 the property tax replacement credits are allocated.

8 (j) A public library shall treat property tax replacement credits
 9 received during a particular calendar year under this section as a part
 10 of the public library's property tax levy for each fund for that same
 11 calendar year for purposes of fixing the public library's budget and for
 12 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

13 (k) For the purpose of computing and distributing certified
 14 distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or
 15 IC 6-6-5, the property tax replacement credits that are received under
 16 this section shall be treated as though they were property taxes that
 17 were due and payable during that same calendar year.

18 SECTION 88. IC 6-3.5-7-24 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 24. (a) This section
 20 applies to a **Knox County**, ~~having a population of more than thirty-nine~~
 21 ~~thousand (39,000) but less than thirty-nine thousand six hundred~~
 22 ~~(39,600).~~

23 (b) In addition to the rates permitted by section 5 of this chapter, the
 24 county council may impose the county economic development income
 25 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
 26 gross income of county taxpayers if the county council makes the
 27 finding and determination set forth in subsection (c).

28 (c) In order to impose the county economic development income tax
 29 as provided in this section, the county council must adopt an ordinance
 30 finding and determining that revenues from the county economic
 31 development income tax are needed to pay the costs of financing,
 32 constructing, acquiring, renovating, and equipping a county jail
 33 including the repayment of bonds issued, or leases entered into, for
 34 constructing, acquiring, renovating, and equipping a county jail.

35 (d) If the county council makes a determination under subsection
 36 (c), the county council may adopt a tax rate under subsection (b). The
 37 tax rate may not be imposed at a rate or for a time greater than is
 38 necessary to pay the costs of financing, constructing, acquiring,
 39 renovating, and equipping a county jail.

40 (e) The county treasurer shall establish a county jail revenue fund
 41 to be used only for the purposes described in this section. County
 42 economic development income tax revenues derived from the tax rate

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1 imposed under this section shall be deposited in the county jail revenue
2 fund before making a certified distribution under section 11 of this
3 chapter.

4 (f) County economic development income tax revenues derived
5 from the tax rate imposed under this section:

- 6 (1) may only be used for the purposes described in this section;
- 7 (2) may not be considered by the department of local government
8 finance in determining the county's maximum permissible
9 property tax levy limit under IC 6-1.1-18.5; and
- 10 (3) may be pledged to the repayment of bonds issued, or leases
11 entered into, for the purposes described in subsection (c).

12 SECTION 89. IC 6-3.5-7-25 IS REPEALED [EFFECTIVE JULY
13 1, 2012]. Sec. 25: (a) This section applies only to a county that has
14 adopted an ordinance under IC 6-1.1-12-41(f).

15 (b) For purposes of this section, "imposing entity" means the entity
16 that adopted the ordinance under IC 6-1.1-12-41(f).

17 (c) The imposing entity may adopt an ordinance to provide for the
18 use of the certified distribution described in section 16(c) of this
19 chapter for the purpose provided in subsection (e). A county income tax
20 council that adopts an ordinance under this subsection shall use the
21 procedures set forth in IC 6-3.5-6 concerning the adoption of an
22 ordinance for the imposition of the county option income tax. Except
23 as provided in subsection (j); an ordinance must be adopted under this
24 subsection after March 31 but before August 1 of a calendar year. The
25 ordinance may provide for an additional rate under section 5(p) of this
26 chapter. An ordinance adopted under this subsection:

- 27 (1) first applies to the certified distribution described in section
28 16(c) of this chapter made in the calendar year that immediately
29 succeeds the calendar year in which the ordinance is adopted;
- 30 (2) must specify the calendar years to which the ordinance
31 applies; and
- 32 (3) must specify that the certified distribution must be used to
33 provide for:
 - 34 (A) uniformly applied increased homestead credits as provided
35 in subsection (f); or
 - 36 (B) allocated increased homestead credits as provided in
37 subsection (h).

38 An ordinance adopted under this subsection may be combined with an
39 ordinance adopted under section 26 of this chapter.

40 (d) If an ordinance is adopted under subsection (c); the percentage
41 of the certified distribution specified in the ordinance for use for the
42 purpose provided in subsection (e) shall be:

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- 1 (1) retained by the county auditor under subsection (i); and
- 2 (2) used for the purpose provided in subsection (e) instead of the
- 3 purposes specified in the capital improvement plans adopted
- 4 under section 15 of this chapter.
- 5 (e) If an ordinance is adopted under subsection (c); the imposing
- 6 entity shall use the certified distribution described in section 16(c) of
- 7 this chapter to increase the homestead credit allowed in the county
- 8 under IC 6-1.1-20-9 for a year to offset the effect on homesteads in the
- 9 county resulting from a county deduction for inventory under
- 10 IC 6-1.1-12-41.
- 11 (f) If the imposing entity specifies the application of uniform
- 12 increased homestead credits under subsection (c)(3)(A); the county
- 13 auditor shall, for each calendar year in which an increased homestead
- 14 credit percentage is authorized under this section; determine:
 - 15 (1) the amount of the certified distribution that is available to
 - 16 provide an increased homestead credit percentage for the year;
 - 17 (2) the amount of uniformly applied homestead credits for the
 - 18 year in the county that equals the amount determined under
 - 19 subdivision (1); and
 - 20 (3) the increased percentage of homestead credit that equates to
 - 21 the amount of homestead credits determined under subdivision
 - 22 (2).
- 23 (g) The increased percentage of homestead credit determined by the
- 24 county auditor under subsection (f) applies uniformly in the county in
- 25 the calendar year for which the increased percentage is determined.
- 26 (h) If the imposing entity specifies the application of allocated
- 27 increased homestead credits under subsection (c)(3)(B); the county
- 28 auditor shall, for each calendar year in which an increased homestead
- 29 credit is authorized under this section; determine:
 - 30 (1) the amount of the certified distribution that is available to
 - 31 provide an increased homestead credit for the year; and
 - 32 (2) an increased percentage of homestead credit for each taxing
 - 33 district in the county that allocates to the taxing district an amount
 - 34 of increased homestead credits that bears the same proportion to
 - 35 the amount determined under subdivision (1) that the amount of
 - 36 inventory assessed value deducted under IC 6-1.1-12-41 in the
 - 37 taxing district for the immediately preceding year's assessment
 - 38 date bears to the total inventory assessed value deducted under
 - 39 IC 6-1.1-12-41 in the county for the immediately preceding year's
 - 40 assessment date.
- 41 (i) The county auditor shall retain from the payments of the county's
- 42 certified distribution an amount equal to the revenue lost; if any, due to

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1 the increase of the homestead credit within the county. The money shall
 2 be distributed to the civil taxing units and school corporations of the
 3 county:

- 4 (1) as if the money were from property tax collections; and
 5 (2) in such a manner that no civil taxing unit or school
 6 corporation will suffer a net revenue loss because of the
 7 allowance of an increased homestead credit.

8 (j) An entity authorized to adopt:

- 9 (1) an ordinance under subsection (c); and
 10 (2) an ordinance under IC 6-1.1-12-41(f);

11 may consolidate the two (2) ordinances. The limitation under
 12 subsection (c) that an ordinance must be adopted after January 1 of a
 13 calendar year does not apply if a consolidated ordinance is adopted
 14 under this subsection. However, notwithstanding subsection (c)(1), the
 15 ordinance must state that it first applies to certified distributions in the
 16 calendar year in which property taxes are initially affected by the
 17 deduction under IC 6-1.1-12-41.

18 SECTION 90. IC 6-3.5-7-25.5 IS REPEALED [EFFECTIVE JULY
 19 1, 2012]. Sec. 25.5: Subject to the approval of the imposing entity, the
 20 county auditor may adjust the increased percentage of homestead credit
 21 determined under section 25(h)(2) of this chapter if the county auditor
 22 determines that the adjustment is necessary to achieve an equitable
 23 reduction of property taxes among the homesteads in the county.

24 SECTION 91. IC 6-3.5-7-26, AS AMENDED BY P.L.77-2011,
 25 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2012]: Sec. 26. (a) This section applies only to homestead and
 27 property tax replacement credits for property taxes first due and
 28 payable after calendar year 2006.

29 (b) The following definitions apply throughout this section:

- 30 (1) "Adopt" includes amend.
 31 (2) "Adopting entity" means:
 32 (A) the entity that adopts an ordinance under
 33 IC 6-1.1-12-41(f); or
 34 (B) any other entity that may impose a county economic
 35 development income tax under section 5 of this chapter.
 36 (3) "Homestead" refers to tangible property that is eligible for a
 37 homestead credit under IC 6-1.1-20.9 (repealed) or the standard
 38 deduction under IC 6-1.1-12-37.
 39 (4) "Residential" refers to the following:
 40 (A) Real property, a mobile home, and industrialized housing
 41 that would qualify as a homestead if the taxpayer had filed for
 42 a homestead credit under IC 6-1.1-20.9 (repealed) or the



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1 standard deduction under IC 6-1.1-12-37.
 2 (B) Real property not described in clause (A) designed to
 3 provide units that are regularly used to rent or otherwise
 4 furnish residential accommodations for periods of thirty (30)
 5 days or more, regardless of whether the tangible property is
 6 subject to assessment under rules of the department of local
 7 government finance that apply to:
 8 (i) residential property; or
 9 (ii) commercial property.
 10 (c) An adopting entity may adopt an ordinance to provide for the use
 11 of the certified distribution described in section 16(c) of this chapter for
 12 the purpose provided in subsection (e). An adopting entity that adopts
 13 an ordinance under this subsection shall use the procedures set forth in
 14 IC 6-3.5-6 concerning the adoption of an ordinance for the imposition
 15 of the county option income tax. The ordinance may provide for an
 16 additional rate under section ~~5(p)~~ 5(o) of this chapter. An ordinance
 17 adopted under this subsection:
 18 (1) first applies to the certified distribution described in section
 19 16(c) of this chapter made in the later of the calendar year that
 20 immediately succeeds the calendar year in which the ordinance is
 21 adopted or calendar year 2007; and
 22 (2) must specify that the certified distribution must be used to
 23 provide for one (1) of the following, as determined by the
 24 adopting entity:
 25 (A) Uniformly applied homestead credits as provided in
 26 subsection (f).
 27 (B) Uniformly applied residential credits as provided in
 28 subsection (g).
 29 (C) Allocated homestead credits as provided in subsection (i).
 30 (D) Allocated residential credits as provided in subsection (j).
 31 An ordinance adopted under this subsection may be combined with an
 32 ordinance adopted under section 25 of this chapter **(before its repeal)**.
 33 (d) If an ordinance is adopted under subsection (c), the percentage
 34 of the certified distribution specified in the ordinance for use for the
 35 purpose provided in subsection (e) shall be:
 36 (1) retained by the county auditor under subsection (k); and
 37 (2) used for the purpose provided in subsection (e) instead of the
 38 purposes specified in the capital improvement plans adopted
 39 under section 15 of this chapter.
 40 (e) If an ordinance is adopted under subsection (c), the adopting
 41 entity shall use the certified distribution described in section 16(c) of
 42 this chapter to provide:

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1 (1) if the ordinance grants a credit described in subsection
 2 (c)(2)(A) or (c)(2)(C), a homestead credit for homesteads; or
 3 (2) if the ordinance grants a credit described in subsection
 4 (c)(2)(B) or (c)(2)(D), a property tax replacement credit for
 5 residential property;
 6 for property taxes to offset the effect on homesteads or residential
 7 property, as applicable, in the county resulting from the statewide
 8 deduction for inventory under IC 6-1.1-12-42 or from the exclusion in
 9 2008 of inventory from the definition of personal property in
 10 IC 6-1.1-1-11. The amount of a residential property tax replacement
 11 credit granted under this section may not be considered in computing
 12 the amount of any homestead credit to which the residential property
 13 may be entitled under IC 6-1.1-20.9 (before its repeal) or another law
 14 other than IC 6-1.1-20.6.

15 (f) If the imposing entity specifies the application of uniform
 16 homestead credits under subsection (c)(2)(A), the county auditor shall,
 17 for each calendar year in which a homestead credit percentage is
 18 authorized under this section, determine:

- 19 (1) the amount of the certified distribution that is available to
 20 provide a homestead credit percentage under this section for the
 21 year;
- 22 (2) the amount of uniformly applied homestead credits for the
 23 year in the county that equals the amount determined under
 24 subdivision (1); and
- 25 (3) the percentage of homestead credit under this section that
 26 equates to the amount of homestead credits determined under
 27 subdivision (2).

28 (g) If the imposing entity specifies the application of uniform
 29 residential credits under subsection (c)(2)(B), the county auditor shall
 30 determine for each calendar year in which a homestead credit
 31 percentage is authorized under this section:

- 32 (1) the amount of the certified distribution that is available to
 33 provide a residential property tax replacement credit percentage
 34 for the year;
- 35 (2) the amount of uniformly applied residential property tax
 36 replacement credits for the year in the county that equals the
 37 amount determined under subdivision (1); and
- 38 (3) the percentage of residential property tax replacement credit
 39 under this section that equates to the amount of residential
 40 property tax replacement credits determined under subdivision
 41 (2).

42 (h) The percentage of homestead credit determined by the county

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1 auditor under subsection (f) or the percentage of residential property
2 tax replacement credit determined by the county auditor under
3 subsection (g) applies uniformly in the county in the calendar year for
4 which the percentage is determined.

5 (i) If the imposing entity specifies the application of allocated
6 homestead credits under subsection (c)(2)(C), the county auditor shall,
7 for each calendar year in which a homestead credit is authorized under
8 this section, determine:

9 (1) the amount of the certified distribution that is available to
10 provide a homestead credit under this section for the year; and

11 (2) except as provided in subsection (1), a percentage of
12 homestead credit for each taxing district in the county that
13 allocates to the taxing district an amount of homestead credits that
14 bears the same proportion to the amount determined under
15 subdivision (1) that the amount of inventory assessed value
16 deducted under IC 6-1.1-12-42 in the taxing district for the
17 assessment date in 2006 bears to the total inventory assessed
18 value deducted under IC 6-1.1-12-42 in the county for the
19 assessment date in 2006.

20 (j) If the imposing entity specifies the application of allocated
21 residential property tax replacement credits under subsection (c)(2)(D),
22 the county auditor shall determine for each calendar year in which a
23 residential property tax replacement credit is authorized under this
24 section:

25 (1) the amount of the certified distribution that is available to
26 provide a residential property tax replacement credit under this
27 section for the year; and

28 (2) except as provided in subsection (1), a percentage of
29 residential property tax replacement credit for each taxing district
30 in the county that allocates to the taxing district an amount of
31 residential property tax replacement credits that bears the same
32 proportion to the amount determined under subdivision (1) that
33 the amount of inventory assessed value deducted under
34 IC 6-1.1-12-42 in the taxing district for the assessment date in
35 2006 bears to the total inventory assessed value deducted under
36 IC 6-1.1-12-42 in the county for the assessment date in 2006.

37 (k) The county auditor shall retain from the payments of the county's
38 certified distribution an amount equal to the revenue lost, if any, due to
39 the homestead credit or residential property tax replacement credit
40 provided under this section within the county. The money shall be
41 distributed to the civil taxing units and school corporations of the
42 county:

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- 1 (1) as if the money were from property tax collections; and
 2 (2) in such a manner that no civil taxing unit or school
 3 corporation will suffer a net revenue loss because of the
 4 allowance of a homestead credit or residential property tax
 5 replacement credit under this section.

6 (l) Subject to the approval of the imposing entity, the county auditor
 7 may adjust the increased percentage of:

- 8 (1) homestead credit determined under subsection (i)(2) if the
 9 county auditor determines that the adjustment is necessary to
 10 achieve an equitable reduction of property taxes among the
 11 homesteads in the county; or
 12 (2) residential property tax replacement credit determined under
 13 subsection (j)(2) if the county auditor determines that the
 14 adjustment is necessary to achieve an equitable reduction of
 15 property taxes among the residential property in the county.

16 SECTION 92. IC 6-3.5-7-27, AS AMENDED BY P.L.77-2011,
 17 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2012]: Sec. 27. (a) This section applies to a county that:

- 19 (1) operates a courthouse that is subject to an order that:
 20 (A) is issued by a federal district court;
 21 (B) applies to an action commenced before January 1, 2003;
 22 and
 23 (C) requires the county to comply with the federal Americans
 24 with Disabilities Act; and
 25 (2) has insufficient revenues to finance the construction,
 26 acquisition, improvement, renovation, equipping, and operation
 27 of the courthouse facilities and related facilities.

28 (b) A county described in this section possesses unique fiscal
 29 challenges in financing, renovating, equipping, and operating the
 30 county courthouse facilities and related facilities because the county
 31 consistently has one (1) of the highest unemployment rates in Indiana.
 32 Maintaining low property tax rates is essential to economic
 33 development in the county. The use of economic development income
 34 tax revenues under this section for the purposes described in subsection
 35 (c) promotes that purpose.

36 (c) In addition to actions authorized by section 5 of this chapter, a
 37 county council may, using the procedures set forth in this chapter,
 38 adopt an ordinance to impose an additional county economic
 39 development income tax on the adjusted gross income of county
 40 taxpayers. The ordinance imposing the additional tax must include a
 41 finding that revenues from additional tax are needed to pay the costs of:

- 42 (1) constructing, acquiring, improving, renovating, equipping, or

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1 operating the county courthouse or related facilities;
 2 (2) repaying any bonds issued, or leases entered into, for
 3 constructing, acquiring, improving, renovating, equipping, or
 4 operating the county courthouse or related facilities; and
 5 (3) economic development projects described in the county's
 6 capital improvement plan.

7 (d) The tax rate imposed under this section may not exceed
 8 twenty-five hundredths percent (0.25%).

9 (e) If the county council adopts an ordinance to impose an additional
 10 tax under this section, the county auditor shall, **immediately not more**
 11 **than ten (10) days after the vote**, send a certified copy of the
 12 ordinance to **the commissioner of the department, the director of the**
 13 **budget agency, and the commissioner of the department of local**
 14 **government finance** by certified mail **or in an electronic format**
 15 **approved by the director of the budget agency**. The county treasurer
 16 shall establish a county facilities revenue fund to be used only for the
 17 purposes described in subsection (c)(1) and (c)(2). The amount of
 18 county economic development income tax revenues derived from the
 19 tax rate imposed under this section that are necessary to pay the costs
 20 described in subsection (c)(1) and (c)(2) shall be deposited into the
 21 county facilities revenue fund before a certified distribution is made
 22 under section 12 of this chapter. The remainder shall be deposited into
 23 the economic development income tax funds of the county's units.

24 (f) County economic development income tax revenues derived
 25 from the tax rate imposed under this section may not be used for
 26 purposes other than those described in this section.

27 (g) County economic development income tax revenues derived
 28 from the tax rate imposed under this section that are deposited into the
 29 county facilities revenue fund may not be considered by the department
 30 of local government finance in determining the county's ad valorem
 31 property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

32 (h) Notwithstanding any other law, funds accumulated from the
 33 county economic development income tax imposed under this section
 34 and deposited into the county facilities revenue fund or any other
 35 revenues of the county may be deposited into a nonreverting fund of the
 36 county to be used for operating costs of the courthouse facilities,
 37 juvenile detention facilities, or related facilities. Amounts in the county
 38 nonreverting fund may not be used by the department of local
 39 government finance to reduce the county's ad valorem property tax levy
 40 for an ensuing calendar year under IC 6-1.1-18.5.

41 SECTION 93. IC 6-3.5-7-28, AS AMENDED BY P.L.172-2011,
 42 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2012]: Sec. 28. (a) This section applies only to a county that
2 is a member of a regional development authority under IC 36-7.6.

3 (b) In addition to the rates permitted by section 5 of this chapter, the
4 entity that imposed the county economic development income tax
5 under section 5 of this chapter (or, in the case of a county that has not
6 imposed the county economic development income tax, the entity that
7 may impose the county economic development income tax under
8 section 5(a)(3) of this chapter) may by ordinance impose an additional
9 county economic development income tax at a rate of:

10 (1) in the case of a county described in IC 36-7.6-4-2(b)(2),
11 twenty-five thousandths of one percent (0.025%); or

12 (2) in the case of any other county to which this section applies,
13 five-hundredths of one percent (0.05%);

14 on the adjusted gross income of county taxpayers.

15 (c) If an additional county economic development income tax is
16 imposed under this section, the county treasurer shall establish a county
17 regional development authority fund. Notwithstanding any other
18 provision of this chapter, the county economic development income tax
19 revenues derived from the additional county economic development
20 income tax imposed under this section must be deposited in the county
21 regional development authority fund before any certified distributions
22 are made under section 12 of this chapter.

23 (d) County economic development income tax revenues derived
24 from the additional county economic development income tax imposed
25 under this section and deposited in the county regional development
26 authority fund:

27 (1) shall, not more than thirty (30) days after being deposited in
28 the county regional development authority fund, be transferred as
29 provided in IC 36-7.6-4-2 to the development fund of the regional
30 development authority for which the county is a member; and

31 (2) may not be considered by the department of local government
32 finance in determining the county's maximum permissible
33 property tax levy under IC 6-1.1-18.5.

34 (e) Notwithstanding sections 5 and 6 of this chapter, if a county
35 becomes a member of a regional development authority under
36 IC 36-7.6 and imposes an additional county economic development
37 income tax under this section before July 1 of a year, then,
38 notwithstanding section 11 or any other provision of this chapter, the
39 initial certified distribution of the tax revenue that results from the
40 additional tax shall be distributed to the county treasurer from the
41 account established for the county under this chapter according to the
42 following schedule during the eighteen (18) month period beginning on

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1 July 1 of the year in which the county adopts the ordinance to impose
2 the additional tax:

3 (1) One-fourth (1/4) on October 1 of the year in which the
4 ordinance to impose the additional tax is adopted:

5 (2) One-fourth (1/4) on January 1 of the calendar year following
6 the year in which the ordinance to impose the additional tax is
7 adopted:

8 (3) One-fourth (1/4) on May 1 of the calendar year following the
9 year in which the ordinance to impose the additional tax is
10 adopted:

11 (4) One-fourth (1/4) on November 1 of the calendar year
12 following the year in which the ordinance to impose the additional
13 tax is adopted:

14 SECTION 94. IC 36-1-8-5.1, AS AMENDED BY P.L.53-2011,
15 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2012]: Sec. 5.1. (a) A political subdivision may establish a
17 rainy day fund by the adoption of:

- 18 (1) an ordinance, in the case of a county, city, or town; or
- 19 (2) a resolution, in the case of any other political subdivision.

20 (b) An ordinance or a resolution adopted under this section must
21 specify the following:

- 22 (1) The purposes of the rainy day fund.
- 23 (2) The sources of funding for the rainy day fund, which may

24 include the following:

25 (A) Unused and unencumbered funds under:

- 26 (i) section 5 of this chapter;
- 27 (ii) IC 6-3.5-1.1-21.1;
- 28 (iii) IC 6-3.5-6-17.3; or
- 29 (iv) IC 6-3.5-7-17.3.

30 (B) Any other funding source:

- 31 (i) specified in the ordinance or resolution adopted under
- 32 this section; and
- 33 (ii) not otherwise prohibited by law.

34 (c) The rainy day fund is subject to the same appropriation process
35 as other funds that receive tax money.

36 (d) In any fiscal year, a political subdivision may transfer under
37 section 5 of this chapter not more than ten percent (10%) of the
38 political subdivision's total annual budget for that fiscal year, ~~adopted~~
39 **certified** under IC 6-1.1-17, to the rainy day fund.

40 (e) A political subdivision may use only the funding sources
41 specified in subsection (b)(2)(A) or in the ordinance or resolution
42 establishing the rainy day fund. The political subdivision may adopt a

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1 subsequent ordinance or resolution authorizing the use of another
2 funding source.

3 (f) The department of local government finance may not reduce the
4 actual or maximum permissible levy of a political subdivision as a
5 result of a balance in the rainy day fund of the political subdivision.

6 (g) A county, city, or town may at any time, by ordinance or
7 resolution, transfer to:

- 8 (1) its general fund; or
 - 9 (2) any other appropriated funds of the county, city, or town;
- 10 money that has been deposited in the rainy day fund of the county, city,
11 or town.

12 SECTION 95. IC 36-1-12-4, AS AMENDED BY P.L.139-2011,
13 SECTION 6, AND AS AMENDED BY P.L.172-2011, SECTION 139,
14 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) This section applies whenever
16 the cost of a public work project will be:

- 17 ~~(1) at least seventy-five thousand dollars (\$75,000) in:~~
- 18 ~~(A) a consolidated city or second class city;~~
- 19 ~~(B) a county containing a consolidated city or second class~~
- 20 ~~city; or~~
- 21 ~~(C) a regional water or sewage district established under~~
- 22 ~~IC 13-26; or~~
- 23 ~~(2) at least fifty thousand dollars (\$50,000) in a political~~
- 24 ~~subdivision or an agency not described in subdivision (1):~~
- 25 ~~(1) except as provided in subdivision (2), at least one hundred~~
- 26 ~~fifty thousand dollars (\$150,000); or~~
- 27 ~~(2) in the case of a board of aviation commissioners or an airport~~
- 28 ~~authority board, at least one hundred thousand dollars~~
- 29 ~~(\$100,000).~~

30 (b) The board must comply with the following procedure:

- 31 (1) The board shall prepare general plans and specifications
- 32 describing the kind of public work required, but shall avoid
- 33 specifications which might unduly limit competition. If the project
- 34 involves the resurfacing (as defined by IC 8-14-2-1) of a road,
- 35 street, or bridge, the specifications must show how the weight or
- 36 volume of the materials will be accurately measured and verified.
- 37 (2) The board shall file the plans and specifications in a place
- 38 reasonably accessible to the public, which shall be specified in the
- 39 notice required by subdivision (3).
- 40 (3) Upon the filing of the plans and specifications, the board shall
- 41 publish notice in accordance with IC 5-3-1 calling for sealed
- 42 proposals for the public work needed.

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- 1 (4) The notice must specify the place where the plans and
 2 specifications are on file and the date fixed for receiving bids.
 3 (5) The period of time between the date of the first publication
 4 and the date of receiving bids shall be governed by the size of the
 5 contemplated project in the discretion of the board. The period of
 6 time between the date of the first publication and receiving bids
 7 may not be more than:
 8 (A) six (6) weeks if the estimated cost of the public works
 9 project is less than twenty-five million dollars (\$25,000,000);
 10 and
 11 (B) ten (10) weeks if the estimated cost of the public works
 12 project is at least twenty-five million dollars (\$25,000,000).
 13 (6) ~~If the cost of a project is one hundred thousand dollars~~
 14 ~~(\$100,000) or more,~~ The board shall require the bidder to submit
 15 a financial statement, a statement of experience, a proposed plan
 16 or plans for performing the public work, and the equipment that
 17 the bidder has available for the performance of the public work.
 18 The statement shall be submitted on forms prescribed by the state
 19 board of accounts.
 20 (7) The board may not require a bidder to submit a bid before the
 21 meeting at which bids are to be received. The meeting for
 22 receiving bids must be open to the public. All bids received shall
 23 be opened publicly and read aloud at the time and place
 24 designated and not before. *Notwithstanding any other law, bids*
 25 *may be opened after the time designated if both of the following*
 26 *apply:*
 27 (A) *The board makes a written determination that it is in the*
 28 *best interest of the board to delay the opening.*
 29 (B) *The day, time, and place of the rescheduled opening are*
 30 *announced at the day, time, and place of the originally*
 31 *scheduled opening.*
 32 (8) Except as provided in subsection (c), ~~or (after June 30, 2011)~~
 33 ~~section 22 of this chapter,~~ the board shall:
 34 (A) award the contract for public work or improvements to the
 35 lowest responsible and responsive bidder; or
 36 (B) reject all bids submitted.
 37 (9) If the board awards the contract to a bidder other than the
 38 lowest bidder, the board must state in the minutes or memoranda,
 39 at the time the award is made, the factors used to determine which
 40 bidder is the lowest responsible and responsive bidder and to
 41 justify the award. The board shall keep a copy of the minutes or
 42 memoranda available for public inspection.

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- 1 (10) In determining whether a bidder is responsive, the board may
- 2 consider the following factors:
- 3 (A) Whether the bidder has submitted a bid or quote that
- 4 conforms in all material respects to the specifications.
- 5 (B) Whether the bidder has submitted a bid that complies
- 6 specifically with the invitation to bid and the instructions to
- 7 bidders.
- 8 (C) Whether the bidder has complied with all applicable
- 9 statutes, ordinances, resolutions, or rules pertaining to the
- 10 award of a public contract.
- 11 (11) In determining whether a bidder is a responsible bidder, the
- 12 board may consider the following factors:
- 13 (A) The ability and capacity of the bidder to perform the work.
- 14 (B) The integrity, character, and reputation of the bidder.
- 15 (C) The competence and experience of the bidder.
- 16 (12) The board shall require the bidder to submit an affidavit:
- 17 (A) that the bidder has not entered into a combination or
- 18 agreement:
- 19 (i) relative to the price to be bid by a person;
- 20 (ii) to prevent a person from bidding; or
- 21 (iii) to induce a person to refrain from bidding; and
- 22 (B) that the bidder's bid is made without reference to any other
- 23 bid.
- 24 (c) Notwithstanding subsection (b)(8), a county may award sand,
- 25 gravel, asphalt paving materials, or crushed stone contracts to more
- 26 than one (1) responsible and responsive bidder if the specifications
- 27 allow for bids to be based upon service to specific geographic areas and
- 28 the contracts are awarded by geographic area. The geographic areas do
- 29 not need to be described in the specifications.
- 30 SECTION 96. IC 36-1-12-4.7, AS AMENDED BY P.L.172-2011,
- 31 SECTION 140, IS AMENDED TO READ AS FOLLOWS
- 32 [EFFECTIVE JULY 1, 2012]: Sec. 4.7. (a) This section applies
- 33 whenever a public work project is estimated to cost:
- 34 (1) except as provided in subdivision (2), at least fifty thousand
- 35 dollars (\$50,000) and less than one hundred fifty thousand dollars
- 36 (\$150,000); or
- 37 (2) in the case of a board of aviation commissioners or an airport
- 38 authority board, at least fifty thousand dollars (\$50,000) and less
- 39 than one hundred thousand dollars (\$100,000).
- 40 (b) The board must proceed under the following provisions:
- 41 (1) The board shall invite quotes from at least three (3) persons
- 42 known to deal in the class of work proposed to be done by mailing

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1 them a notice stating that plans and specifications are on file in a
2 specified office. The notice must be mailed not less than seven (7)
3 days before the time fixed for receiving quotes.
4 (2) The board may not require a person to submit a quote before
5 the meeting at which quotes are to be received. The meeting for
6 receiving quotes must be open to the public. All quotes received
7 shall be opened publicly and read aloud at the time and place
8 designated and not before.
9 (3) ~~Except as permitted in section 22 of this chapter after June 30,~~
10 ~~2011;~~ The board shall award the contract for the public work to
11 the lowest responsible and responsive quoter.
12 (4) The board may reject all quotes submitted.
13 SECTION 97. IC 36-1-12-5, AS AMENDED BY P.L.172-2011,
14 SECTION 141, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) This section applies whenever
16 a public work project is estimated to cost less than fifty thousand
17 dollars (\$50,000). Except as provided in subsection (g) for local boards
18 of aviation commissioners and local airport authorities, if a contract is
19 to be awarded, the board may proceed under section 4 of this chapter
20 or under subsection (b) or (c).
21 (b) The board must proceed under the following provisions:
22 (1) The board shall invite quotes from at least three (3) persons
23 known to deal in the class of work proposed to be done by mailing
24 them a notice stating that plans and specifications are on file in a
25 specified office. The notice must be mailed not less than seven (7)
26 days before the time fixed for receiving quotes.
27 (2) The board may not require a person to submit a quote before
28 the meeting at which quotes are to be received. The meeting for
29 receiving quotes must be open to the public. All quotes received
30 shall be opened publicly and read aloud at the time and place
31 designated and not before.
32 (3) ~~Except as permitted in section 22 of this chapter;~~ The board
33 shall award the contract for the public work to the lowest
34 responsible and responsive quoter.
35 (4) The board may reject all quotes submitted.
36 (5) If the board rejects all quotes under subdivision (4), the board
37 may negotiate and enter into agreements for the work in the open
38 market without inviting or receiving quotes if the board
39 establishes in writing the reasons for rejecting the quotes.
40 (c) The board may not proceed under subsection (b) for the
41 resurfacing (as defined in IC 8-14-2-1) of a road, street, or bridge,
42 unless:

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1 (1) the weight or volume of the materials in the project is capable
 2 of accurate measurement and verification; and
 3 (2) the specifications define the geographic points at which the
 4 project begins and ends.
 5 (d) For the purposes of this section, if contiguous sections of a road,
 6 street, or bridge are to be resurfaced in a calendar year, all of the work
 7 shall be considered to comprise a single public work project.
 8 (e) The board may purchase or lease supplies in the manner
 9 provided in IC 5-22 and perform the public work by means of its own
 10 workforce without awarding a public work contract.
 11 (f) Before the board may perform any work under this section by
 12 means of its own workforce, the political subdivision or agency must
 13 have a group of employees on its staff who are capable of performing
 14 the construction, maintenance, and repair applicable to that work.
 15 (g) This subsection applies to local boards of aviation
 16 commissioners operating under IC 8-22-2 and local airport authorities
 17 operating under IC 8-22-3. If the contract is to be awarded by a board
 18 to which this subsection applies, or to a designee of the board under
 19 subsection (h), the board or its designee may proceed under section 4
 20 of this chapter or under the following provisions. The board or its
 21 designee may invite quotes from at least three (3) persons known to
 22 deal in the class of work proposed to be done by mailing the persons a
 23 copy of the plans and specifications for the work not less than seven (7)
 24 days before the time fixed for receiving quotes. If the board or its
 25 designee receives a satisfactory quote, the board or its designee shall
 26 award the contract to the lowest responsible and responsive quoter for
 27 the class of work required. ~~except as permitted in section 22 of this~~
 28 ~~chapter.~~ The board or its designee may reject all quotes submitted and,
 29 if no valid quotes are received for the class of work, contract for the
 30 work without further invitations for quotes.
 31 (h) The board may delegate its authority to award a contract for a
 32 public works project that is estimated to cost less than fifty thousand
 33 dollars (\$50,000) to the airport personnel in charge of airport public
 34 works projects.
 35 (i) Quotes for public works projects costing less than twenty-five
 36 thousand dollars (\$25,000) may be obtained by soliciting at least three
 37 (3) quotes by telephone or facsimile transmission. The seven (7) day
 38 waiting period required by subsection (b)(1) does not apply to quotes
 39 solicited under this subsection.
 40 SECTION 98. IC 36-1-12-22 IS REPEALED [EFFECTIVE JULY
 41 1, 2012]. ~~Sec. 22. (a) The definitions in IC 5-22-15, including the~~
 42 ~~definitions in IC 5-22-15-20.9, apply in this section.~~

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1 (b) The procedures described in IC 5-22-15 for determining adjusted
2 offers; price preference percentage; and total adjusted offers apply in
3 this section.

4 (c) The price preferences stated in IC 5-22-15-20.9 apply in this
5 section.

6 (d) Notwithstanding provisions of this chapter that require the award
7 of a contract to the lowest responsive and responsible bidder or the
8 lowest responsive and responsible quoter; but subject to subsection (e);
9 a contract shall be awarded to the lowest responsive and responsible
10 local Indiana business that claims the preference provided by this
11 section.

12 (e) Notwithstanding subsection (d); a contract shall be awarded to
13 the lowest responsive and responsible bidder or quoter; regardless of
14 the preference provided in this section; if the lowest responsive and
15 responsible bidder or quoter is a local Indiana business.

16 (f) A bidder or quoter that wants to claim the preference under this
17 section must claim the preference in the same manner that a business
18 claims the preference under IC 5-22-15-20.9(f).

19 SECTION 99. IC 36-2-9-20, AS AMENDED BY P.L.177-2005,
20 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2012]: Sec. 20. The county auditor shall:

22 (1) maintain an electronic data file of the information contained
23 on the tax duplicate for all:

- 24 (A) parcels; and
 - 25 (B) personal property returns;
- 26 for each township in the county as of each assessment date;

27 (2) maintain the electronic data file in a form that formats the
28 information in the file with the standard data, field, and record
29 coding required and approved by:

- 30 (A) the legislative services agency; and
- 31 (B) the department of local government finance;

32 (3) transmit the data in the file with respect to the assessment date
33 of each year before March + 16 of the next year to:

- 34 (A) the legislative services agency in an electronic format
35 under IC 5-14-6; and
- 36 (B) the department of local government finance;

37 in a manner that meets the data export and transmission
38 requirements in a standard format, as prescribed by the office of
39 technology established by IC 4-13.1-2-1 and approved by the
40 legislative services agency; and

41 (4) resubmit the data in the form and manner required under this
42 subsection, upon request of the legislative services agency or the

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1 department of local government finance, if data previously
 2 submitted under this subsection does not comply with the
 3 requirements of this subsection, as determined by the legislative
 4 services agency or the department of local government finance.
 5 An electronic data file maintained for a particular assessment date may
 6 not be overwritten with data for a subsequent assessment date until a
 7 copy of an electronic data file that preserves the data for the particular
 8 assessment date is archived in the manner prescribed by the office of
 9 technology established by IC 4-13.1-2-1 and approved by the
 10 legislative services agency.

11 SECTION 100. IC 36-3-6-9, AS AMENDED BY P.L. 182-2009(ss),
 12 SECTION 401, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) Except as provided in
 14 subsection (d), the city-county legislative body shall review the
 15 proposed operating and maintenance budgets and tax levies and adopt
 16 final operating and maintenance budgets and tax levies for each of the
 17 following entities in the county:

- 18 (1) An airport authority operating under IC 8-22-3.
- 19 (2) A public library operating under IC 36-12.
- 20 (3) A capital improvement board of managers operating under
 21 IC 36-10.
- 22 (4) A public transportation corporation operating under IC 36-9-4.
- 23 (5) A health and hospital corporation established under
 24 IC 16-22-8.
- 25 (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is
 26 located in the county and has a governing body that is not
 27 comprised of a majority of officials who are elected to serve on
 28 the governing body.

29 Except as provided in subsection (c), the city-county legislative body
 30 may reduce or modify but not increase a proposed operating and
 31 maintenance budget or tax levy under this section.

32 (b) The board of each entity listed in subsection (a) shall, after
 33 adoption of its proposed budget and tax levies, submit them, along with
 34 detailed accounts, to the city clerk before ~~the first day of September of~~
 35 ~~each year.~~ **2.**

36 (c) The city-county legislative body or, when subsection (d) applies,
 37 the fiscal body of an excluded city or town shall review the issuance of
 38 bonds of an entity listed in subsection (a). Approval of the city-county
 39 legislative body or, when subsection (d) applies, the fiscal body of an
 40 excluded city or town is required for the issuance of bonds. The
 41 city-county legislative body or the fiscal body of an excluded city or
 42 town may not reduce or modify a budget or tax levy of an entity listed

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1 in subsection (a) in a manner that would:
2 (1) limit or restrict the rights vested in the entity to fulfill the
3 terms of any agreement made with the holders of the entity's
4 bonds; or
5 (2) in any way impair the rights or remedies of the holders of the
6 entity's bonds.
7 (d) If the assessed valuation of a taxing unit is entirely contained
8 within an excluded city or town (as described in IC 36-3-1-7) that is
9 located in a county having a consolidated city, the governing body of
10 the taxing unit shall submit its proposed operating and maintenance
11 budget and tax levies to the city or town fiscal body for approval and
12 not the city-county legislative body. Except as provided in subsection
13 (c), the fiscal body of the excluded city or town may reduce or modify
14 but not increase a proposed operating and maintenance budget or tax
15 levy under this section.
16 SECTION 101. IC 36-12-12-5, AS ADDED BY P.L.1-2005,
17 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2012]: Sec. 5. (a) If the library board passes a resolution under
19 section 3 of this chapter and the appropriate fiscal body or bodies
20 approve the plan, the library board shall ~~submit the resolution and the~~
21 ~~plan to the department of local government finance. If the department~~
22 ~~of local government finance determines that:~~
23 ~~(1) the library board has correctly advertised the plan under~~
24 ~~section 3(c) of this chapter;~~
25 ~~(2) the plan was adopted by the library board and approved by the~~
26 ~~appropriate fiscal body or bodies; and~~
27 ~~(3) the plan conforms to the format prescribed by the department;~~
28 ~~the department shall require notice of the submission to be given to the~~
29 ~~taxpayers of the library district in accordance with IC 5-3-1-2(b);~~
30 **publish notice of adoption in accordance with IC 5-3-1-2(i).**
31 (b) Ten (10) or more taxpayers who will be affected by the adopted
32 plan may file a petition with the county auditor of a county in which the
33 library district is located not later than ten (10) days after the
34 publication **of the notice of adoption required by subsection (a),**
35 setting forth the taxpayers' objections to the proposed plan. The county
36 auditor shall immediately certify the petition to the department of local
37 government finance.
38 SECTION 102. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1072, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, delete lines 19 through 22, begin a new paragraph and insert:

"(c) For taxes due and payable for an assessment date after January 15, 2012, the department may not approve an appropriation or a property tax levy that is associated with a debt unless the debt issuance report for the debt has been submitted to the department."

Page 4, delete lines 10 through 13, begin a new paragraph and insert:

"(c) For taxes due and payable for an assessment date after January 15, 2012, the department may not approve an appropriation or a property tax levy that is associated with a debt unless the debt issuance report for the debt has been submitted to the department."

Page 4, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 6. IC 5-11-1-4, AS AMENDED BY P.L.172-2011, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. ~~The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision.~~ **The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7.**

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

SECTION 7. IC 5-11-13-1, AS AMENDED BY P.L.172-2011, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Every state, county, city, town, township, or school official, elective or appointive, who is the head of or in charge of any office, department, board, or commission of the



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state or of any county, city, town, or township, and every state, county, city, town, or township employee or agent who is the head of, or in charge of, or the executive officer of any department, bureau, board, or commission of the state, county, city, town, or township, and every executive officer by whatever title designated, who is in charge of any state educational institution or of any other state, county, or city institution, shall during the month of January of each year prepare, make, and sign a ~~written or printed~~ certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents in their respective offices, departments, boards, commissions, and institutions, and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. **The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees.** However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. **The certification must be filed electronically in the manner prescribed under IC 5-14-3.8-7.**

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

SECTION 8. IC 5-14-3.8-7, AS ADDED BY P.L.172-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The department may require that prescribed forms be submitted in an electronic format. **The department, working with the office of technology established by IC 4-13.1-2-1 or another organization that is part of a state educational institution, shall develop and maintain a secure, web-based system that facilitates electronic submission of the forms under this section. Political subdivisions shall submit forms under this section through the web-based system as prescribed by the department.**

SECTION 9. IC 5-22-15-20.9, AS ADDED BY P.L.172-2011, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 20.9. (a) ~~This section applies only to a contract awarded by a political subdivision.~~

(b) As used in this section, "affected county" refers to a county:

- (1) in which the political subdivision awarding a contract under this article is located; or



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(2) that is adjacent to the county described in subdivision (1).

~~(e)~~ **(b)** As used in this section, "local Indiana business" refers to any of the following:

- (1) A business whose principal place of business is located in an affected county.
- (2) A business that pays a majority of its payroll (in dollar volume) to residents of affected counties.
- (3) A business that employs residents of affected counties as a majority of its employees.
- (4) A business that makes significant capital investments in the affected counties as defined in rules adopted by the political subdivision.
- (5) A business that has a substantial positive economic impact on the affected counties as defined by criteria in rules adopted by the political subdivision.

~~(d)~~ **(c)** ~~There are~~ **A political subdivision may apply** the following price preferences for supplies purchased from a local Indiana business:

- (1) Five percent (5%) for a purchase expected by the purchasing agency to be less than fifty thousand dollars (\$50,000).
- (2) Three percent (3%) for a purchase expected by the purchasing agency to be at least fifty thousand dollars (\$50,000) but less than one hundred thousand dollars (\$100,000).
- (3) One percent (1%) for a purchase expected by the purchasing agency to be at least one hundred thousand dollars (\$100,000).

However, to apply a price preference authorized by this subsection to a purchase of supplies, the political subdivision must state in the solicitation for supplies that the political subdivision will apply this section.

~~(e)~~ **(d)** Notwithstanding subsection ~~(d)~~; **(c)**, a purchasing agency may award a contract to the lowest responsive and responsible offeror, regardless of the preference provided in this section, if the lowest responsive and responsible offeror is a local Indiana business.

~~(f)~~ **(e)** A business that wants to claim a preference provided under this section must do all the following:

- (1) State in the business's bid that the business claims the preference provided by this section.
- (2) Provide the following information to the purchasing agency:
 - (A) The location of the business's principal place of business. If the business claims the preference as a local Indiana business described in subsection ~~(e)~~~~(1)~~; **(b)(1)**, a statement explaining the reasons the business considers the location named as the business's principal place of business.



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(B) The amount of the business's total payroll and the amount of the business's payroll paid to residents of affected counties.

(C) The number of the business's employees and the number of the business's employees who are residents of affected counties.

(D) If the business claims the preference as a local Indiana business described in subsection ~~(c)(4)~~, **(b)(4)**, a description of the capital investments made in the affected counties and a statement of the amount of those capital investments.

(E) If the business claims the preference as a local Indiana business described in subsection ~~(c)(5)~~, **(b)(5)**, a description of the substantial positive economic impact the business has on the affected counties.

SECTION 10. IC 5-28-16-3, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An application requesting a grant or loan from the fund must be targeted to one (1) or more of the areas listed in section 2 of this chapter.

(b) A successful applicant for a grant or loan from the fund must meet the requirements of this section and be approved by the board. An application for a grant or loan from the fund must be made on an application form prescribed by the board. An applicant shall provide all information that the board finds necessary to make the determinations required by this chapter.

(c) All applications for a grant or loan from the fund must include the following:

(1) A fully elaborated technical research or business plan, whichever applies, that is appropriate for review by outside experts as provided in this chapter.

(2) A detailed financial analysis that includes the commitment of resources by other entities that will be involved in the project.

(3) A statement of the economic development potential of the project, such as:

(A) a statement of the way in which support from the fund will lead to significantly increased funding from federal or private sources and from private sector research partners; or

(B) a projection of the jobs to be created.

(4) The identity, qualifications, and obligations of the applicant.

(5) Any other information that the board considers appropriate.

An applicant for a grant or loan from the fund may request that certain information that is submitted by the applicant be kept confidential.

However, an applicant's projection of the jobs to be created by a

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project may not be kept confidential. The board shall make a determination of confidentiality as soon as is practicable. If the board determines that the information should not be kept confidential, the applicant may withdraw the application, and the board must return the information before making it part of any public record.

(d) An application for a grant or loan from the fund submitted by an academic researcher must be made through the office of the president of the researcher's academic institution with the express endorsement of the institution's president. An application for a grant or loan from the fund submitted by a private researcher must be made through the office of the highest ranking officer of the researcher's institution with the express endorsement of the institution. Any other application must be made through the office of the highest ranking officer of the entity submitting the application. In the case of an application for a grant or loan from the fund that is submitted jointly by one (1) or more researchers or entities, the application must be endorsed by each institution or entity as required by this subsection.

SECTION 11. IC 5-28-16-6, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The board shall submit ~~an annual~~ a report to **the budget committee and** the legislative council before ~~September 1~~ **February 1 and August 1 of each year that covers the six (6) month period that ends one (1) month before the report is due.** The report must be in an electronic format under IC 5-14-6 and must contain the following information concerning fund activity in the preceding ~~state fiscal year~~: **six (6) month period:**

- (1) The name of each entity receiving a grant from the fund.
- (2) The location of each entity sorted by:
 - (A) county, in the case of an entity located in Indiana; or
 - (B) state, in the case of an entity located outside Indiana.
- (3) The amount of each grant awarded to each entity.
- (4) The projection of the number of jobs to be created by the entity's project.**

SECTION 12. IC 5-28-28-2, AS ADDED BY P.L.222-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "grant" refers to a grant given by the corporation, **including a grant from the Indiana twenty-first century research and technology fund.**

SECTION 13. IC 5-28-28-3, AS ADDED BY P.L.222-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "loan":

- (1) refers to a loan made by the corporation, regardless of whether

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- the loan is forgivable; ~~and~~
- (2) includes a loan guarantee made by the corporation; ~~and~~
- (3) includes a loan from the Indiana twenty-first century research and technology fund.**

SECTION 14. IC 5-28-28-5, AS ADDED BY P.L.222-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Beginning February 1, 2008, the corporation shall:

- (1) submit an economic incentives and compliance report to:
 - (A) the governor; ~~and~~
 - (B) the budget committee; and**
 - ~~(B)~~ **(C) the legislative council** in an electronic format under IC 5-14-6; and
- (2) publish the report on the corporation's Internet web site; on the schedule specified in subsection (b).
- (b) ~~Before August 2, 2009,~~ The corporation shall submit and publish before February 1 and August 1 of each year an incentives and compliance report that covers the six (6) month period that ends one (1) month before the report is due. ~~After August 1, 2009, the corporation shall submit and publish before August 1 of each year an incentives and compliance report that covers the twelve (12) month period that ends one (1) month before the report is due."~~

Page 5, delete lines 8 through 42.

Page 6, delete lines 1 through 12.

Page 16, line 23, after "subdivision" insert "**or appropriate fiscal body, if the political subdivision is subject to section 20 of this chapter,**".

Page 16, line 29, reset in roman "political subdivision".

Page 16, line 29, before "appropriate" insert "**or**".

Page 16, line 30, after "at which the" insert "**political subdivision or appropriate**".

Page 16, line 31, before "appropriate" insert "**political subdivision or**".

Page 22, delete lines 21 through 42, begin a new paragraph and insert:

"SECTION 18. IC 6-1.1-17-20, AS AMENDED BY P.L.113-2010, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 20. (a) This section applies to each governing body of a taxing unit that

- ~~(1)~~ is not comprised of a majority of officials who are elected to serve on the governing body. ~~and~~
- ~~(2)~~ **either:**

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- (A) is:
 - (i) a conservancy district subject to IC 14-33-9;
 - (ii) a solid waste management district subject to IC 13-21; or
 - (iii) a fire protection district subject to IC 36-8-11-18; or
- (B) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:
 - (i) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus
 - (ii) one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

- (+) a school corporation; or
- (1) a public library whose levies are subject to review and modification under section 20.3 of this chapter; or**
- (2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

- (c) If:
 - (1) the assessed valuation of a taxing unit is entirely contained within a city or town; or
 - (2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least thirty (30) days before the city or town fiscal body is required to hold budget approval hearings under this chapter. However, in the case of a public library that is subject to this section and is described in subdivision (2), the public library shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body; if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town. **to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.**

(d) If subsection (c) does not apply, the governing body of the taxing

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unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least thirty (30) days before the county fiscal body is required to hold budget approval hearings under this chapter: **to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.**

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that taxing unit are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 19. IC 6-1.1-17-20.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 20.3. (a) This section applies to each governing body of a public library that:**

- (1) is not comprised of a majority of officials who are elected to serve on the governing body; and**
- (2) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:**

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

(B) one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) This section does not apply to:

- (1) a school corporation;**
- (2) an entity whose tax levies are subject to review and modification by a fiscal body under section 20 of this chapter;**



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or

(3) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a public library is entirely contained within a city or town; or

(2) the assessed valuation of a public library is not entirely contained within a city or town but the public library was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least thirty (30) days before the city or town fiscal body is required to hold budget approval hearings under this chapter. However, the governing body shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.

(d) If subsection (c) does not apply, the governing body of the public library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted at least thirty (30) days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the public library. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a public library fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that public library are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any public library subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for

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the ensuing budget year."

Delete page 23.

Page 24, delete lines 1 through 5.

Page 25, line 36, after "The" insert "**following**".

Page 25, line 36, after "definitions" delete "in".

Page 25, line 36, strike "this".

Page 25, line 36, delete "subsection".

Page 37, between lines 34 and 35, begin a new paragraph and insert:
 "SECTION 31. IC 6-3-2-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 2.1. (a) This section applies only to a covered taxpayer that has receipts attributable to Indiana under both subsections (c) and (d).**

(b) As used in this section, "covered taxpayer" refers to the following:

(1) Designated contract markets, swap execution facilities, or derivatives clearing organizations primarily regulated by the United States Commodity Futures Trading Commission.

(2) Securities exchanges and securities clearing agencies primarily regulated by the United States Securities and Exchange Commission.

For purposes of this section, a designated contract market, swap execution facility, or derivatives clearing organization is considered to be primarily regulated by the United States Commodity Futures Trading Commission if more than fifty percent (50%) of the enterprise's total gross receipts are attributable to activities subject to regulation by the United States Commodity Futures Trading Commission or the United States securities exchanges.

(c) Notwithstanding section 2 of this chapter or any other law, receipts received by a covered taxpayer, in respect of trade execution (electronic or otherwise) and clearing, are in Indiana as follows:

(1) If the receipts are attributable to transactions executed on a physical trading floor located in Indiana, one hundred percent (100%) of the receipts are attributable to Indiana.

(2) If the receipts are attributable to transactions executed by means of an electronic transaction system, the receipts are attributable to Indiana based on a percentage determined by dividing the total Indiana population by the total United States population.

(3) If the receipts are attributable to the clearing of over-the-counter transactions, the receipts are attributable to

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Indiana based on a percentage determined by dividing the total Indiana population by the total United States population.

(d) Notwithstanding section 2 of this chapter or any other law, market data service revenue is sourced based on the billing address of a covered taxpayer's direct customers or the user location of direct customers and location of the customers of the covered taxpayer's distributors."

Page 38, line 36, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 46, line 38, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 47, line 18, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 50, line 19, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 52, line 37, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 57, line 38, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 60, line 2, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 66, line 9, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 66, line 29, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 67, line 17, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 67, line 40, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 68, line 20, delete ".".

Page 68, line 21, after "adopted." insert **"or in an electronic format approved by the director of the budget agency."**

Page 72, line 14, after "mail" delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 73, line 40, after "mail" delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 74, line 37, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 80, line 12, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**

Page 82, line 22, delete "." and insert **"or in an electronic format approved by the director of the budget agency."**



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Page 86, line 21, after "mail" delete "." and insert "**or in an electronic format approved by the director of the budget agency.**".

Page 89, line 9, delete "." and insert "**or in an electronic format approved by the director of the budget agency.**".

Page 93, line 41, delete "." and insert "**or in an electronic format approved by the director of the budget agency.**".

Page 94, line 12, delete "." and insert "**or in an electronic format approved by the director of the budget agency.**".

Page 119, line 13, delete "." and insert "**or in an electronic format approved by the director of the budget agency.**".

Page 122, between lines 9 and 10, begin a new paragraph and insert:
"SECTION 86. IC 36-1-12-4, AS AMENDED BY P.L.139-2011, SECTION 6, AND AS AMENDED BY P.L.172-2011, SECTION 139, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) This section applies whenever the cost of a public work project will be:

(1) at least seventy-five thousand dollars (\$75,000) in:

(A) a consolidated city or second class city;

(B) a county containing a consolidated city or second class city; or

(C) a regional water or sewage district established under IC 13-26; or

(2) at least fifty thousand dollars (\$50,000) in a political subdivision or an agency not described in subdivision (1):

(1) except as provided in subdivision (2), at least one hundred fifty thousand dollars (\$150,000); or

(2) in the case of a board of aviation commissioners or an airport authority board, at least one hundred thousand dollars (\$100,000).

(b) The board must comply with the following procedure:

(1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. If the project involves the resurfacing (as defined by IC 8-14-2-1) of a road, street, or bridge, the specifications must show how the weight or volume of the materials will be accurately measured and verified.

(2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3).

(3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed.

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- (4) The notice must specify the place where the plans and specifications are on file and the date fixed for receiving bids.
- (5) The period of time between the date of the first publication and the date of receiving bids shall be governed by the size of the contemplated project in the discretion of the board. The period of time between the date of the first publication and receiving bids may not be more than:
- (A) six (6) weeks if the estimated cost of the public works project is less than twenty-five million dollars (\$25,000,000); and
 - (B) ten (10) weeks if the estimated cost of the public works project is at least twenty-five million dollars (\$25,000,000).
- (6) ~~If the cost of a project is one hundred thousand dollars (\$100,000) or more,~~ The board shall require the bidder to submit a financial statement, a statement of experience, a proposed plan or plans for performing the public work, and the equipment that the bidder has available for the performance of the public work. The statement shall be submitted on forms prescribed by the state board of accounts.
- (7) The board may not require a bidder to submit a bid before the meeting at which bids are to be received. The meeting for receiving bids must be open to the public. All bids received shall be opened publicly and read aloud at the time and place designated and not before. *Notwithstanding any other law, bids may be opened after the time designated if both of the following apply:*
- (A) *The board makes a written determination that it is in the best interest of the board to delay the opening.*
 - (B) *The day, time, and place of the rescheduled opening are announced at the day, time, and place of the originally scheduled opening.*
- (8) Except as provided in subsection (c), ~~or (after June 30, 2011) section 22 of this chapter,~~ the board shall:
- (A) award the contract for public work or improvements to the lowest responsible and responsive bidder; or
 - (B) reject all bids submitted.
- (9) If the board awards the contract to a bidder other than the lowest bidder, the board must state in the minutes or memoranda, at the time the award is made, the factors used to determine which bidder is the lowest responsible and responsive bidder and to justify the award. The board shall keep a copy of the minutes or memoranda available for public inspection.

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(10) In determining whether a bidder is responsive, the board may consider the following factors:

(A) Whether the bidder has submitted a bid or quote that conforms in all material respects to the specifications.

(B) Whether the bidder has submitted a bid that complies specifically with the invitation to bid and the instructions to bidders.

(C) Whether the bidder has complied with all applicable statutes, ordinances, resolutions, or rules pertaining to the award of a public contract.

(11) In determining whether a bidder is a responsible bidder, the board may consider the following factors:

(A) The ability and capacity of the bidder to perform the work.

(B) The integrity, character, and reputation of the bidder.

(C) The competence and experience of the bidder.

(12) The board shall require the bidder to submit an affidavit:

(A) that the bidder has not entered into a combination or agreement:

(i) relative to the price to be bid by a person;

(ii) to prevent a person from bidding; or

(iii) to induce a person to refrain from bidding; and

(B) that the bidder's bid is made without reference to any other bid.

(c) Notwithstanding subsection (b)(8), a county may award sand, gravel, asphalt paving materials, or crushed stone contracts to more than one (1) responsible and responsive bidder if the specifications allow for bids to be based upon service to specific geographic areas and the contracts are awarded by geographic area. The geographic areas do not need to be described in the specifications.

SECTION 87. IC 36-1-12-4.7, AS AMENDED BY P.L.172-2011, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4.7. (a) This section applies whenever a public work project is estimated to cost:

(1) except as provided in subdivision (2), at least fifty thousand dollars (\$50,000) and less than one hundred fifty thousand dollars (\$150,000); or

(2) in the case of a board of aviation commissioners or an airport authority board, at least fifty thousand dollars (\$50,000) and less than one hundred thousand dollars (\$100,000).

(b) The board must proceed under the following provisions:

(1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing

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them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes.

(2) The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.

(3) ~~Except as permitted in section 22 of this chapter after June 30, 2011;~~ The board shall award the contract for the public work to the lowest responsible and responsive quoter.

(4) The board may reject all quotes submitted.

SECTION 88. IC 36-1-12-5, AS AMENDED BY P.L.172-2011, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) This section applies whenever a public work project is estimated to cost less than fifty thousand dollars (\$50,000). Except as provided in subsection (g) for local boards of aviation commissioners and local airport authorities, if a contract is to be awarded, the board may proceed under section 4 of this chapter or under subsection (b) or (c).

(b) The board must proceed under the following provisions:

(1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes.

(2) The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.

(3) ~~Except as permitted in section 22 of this chapter;~~ The board shall award the contract for the public work to the lowest responsible and responsive quoter.

(4) The board may reject all quotes submitted.

(5) If the board rejects all quotes under subdivision (4), the board may negotiate and enter into agreements for the work in the open market without inviting or receiving quotes if the board establishes in writing the reasons for rejecting the quotes.

(c) The board may not proceed under subsection (b) for the resurfacing (as defined in IC 8-14-2-1) of a road, street, or bridge, unless:

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(1) the weight or volume of the materials in the project is capable of accurate measurement and verification; and

(2) the specifications define the geographic points at which the project begins and ends.

(d) For the purposes of this section, if contiguous sections of a road, street, or bridge are to be resurfaced in a calendar year, all of the work shall be considered to comprise a single public work project.

(e) The board may purchase or lease supplies in the manner provided in IC 5-22 and perform the public work by means of its own workforce without awarding a public work contract.

(f) Before the board may perform any work under this section by means of its own workforce, the political subdivision or agency must have a group of employees on its staff who are capable of performing the construction, maintenance, and repair applicable to that work.

(g) This subsection applies to local boards of aviation commissioners operating under IC 8-22-2 and local airport authorities operating under IC 8-22-3. If the contract is to be awarded by a board to which this subsection applies, or to a designee of the board under subsection (h), the board or its designee may proceed under section 4 of this chapter or under the following provisions. The board or its designee may invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing the persons a copy of the plans and specifications for the work not less than seven (7) days before the time fixed for receiving quotes. If the board or its designee receives a satisfactory quote, the board or its designee shall award the contract to the lowest responsible and responsive quoter for the class of work required. ~~except as permitted in section 22 of this chapter.~~ The board or its designee may reject all quotes submitted and, if no valid quotes are received for the class of work, contract for the work without further invitations for quotes.

(h) The board may delegate its authority to award a contract for a public works project that is estimated to cost less than fifty thousand dollars (\$50,000) to the airport personnel in charge of airport public works projects.

(i) Quotes for public works projects costing less than twenty-five thousand dollars (\$25,000) may be obtained by soliciting at least three (3) quotes by telephone or facsimile transmission. The seven (7) day waiting period required by subsection (b)(1) does not apply to quotes solicited under this subsection.

SECTION 89. IC 36-1-12-22 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 22. (a) The definitions in IC 5-22-15, including the definitions in IC 5-22-15-20.9, apply in this section.~~

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(b) The procedures described in IC 5-22-15 for determining adjusted offers, price preference percentage, and total adjusted offers apply in this section.

(c) The price preferences stated in IC 5-22-15-20.9 apply in this section.

(d) Notwithstanding provisions of this chapter that require the award of a contract to the lowest responsive and responsible bidder or the lowest responsive and responsible quoter, but subject to subsection (e), a contract shall be awarded to the lowest responsive and responsible local Indiana business that claims the preference provided by this section.

(e) Notwithstanding subsection (d), a contract shall be awarded to the lowest responsive and responsible bidder or quoter, regardless of the preference provided in this section, if the lowest responsive and responsible bidder or quoter is a local Indiana business.

(f) A bidder or quoter that wants to claim the preference under this section must claim the preference in the same manner that a business claims the preference under IC 5-22-15-20.9(f)."

Page 122, line 24, delete "15" and insert "16".

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1072 as introduced.)

ESPICH, Chair

Committee Vote: yeas 14, nays 3.

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