
HOUSE BILL No. 1072

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-10-13-5; IC 5-1-18; IC 6-1.1; IC 6-3.1-26-26; IC 6-3.5; IC 36-1-8-5.1; IC 36-2-9-20; IC 36-3-6-9; IC 36-12-12-5.

Synopsis: Tax administration. Changes dates for budget and levy adoption actions. Changes certain property tax related reporting requirements. 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 all political subdivisions with a nonelected governing body 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 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. 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 within 10
(Continued next page)

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.



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Digest Continued

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.

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Introduced

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



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) **The department may not approve an appropriation or a**
 20 **property tax levy that is associated with a debt issued after June**
 21 **30, 2012, unless the debt issuance report for the debt has been**
 22 **submitted to the department.**

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

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

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

10 (c) **The department may not approve an appropriation or a**
 11 **property tax levy that is associated with a debt issued after June**
 12 **30, 2012, unless the debt issuance report for the debt has been**
 13 **submitted to the department.**

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

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

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

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

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

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1 value of property.

2 (b) For purposes of calculating a budget, rate, or levy under
 3 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,
 4 IC 20-46-5, and IC 20-46-6, "assessed value" or "assessed valuation"
 5 does not include the **net** assessed value of tangible property excluded
 6 and kept separately on a tax duplicate by a county auditor under
 7 IC 6-1.1-17-0.5.

8 SECTION 7. IC 6-1.1-4-25, AS AMENDED BY P.L.146-2008,
 9 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2012]: Sec. 25. (a) Each township assessor and each county
 11 assessor shall keep the assessor's reassessment data and records current
 12 by securing the necessary field data and by making changes in the
 13 assessed value of real property as changes occur in the use of the real
 14 property. The township or county assessor's records shall at all times
 15 show the assessed value of real property in accordance with this
 16 chapter. The township assessor shall ensure that the county assessor
 17 has full access to the assessment records maintained by the township
 18 assessor.

19 (b) The township assessor (if any) in a county having a consolidated
 20 city, the county assessor if there are no township assessors in a county
 21 having a consolidated city, or the county assessor in every other county,
 22 shall:

- 23 (1) maintain an electronic data file of:
- 24 (A) the parcel characteristics and parcel assessments of all
 - 25 parcels; and
 - 26 (B) the personal property return characteristics and
 - 27 assessments by return;
- 28 for each township in the county as of each assessment date;
- 29 (2) maintain the electronic file in a form that formats the
- 30 information in the file with the standard data, field, and record
- 31 coding required and approved by:
- 32 (A) the legislative services agency; and
 - 33 (B) the department of local government finance;
- 34 (3) transmit the data in the file with respect to the assessment date
- 35 of each year before October 1 of the year **and resubmit an**
- 36 **updated file before March 15 of the following year to:**
- 37 (A) the legislative services agency; and
 - 38 (B) the department of local government finance;
- 39 in a manner that meets the data export and transmission
- 40 requirements in a standard format, as prescribed by the office of
- 41 technology established by IC 4-13.1-2-1 and approved by the
- 42 legislative services agency; and

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(4) resubmit the data in the form and manner required under this subsection, upon request of the legislative services agency or the department of local government finance, if data previously submitted under this subsection does not comply with the requirements of this subsection, as determined by the legislative services agency or the department of local government finance.

An electronic data file maintained for a particular assessment date may not be overwritten with data for a subsequent assessment date until a copy of an electronic data file that preserves the data for the particular assessment date is archived in the manner prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency.

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

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

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

~~(1) the number forwarded;~~

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

~~and~~

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

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

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

~~(1) provide just valuations; and~~

~~(2) ensure that assessments are:~~

~~(A) made; and~~

~~(B) recorded;~~

~~in accordance with law.~~

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1 SECTION 9. IC 6-1.1-12-41, AS AMENDED BY P.L.146-2008,
 2 SECTION 118, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2012]: Sec. 41. (a) This section does not apply
 4 to assessment years beginning after December 31, 2005.

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

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

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

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

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

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

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

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

30 (g) An ordinance may not be adopted under subsection (f) after May
 31 30, 2005. However, an ordinance adopted under this section:

32 (1) before March 31, 2004, may be amended after March 30,
 33 2004; and

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

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

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

41 (2) the county fiscal body if the county adjusted gross income tax
 42 is in effect on January 1 of the year in which an ordinance under

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1 this section is adopted; or

2 (3) the county income tax council or the county fiscal body,
3 whichever acts first, for a county not covered by subdivision (1)
4 or (2).

5 To adopt an ordinance under subsection (f), a county income tax
6 council shall use the procedures set forth in IC 6-3.5-6 concerning the
7 imposition of the county option income tax. The entity that adopts the
8 ordinance shall provide a certified copy of the ordinance to the
9 department of local government finance before February 1.

10 (i) A taxpayer is not required to file an application to qualify for the
11 deduction permitted under subsection (f).

12 (j) The department of local government finance shall incorporate the
13 deduction established in this section in the personal property return
14 form to be used each year for filing under IC 6-1.1-3-7 or
15 IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the
16 form. If a taxpayer fails to enter the deduction on the form, the
17 township assessor, or the county assessor if there is no township
18 assessor for the township, shall:

19 (1) determine the amount of the deduction; and

20 (2) within the period established in IC 6-1.1-16-1, issue a notice
21 of assessment to the taxpayer that reflects the application of the
22 deduction to the inventory assessment.

23 (k) The deduction established in this section must be applied to any
24 inventory assessment made by:

25 (1) an assessing official;

26 (2) a county property tax board of appeals; or

27 (3) the department of local government finance.

28 SECTION 10. IC 6-1.1-15-1, AS AMENDED BY P.L.172-2011,
29 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the
31 county board of a county or township official's action with respect to
32 either or both of the following:

33 (1) The assessment of the taxpayer's tangible property.

34 (2) A deduction for which a review under this section is
35 authorized by any of the following:

36 (A) IC 6-1.1-12-25.5.

37 (B) IC 6-1.1-12-28.5.

38 (C) IC 6-1.1-12-35.5.

39 (D) IC 6-1.1-12.1-5.

40 (E) IC 6-1.1-12.1-5.3.

41 (F) IC 6-1.1-12.1-5.4.

42 (b) At the time that notice of an action referred to in subsection (a)

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1 is given to the taxpayer, the taxpayer shall also be informed in writing
2 of:

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

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

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

- 27 (1) May 10 of the year; or
28 (2) **either:**

29 (A) forty-five (45) days after the date of the tax statement
30 mailed by the county treasurer **for a review related to an**
31 **assessment date before January 16, 2012; or**

32 (B) **sixty (60) days after the date of the tax statement for a**
33 **review related to an assessment date after January 15,**
34 **2012;**

35 regardless of whether the assessing official changes the taxpayer's
36 assessment.

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

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1 assessment date for which the assessment is changed under this article.

2 (f) The written notice filed by a taxpayer under subsection (c) or (d)
3 must include the following information:

4 (1) The name of the taxpayer.

5 (2) The address and parcel or key number of the property.

6 (3) The address and telephone number of the taxpayer.

7 (g) The filing of a notice under subsection (c) or (d):

8 (1) initiates a review under this section; and

9 (2) constitutes a request by the taxpayer for a preliminary
10 informal meeting with the official referred to in subsection (a).

11 (h) A county or township official who receives a notice for review
12 filed by a taxpayer under subsection (c) or (d) shall:

13 (1) immediately forward the notice to the county board; and

14 (2) attempt to hold a preliminary informal meeting with the
15 taxpayer to resolve as many issues as possible by:

16 (A) discussing the specifics of the taxpayer's assessment or
17 deduction;

18 (B) reviewing the taxpayer's property record card;

19 (C) explaining to the taxpayer how the assessment or
20 deduction was determined;

21 (D) providing to the taxpayer information about the statutes,
22 rules, and guidelines that govern the determination of the
23 assessment or deduction;

24 (E) noting and considering objections of the taxpayer;

25 (F) considering all errors alleged by the taxpayer; and

26 (G) otherwise educating the taxpayer about:

27 (i) the taxpayer's assessment or deduction;

28 (ii) the assessment or deduction process; and

29 (iii) the assessment or deduction appeal process.

30 (i) Not later than ten (10) days after the informal preliminary
31 meeting, the official referred to in subsection (a) shall forward to the
32 county auditor and the county board the results of the conference on a
33 form prescribed by the department of local government finance that
34 must be completed and signed by the taxpayer and the official. The
35 form must indicate the following:

36 (1) If the taxpayer and the official agree on the resolution of all
37 assessment or deduction issues in the review, a statement of:

38 (A) those issues; and

39 (B) the assessed value of the tangible property or the amount
40 of the deduction that results from the resolution of those issues
41 in the manner agreed to by the taxpayer and the official.

42 (2) If the taxpayer and the official do not agree on the resolution

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1 of all assessment or deduction issues in the review:

2 (A) a statement of those issues; and

3 (B) the identification of:

4 (i) the issues on which the taxpayer and the official agree;

5 and

6 (ii) the issues on which the taxpayer and the official
7 disagree.

8 (j) If the county board receives a form referred to in subsection

9 (i)(1) before the hearing scheduled under subsection (k):

10 (1) the county board shall cancel the hearing;

11 (2) the county official referred to in subsection (a) shall give
12 notice to the taxpayer, the county board, the county assessor, and
13 the county auditor of the assessment or deduction in the amount
14 referred to in subsection (i)(1)(B); and

15 (3) if the matter in issue is the assessment of tangible property,
16 the county board may reserve the right to change the assessment
17 under IC 6-1.1-13.

18 (k) If:

19 (1) subsection (i)(2) applies; or

20 (2) the county board does not receive a form referred to in
21 subsection (i) not later than one hundred twenty (120) days after
22 the date of the notice for review filed by the taxpayer under
23 subsection (c) or (d);

24 the county board shall hold a hearing on a review under this subsection
25 not later than one hundred eighty (180) days after the date of that
26 notice. The county board shall, by mail, give notice of the date, time,
27 and place fixed for the hearing to the taxpayer and the county or
28 township official with whom the taxpayer filed the notice for review.
29 The taxpayer and the county or township official with whom the
30 taxpayer filed the notice for review are parties to the proceeding before
31 the county board.

32 (l) At the hearing required under subsection (k):

33 (1) the taxpayer may present the taxpayer's reasons for
34 disagreement with the assessment or deduction; and

35 (2) the county or township official with whom the taxpayer filed
36 the notice for review must present:

37 (A) the basis for the assessment or deduction decision; and

38 (B) the reasons the taxpayer's contentions should be denied.

39 (m) The official referred to in subsection (a) may not require the
40 taxpayer to provide documentary evidence at the preliminary informal
41 meeting under subsection (h). The county board may not require a
42 taxpayer to file documentary evidence or summaries of statements of

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1 testimonial evidence before the hearing required under subsection (k).
2 If the action for which a taxpayer seeks review under this section is the
3 assessment of tangible property, the taxpayer is not required to have an
4 appraisal of the property in order to do the following:

- 5 (1) Initiate the review.
- 6 (2) Prosecute the review.

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

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

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

19 SECTION 11. IC 6-1.1-15-10, AS AMENDED BY P.L.146-2008,
20 SECTION 139, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) If a petition for review to
22 any board or a proceeding for judicial review in the tax court regarding
23 an assessment or increase in assessment is pending, the taxes resulting
24 from the assessment or increase in assessment are, notwithstanding the
25 provisions of IC 6-1.1-22-9, not due until after the petition for review,
26 or the proceeding for judicial review, is finally adjudicated and the
27 assessment or increase in assessment is finally determined. However,
28 even though a petition for review or a proceeding for judicial review is
29 pending, the taxpayer shall pay taxes on the tangible property when the
30 property tax installments come due, unless the collection of the taxes
31 is enjoined under IC 33-26-6-2 pending a final determination in the
32 proceeding for judicial review. The amount of taxes which the taxpayer
33 is required to pay, pending the final determination of the assessment or
34 increase in assessment, shall be based on:

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

41 (b) If the petition for review or the proceeding for judicial review is
42 not finally determined by the last installment date for the taxes, the

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1 taxpayer, upon showing of cause by a taxing official or at the tax court's
 2 discretion, may be required to post a bond or provide other security in
 3 an amount not to exceed the taxes resulting from the contested
 4 assessment or increase in assessment.

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

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

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

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

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

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

- 42 (1) Successful appeals of the assessed value of property located

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- in the taxing ~~unit~~ **district**.
- (2) Deductions under IC 6-1.1-12-37 and IC 6-1.1-12-37.5 that result from the granting of applications for the standard deduction for the calendar year under IC 6-1.1-12-37 or IC 6-1.1-12-44 after the county auditor certifies **net** assessed value as described in this section.
- (3) Deductions that result from the granting of applications for deductions for the calendar year under IC 6-1.1-12-44 after the county auditor certifies **net** assessed value as described in this section.
- (4) Reassessments of real property under IC 6-1.1-4-11.5.

Not later than December 31 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and to the department of local government finance. The certified statement must list any adjustments to the amount of the reduction under this subsection and the information submitted under section 1 of this chapter that are necessary. The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection. The maximum amount of the reduction authorized under this subsection is determined under subsection (e).

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

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

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

as evidence that a particular parcel has been improperly assessed.

SECTION 13. IC 6-1.1-17-1, AS AMENDED BY P.L.1-2010, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and the department of local government finance. The statement shall contain:

- (1) information concerning the assessed valuation in the political subdivision for the next calendar year;
- (2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar

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

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1 the hearing under IC 5-3-1. If the county auditor makes the amendment
2 as a result of information provided to the county auditor by an assessor,
3 the county auditor shall give notice of the public hearing to the
4 assessor.

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

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

17 SECTION 14. IC 6-1.1-17-3, AS AMENDED BY P.L.182-2009(ss),
18 SECTION 114, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) The proper officers of a
20 political subdivision shall formulate its estimated budget and its
21 proposed tax rate and tax levy on the form prescribed by the
22 department of local government finance and approved by the state
23 board of accounts. The political subdivision shall give notice by
24 publication to taxpayers of:

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

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

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

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- 1 (1) in any county of the solid waste management district; and
- 2 (2) in accordance with the annual notice of meetings published
- 3 under IC 13-21-5-2.

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

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

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

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

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

25 SECTION 15. IC 6-1.1-17-3.5, AS AMENDED BY
 26 P.L.182-2009(ss), SECTION 115, IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3.5. (a) This section
 28 does not apply to ~~civil~~ taxing units located in a county in which a
 29 county board of tax adjustment reviews budgets, tax rates, and tax
 30 levies. This section does not apply to a ~~civil~~ taxing unit that has its
 31 proposed budget and proposed property tax levy approved under
 32 section 20 of this chapter or IC 36-3-6-9.

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

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

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

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1 the ensuing budget year.

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

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

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

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

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

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

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

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

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

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

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

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

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1 recent annual appropriations and annual tax levy of that ~~civil~~ taxing
2 unit are continued for the ensuing budget year.

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

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

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

- 18 (1) may require the county auditor to submit supporting
- 19 information with the county auditor's appeal;
- 20 (2) shall consider the appeal at the time of the review required by
- 21 subsection (a); and
- 22 (3) may approve, modify and approve, or reject the amount of the
- 23 reduction sought in the appeal.

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

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

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

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

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

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

- 42 (1) no bonds of the building corporation are outstanding; or

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- 1 (2) the building corporation has enough legally available funds on
- 2 hand to redeem all outstanding bonds payable from the particular
- 3 lease rental levy requested.
- 4 (f) The department of local government finance shall certify its
- 5 action to:
- 6 (1) the county auditor;
- 7 (2) the political subdivision if the department acts pursuant to an
- 8 appeal initiated by the political subdivision;
- 9 (3) the taxpayer that initiated an appeal under section 13 of this
- 10 chapter, or, if the appeal was initiated by multiple taxpayers, the
- 11 first ten (10) taxpayers whose names appear on the statement filed
- 12 to initiate the appeal; and
- 13 (4) a taxpayer that owns property that represents at least ten
- 14 percent (10%) of the taxable assessed valuation in the political
- 15 subdivision.
- 16 (g) The following may petition for judicial review of the final
- 17 determination of the department of local government finance under
- 18 subsection (f):
- 19 (1) If the department acts under an appeal initiated by a political
- 20 subdivision, the political subdivision.
- 21 (2) If the department:
- 22 (A) acts under an appeal initiated by one (1) or more taxpayers
- 23 under section 13 of this chapter; or
- 24 (B) fails to act on the appeal before the department certifies its
- 25 action under subsection (f);
- 26 a taxpayer who signed the statement filed to initiate the appeal.
- 27 (3) If the department acts under an appeal initiated by the county
- 28 auditor under section 14 of this chapter, the county auditor.
- 29 (4) A taxpayer that owns property that represents at least ten
- 30 percent (10%) of the taxable assessed valuation in the political
- 31 subdivision.
- 32 The petition must be filed in the tax court not more than forty-five (45)
- 33 days after the department certifies its action under subsection (f).
- 34 (h) The department of local government finance is expressly
- 35 directed to complete the duties assigned to it under this section not later
- 36 than February 15th of each year for taxes to be collected during that
- 37 year.
- 38 (i) Subject to the provisions of all applicable statutes, the
- 39 department of local government finance may increase a political
- 40 subdivision's tax levy to an amount that exceeds the amount originally
- 41 fixed by the political subdivision if the increase is:
- 42 (1) requested in writing by the officers of the political

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1 subdivision;

2 (2) either:

3 (A) based on information first obtained by the political
4 subdivision after the public hearing under section 3 of this
5 chapter; or

6 (B) results from an inadvertent mathematical error made in
7 determining the levy; and

8 (3) published by the political subdivision according to a notice
9 provided by the department.

10 (j) The department of local government finance shall annually
11 review the budget by fund of each school corporation not later than
12 April 1. The department of local government finance shall give the
13 school corporation written notification specifying any revision,
14 reduction, or increase the department proposes in the school
15 corporation's budget by fund. A public hearing is not required in
16 connection with this review of the budget.

17 (k) The department of local government finance may hold a hearing
18 under subsection (c) only if the notice required in section 12 of this
19 chapter is published at least ten (10) days before the date of the
20 hearing.

21 SECTION 18. IC 6-1.1-17-20, AS AMENDED BY P.L.113-2010,
22 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2012]: Sec. 20. (a) This section applies to each governing
24 body of a taxing unit that

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

27 ~~(2)~~ either:

28 (A) is:

29 (i) a conservancy district subject to IC ~~14-33-9~~;

30 (ii) a solid waste management district subject to IC ~~13-21~~;

31 or

32 (iii) a fire protection district subject to IC ~~36-8-11-18~~; or

33 ~~(B)~~ has a percentage increase in the proposed budget for the
34 taxing unit for the ensuing calendar year that is more than the
35 result of:

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

38 ~~(ii) one (1).~~

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

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- 1 governing body.
- 2 (b) As used in this section, "taxing unit" has the meaning set forth
3 in IC 6-1.1-1-21, except that the term does not include
4 ~~(1) a school corporation; or~~
5 ~~(2) an entity whose tax levies are subject to review and~~
6 ~~modification by a city-county legislative body under IC 36-3-6-9.~~
- 7 (c) If:
- 8 (1) the assessed valuation of a taxing unit is entirely contained
9 within a city or town; or
10 (2) the assessed valuation of a taxing unit is not entirely contained
11 within a city or town but the taxing unit was originally established
12 by the city or town;
- 13 the governing body shall submit its proposed budget and property tax
14 levy to the city or town fiscal body. The proposed budget and levy shall
15 be submitted ~~at least thirty (30) days before the city or town fiscal body~~
16 ~~is required to hold budget approval hearings under this chapter. to the~~
17 **city or town fiscal body in the manner prescribed by the**
18 **department of local government finance before September 2 of a**
19 **year.** However, in the case of a public library that is subject to this
20 section and is described in subdivision (2), the public library shall
21 submit its proposed budget and property tax levy to the county fiscal
22 body in the manner provided in subsection (d), rather than to the city
23 or town fiscal body, if more than fifty percent (50%) of the parcels of
24 real property within the jurisdiction of the public library are located
25 outside the city or town.
- 26 (d) If subsection (c) does not apply, the governing body of the taxing
27 unit shall submit its proposed budget and property tax levy to the
28 county fiscal body in the county where the taxing unit has the most
29 assessed valuation. The proposed budget and levy shall be submitted
30 ~~at least thirty (30) days before the county fiscal body is required to hold~~
31 ~~budget approval hearings under this chapter. to the county fiscal body~~
32 **in the manner prescribed by the department of local government**
33 **finance before September 2 of a year.**
- 34 (e) The fiscal body of the city, town, or county (whichever applies)
35 shall review each budget and proposed tax levy and adopt a final
36 budget and tax levy for the taxing unit. The fiscal body may reduce or
37 modify but not increase the proposed budget or tax levy.
- 38 (f) If a taxing unit fails to file the information required in subsection
39 (c) or (d), whichever applies, with the appropriate fiscal body by the
40 time prescribed by this section, the most recent annual appropriations
41 and annual tax levy of that taxing unit are continued for the ensuing
42 budget year.

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

6 SECTION 19. IC 6-1.1-18-5 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) If the proper
 8 officers of a political subdivision desire to appropriate more money for
 9 a particular year than the amount prescribed in the budget for that year
 10 as finally determined under this article, they shall give notice of their
 11 proposed additional appropriation. The notice shall state the time and
 12 place at which a public hearing will be held on the proposal. The notice
 13 shall be given once in accordance with IC 5-3-1-2(b).

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

16 (1) distributions from the motor vehicle highway account
 17 established under IC 8-14-1-1 or the local road and street account
 18 established under IC 8-14-2-4; or

19 (2) revenue from property taxes levied under IC 6-1.1;

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

24 (c) However, if the additional appropriation is not made from a fund
 25 described under subsection (b), subsections (f), (g), (h), and (i) do not
 26 apply to the political subdivision. Subsections (f), (g), (h), and (i) do
 27 not apply to an additional appropriation made from the cumulative
 28 bridge fund if the appropriation meets the requirements under
 29 IC 8-16-3-3(c).

30 (d) A political subdivision may make an additional appropriation
 31 without approval of the department of local government finance if the
 32 additional appropriation is made from a fund that is not described
 33 under subsection (b). However, the fiscal officer of the political
 34 subdivision shall report the additional appropriation to the department
 35 of local government finance.

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

40 (f) When the department of local government finance receives a
 41 certified copy of a proposal for an additional appropriation under
 42 subsection (e), the department shall determine whether sufficient funds

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1 are available or will be available for the proposal. The determination
 2 shall be made in writing and sent to the political subdivision not more
 3 than fifteen (15) days after the department of local government finance
 4 receives the proposal.

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

9 (h) If the department of local government finance disapproves an
 10 additional appropriation under subsection (f), the department shall
 11 specify the reason for its disapproval on the determination sent to the
 12 political subdivision.

13 (i) A political subdivision may request a reconsideration of a
 14 determination of the department of local government finance under this
 15 section by filing a written request for reconsideration. A request for
 16 reconsideration must:

17 (1) be filed with the department of local government finance
 18 within fifteen (15) days of the receipt of the determination by the
 19 political subdivision; and

20 (2) state with reasonable specificity the reason for the request.

21 The department of local government finance must act on a request for
 22 reconsideration within fifteen (15) days of receiving the request.

23 **(j) This subsection applies to an additional appropriation by a**
 24 **political subdivision that must have the political subdivision's**
 25 **annual appropriations and annual tax levy adopted by a city, town,**
 26 **or county fiscal body under IC 6-1.1-17-20 or by a legislative or**
 27 **fiscal body under IC 36-3-6-9. The fiscal or legislative body of the**
 28 **city, town, or county that adopted the political subdivision's annual**
 29 **appropriation and annual tax levy must adopt the additional**
 30 **appropriation by ordinance before the department of local**
 31 **government finance may approve the additional appropriation.**

32 SECTION 20. IC 6-1.1-20.6-9.8, AS ADDED BY P.L.172-2011,
 33 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2012]: Sec. 9.8. (a) This section applies to property taxes first
 35 due and payable after December 31, 2009.

36 (b) ~~As used in~~ **The definitions in this section: subsection apply**
 37 **throughout this section:**

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

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

42 **(B) lease rental payments payable during a calendar year**

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on leases;
of a political subdivision payable from ad valorem property taxes.

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

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

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

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

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

SECTION 21. IC 6-1.1-20.6-10, AS AMENDED BY P.L.172-2011, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) As used in this section, "debt service obligations of a political subdivision" refers to:

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

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

of a political subdivision payable from ad valorem property taxes.

(b) Political subdivisions are required by law to fully fund the payment of their debt obligations in an amount sufficient to pay any debt service or lease rentals on outstanding obligations, regardless of any reduction in property tax collections due to the application of tax credits granted under this chapter. ~~If the amount deposited in a fund~~

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1 from which debt service obligations of the political subdivision are
 2 paid is reduced as a result of the application of a credit granted under
 3 this chapter below the amount needed to meet the debt service
 4 obligations of a political subdivision as the obligations come due; the
 5 political subdivision may transfer funds from one (1) or more of the
 6 other funds of the political subdivision:

7 (c) Upon the failure of a political subdivision to pay any of the
 8 political subdivision's debt service obligations during a calendar year
 9 when due, the treasurer of state, upon being notified of the failure by
 10 a claimant, shall pay the unpaid debt service obligations that are due
 11 from money in the possession of the state that would otherwise be
 12 available for distribution to the political subdivision under any other
 13 law, deducting the payment from the amount distributed. A deduction
 14 under this subsection must be made:

15 (1) first from distributions of county adjusted gross income tax
 16 distributions under IC 6-3.5-1.1, county option income tax
 17 distributions under IC 6-3.5-6, or county economic development
 18 income tax distributions under IC 6-3.5-7 that would otherwise be
 19 distributed to the county under the schedule in IC 6-3.5-1.1-10,
 20 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,
 21 and IC 6-3.5-7-17.3; and

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

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

28 SECTION 22. IC 6-1.1-20.6-11, AS ADDED BY P.L.146-2008,
 29 SECTION 227, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2012]: Sec. 11. The county auditor of each
 31 county shall certify to the department of local government finance

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

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

38 If the amount of credits granted changes after the date the certification
 39 is made, the county auditor shall submit an amended certification to the
 40 department of local government finance. The initial certification and
 41 the amended certifications shall be submitted to the department of local
 42 government finance on the schedule prescribed by the department of

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SECTION 23. IC 6-1.1-21.8-5, AS AMENDED BY P.L.146-2008, SECTION 245, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. The maximum amount that the board may loan to a qualified taxing unit is determined under STEP FOUR of the following formula:

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

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

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

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

However, in the case of a qualified taxing unit that is a school corporation, the amount determined under STEP FOUR shall be reduced by the board to the extent that the school corporation receives relief in the form of adjustments to the school corporation's **net** assessed valuation under IC 6-1.1-17-0.5 or **assessed valuation under** IC 6-1.1-19-5.3.

SECTION 24. IC 6-1.1-22-8.1, AS AMENDED BY P.L.1-2010, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8.1. (a) The county treasurer shall:

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

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

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

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

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- 1 (1) A statement of the taxpayer's current and delinquent taxes and
- 2 special assessments.
- 3 (2) A breakdown showing the total property tax and special
- 4 assessment liability and the amount of the taxpayer's liability that
- 5 will be distributed to each taxing unit in the county.
- 6 (3) An itemized listing for each property tax levy, including:
- 7 (A) the amount of the tax rate;
- 8 (B) the entity levying the tax owed; and
- 9 (C) the dollar amount of the tax owed.
- 10 (4) Information designed to show the manner in which the taxes
- 11 and special assessments billed in the tax statement are to be used.
- 12 (5) A comparison showing any change in the assessed valuation
- 13 for the property as compared to the previous year.
- 14 (6) A comparison showing any change in the property tax and
- 15 special assessment liability for the property as compared to the
- 16 previous year. The information required under this subdivision
- 17 must identify:
- 18 (A) the amount of the taxpayer's liability distributable to each
- 19 taxing unit in which the property is located in the current year
- 20 and in the previous year; and
- 21 (B) the percentage change, if any, in the amount of the
- 22 taxpayer's liability distributable to each taxing unit in which
- 23 the property is located from the previous year to the current
- 24 year.
- 25 (7) An explanation of the following:
- 26 (A) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
- 27 another law that are available in the taxing district where the
- 28 property is located.
- 29 (B) All property tax deductions that are available in the taxing
- 30 district where the property is located.
- 31 (C) The procedure and deadline for filing for any available
- 32 homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or
- 33 another law and each deduction.
- 34 (D) The procedure that a taxpayer must follow to:
- 35 (i) appeal a current assessment; or
- 36 (ii) petition for the correction of an error related to the
- 37 taxpayer's property tax and special assessment liability.
- 38 (E) The forms that must be filed for an appeal or a petition
- 39 described in clause (D).
- 40 (F) The procedure and deadline that a taxpayer must follow
- 41 and the forms that must be used if a credit or deduction has
- 42 been granted for the property and the taxpayer is no longer

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eligible for the credit or deduction.

(G) Notice that an appeal described in clause (D) requires evidence relevant to the true tax value of the taxpayer's property as of the assessment date that is the basis for the taxes payable on that property.

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

(8) A checklist that shows:

- (A) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law and all property tax deductions; and
- (B) whether each homestead credit and property tax deduction applies in the current statement for the property transmitted under subsection (a).

(9) This subdivision applies to any property for which a deduction or credit is listed under subdivision (8) if the notice required under this subdivision was not provided to a taxpayer on a reconciling statement under IC 6-1.1-22.5-12. The statement must include in 2010, 2011, and 2012, a notice that must be returned by the taxpayer to the county auditor with the taxpayer's verification of the items required by this subdivision. The notice must explain the tax consequences and applicable penalties if a taxpayer unlawfully claims a standard deduction under IC 6-1.1-12-37 on:

- (A) more than one (1) parcel of property; or
- (B) property that is not the taxpayer's principal place of residence or is otherwise not eligible for the standard deduction.

The notice must include a place for the taxpayer to indicate, under penalties of perjury, for each deduction and credit listed under subdivision (8), whether the property is eligible for the deduction or credit listed under subdivision (8). The notice must also include a place for each individual who qualifies the property for a deduction or credit listed in subdivision (8) to indicate the name of the individual and the name of the individual's spouse (if any), as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number (or that they use as their legal names when they sign their names on legal documents), and either the last five (5) digits of each individual's Social Security number or, if an individual does not have a Social Security number, the numbers required from the individual under IC 6-1.1-12-37(e)(4)(B). The notice must explain that the

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1 taxpayer must complete and return the notice with the required
 2 information and that failure to complete and return the notice may
 3 result in disqualification of property for deductions and credits
 4 listed in subdivision (8), must explain how to return the notice,
 5 and must be on a separate form printed on paper that is a different
 6 color than the tax statement. The notice must be prepared in the
 7 form prescribed by the department of local government finance
 8 and include any additional information required by the
 9 department of local government finance. This subdivision expires
 10 January 1, 2015.

11 (c) The county treasurer may mail or transmit the statement one (1)
 12 time each year at least fifteen (15) days before the date on which the
 13 first or only installment is due. Whenever a person's tax liability for a
 14 year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this
 15 chapter, a statement that is mailed must include the date on which the
 16 installment is due and denote the amount of money to be paid for the
 17 installment. Whenever a person's tax liability is due in two (2)
 18 installments, a statement that is mailed must contain the dates on which
 19 the first and second installments are due and denote the amount of
 20 money to be paid for each installment. If a statement is returned to the
 21 county treasurer as undeliverable and the forwarding order is expired,
 22 the county treasurer shall notify the county auditor of this fact. Upon
 23 receipt of the county treasurer's notice, the county auditor may, at the
 24 county auditor's discretion, treat the property as not being eligible for
 25 any deductions under IC 6-1.1-12 or any homestead credits under
 26 IC 6-1.1-20.4 and IC 6-3.5-6-13.

27 (d) All payments of property taxes and special assessments shall be
 28 made to the county treasurer. The county treasurer, when authorized by
 29 the board of county commissioners, may open temporary offices for the
 30 collection of taxes in cities and towns in the county other than the
 31 county seat.

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

35 (f) The information to be included in the statement under subsection
 36 (b) must be simply and clearly presented and understandable to the
 37 average individual.

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

41 (h) Transmission of statements and other information under this
 42 subsection applies in a county only if the county legislative body adopts

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1 an authorizing ordinance. Subject to subsection ~~(i)~~; **(j)**, in a county in
 2 which an ordinance is adopted under this subsection for property taxes
 3 and special assessments first due and payable after 2009, a person may
 4 direct the county treasurer and county auditor to transmit the following
 5 to the person by electronic mail:

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

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

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

16 (A) Section 9 of this chapter.

17 (B) Section 9.7 of this chapter.

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

20 ~~(4) A statement that would otherwise be sent by the county~~
 21 ~~auditor to the person by regular mail under IC 6-1.1-17-3(b).~~

22 ~~(5)~~ **(4)** Any other information that:

23 (A) concerns the property taxes or special assessments; and

24 (B) would otherwise be sent:

25 (i) by the county treasurer or the county auditor to the person
 26 by regular mail; and

27 (ii) before the last date the property taxes or special
 28 assessments may be paid without becoming delinquent.

29 **(i) A county council may pass an ordinance to refrain from**
 30 **collecting tax and special assessment liabilities from taxpayers that**
 31 **each have total tax and special assessment liability of not more**
 32 **than five dollars (\$5).**

33 ~~(i)~~ **(j)** For property with respect to which more than one (1) person
 34 is liable for property taxes and special assessments, subsection (h)
 35 applies only if all the persons liable for property taxes and special
 36 assessments designate the electronic mail address for only one (1)
 37 individual authorized to receive the statements and other information
 38 referred to in subsection (h).

39 ~~(j)~~ **(k)** ~~Before 2010~~; The department of local government finance
 40 shall create a form to be used to implement subsection (h). The county
 41 treasurer and county auditor shall:

42 (1) make the form created under this subsection available to the

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- 1 public;
- 2 (2) transmit a statement or other information by electronic mail
- 3 under subsection (h) to a person who, at least thirty (30) days
- 4 before the anticipated general mailing date of the statement or
- 5 other information, files the form created under this subsection:
- 6 (A) with the county treasurer; or
- 7 (B) with the county auditor; and
- 8 (3) publicize the availability of the electronic mail option under
- 9 this subsection through appropriate media in a manner reasonably
- 10 designed to reach members of the public.
- 11 ~~(k)~~ (l) The form referred to in subsection ~~(j)~~ (k) must:
- 12 (1) explain that a form filed as described in subsection ~~(j)~~(2)
- 13 (k)(2) remains in effect until the person files a replacement form
- 14 to:
- 15 (A) change the person's electronic mail address; or
- 16 (B) terminate the electronic mail option under subsection (h);
- 17 and
- 18 (2) allow a person to do at least the following with respect to the
- 19 electronic mail option under subsection (h):
- 20 (A) Exercise the option.
- 21 (B) Change the person's electronic mail address.
- 22 (C) Terminate the option.
- 23 (D) For a person other than an individual, designate the
- 24 electronic mail address for only one (1) individual authorized
- 25 to receive the statements and other information referred to in
- 26 subsection (h).
- 27 (E) For property with respect to which more than one (1)
- 28 person is liable for property taxes and special assessments,
- 29 designate the electronic mail address for only one (1)
- 30 individual authorized to receive the statements and other
- 31 information referred to in subsection (h).
- 32 ~~(j)~~ (m) The form created under subsection ~~(j)~~ (k) is considered filed
- 33 with the county treasurer or the county auditor on the postmark date. If
- 34 the postmark is missing or illegible, the postmark is considered to be
- 35 one (1) day before the date of receipt of the form by the county
- 36 treasurer or the county auditor.
- 37 ~~(m)~~ (n) The county treasurer shall maintain a record that shows at
- 38 least the following:
- 39 (1) Each person to whom a statement or other information is
- 40 transmitted by electronic mail under this section.
- 41 (2) The information included in the statement.
- 42 (3) Whether the person received the statement.

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

13 ~~(1)~~ local assessing officials have not provided information to the
 14 department of local government finance in a timely manner under
 15 ~~IC 4-10-13-5(b)~~;

16 ~~(2)~~ (1) the county assessor has not transmitted to the department
 17 of local government finance by October 1 of the year in which the
 18 distribution is scheduled to be made the data for all townships in
 19 the county required to be transmitted under IC 6-1.1-4-25;

20 ~~(3)~~ (2) the county auditor has not paid a bill for services under
 21 IC 6-1.1-4-31.5 to the department of local government finance in
 22 a timely manner;

23 ~~(4)~~ (3) the county assessor has not forwarded to the department of
 24 local government finance in a timely manner sales disclosure
 25 form data under IC 6-1.1-5.5-3;

26 ~~(5)~~ (4) the county auditor has not forwarded to the department of
 27 local government finance the duplicate copies of all approved
 28 exemption applications required to be forwarded by that date
 29 under IC 6-1.1-11-8(a);

30 ~~(6)~~ (5) by the date the distribution is scheduled to be made, the
 31 county auditor has not sent a certified statement required to be
 32 sent by that date under IC 6-1.1-17-1 to the department of local
 33 government finance;

34 ~~(7)~~ (6) the county does not maintain a certified computer system
 35 that meets the requirements of IC 6-1.1-31.5-3.5;

36 ~~(8)~~ (7) the county auditor has not transmitted the data described
 37 in IC 36-2-9-20 to the department of local government finance in
 38 the form and on the schedule specified by IC 36-2-9-20;

39 ~~(9)~~ (8) the county has not established a parcel index numbering
 40 system under 50 IAC 23-8-1 in a timely manner; or

41 ~~(10)~~ (9) a county official has not provided other information to the
 42 department of local government finance in a timely manner as

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1 required by the department of local government finance.
 2 The percentage to be withheld is the percentage determined by the
 3 department of local government finance.

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

8 (1) provide information; or

9 (2) pay a bill for services;

10 has been corrected.

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

14 (1) provide information; or

15 (2) pay a bill for services;

16 in a timely manner is justified by unusual circumstances.

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

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

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

31 SECTION 26. IC 6-1.1-37-11 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) If a taxpayer is
 33 entitled to a property tax refund or credit because an assessment is
 34 decreased, the taxpayer shall also be paid, or credited with, interest on
 35 the excess taxes that ~~he~~ **the taxpayer** paid at the rate of four percent
 36 (4%) per annum.

37 (b) For purposes of this section and except as provided in subsection
 38 (c), the interest shall be computed from the date on which the taxes
 39 were paid or due, whichever is later, to the date of the refund or credit.
 40 **If a taxpayer is sent a provisional tax statement and is later sent a**
 41 **final or reconciling tax statement, interest shall be computed after**
 42 **the date on which the taxes were paid or first due under the**

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1 **provisional tax statement, whichever is later, through the date of**
 2 **the refund or credit.**

3 (c) This subsection applies if a taxpayer who is entitled to a refund
 4 or credit does not make a written request for the refund or credit to the
 5 county auditor within forty-five (45) days after the final determination
 6 of the county property tax assessment board of appeals, the state board
 7 of tax commissioners, the department of local government finance, the
 8 Indiana board, or the tax court that entitles the taxpayer to the refund
 9 or credit. In the case of a taxpayer described in this subsection, the
 10 interest shall be computed from the date on which the taxes were paid
 11 or due to the date that is forty-five (45) days after the final
 12 determination of the county property tax assessment board of appeals,
 13 the state board of tax commissioners, the department of local
 14 government finance, the Indiana board of tax review, or the Indiana tax
 15 court. In any event, a property tax refund or credit must be issued not
 16 later than ninety (90) days after the request is received.

17 SECTION 27. IC 6-1.1-41-3 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A political
 19 subdivision that decides to establish a fund under this chapter must:

20 (1) give notice of the proposal to the affected taxpayers; and

21 (2) hold a public hearing on the proposal;

22 before presenting the proposal to the department of local government
 23 finance for approval.

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

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

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

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

37 SECTION 28. IC 6-1.1-41-5 IS REPEALED [EFFECTIVE JULY
 38 1, 2012]. Sec. 5: The department of local government finance shall
 39 require that a notice of submission under section 3 of this chapter be
 40 given to the taxpayers of the county: The notice shall be published in
 41 one (1) publication and posted in the same manner as required by
 42 section 3 of this chapter:

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1 SECTION 29. IC 6-1.1-41-6 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. Not later than noon
 3 thirty (30) days after the publication of the notice of **adoption** required
 4 by section 3 of this chapter:

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

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

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

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

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

17 may file a petition with the county auditor stating their objections to an
 18 action described in section 2 of this chapter. Upon the filing of the
 19 petition, the county auditor shall immediately certify the petition to the
 20 department of local government finance.

21 SECTION 30. IC 6-1.1-41-9 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) After a hearing
 23 upon a proposal **under section 7 of this chapter**, the department of
 24 local government finance shall certify approval, disapproval, or
 25 modification of the proposal to the county auditor.

26 (b) A:

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

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

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

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

39 (b) Notwithstanding the other provisions of this chapter, the
 40 corporation may not approve a credit for a qualified investment made
 41 after December 31, ~~2013~~ **2015**. However, this section may not be
 42 construed to prevent a taxpayer from carrying an unused tax credit

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1 attributable to a qualified investment made before January 1, ~~2014,~~
 2 **2016**, forward to a taxable year beginning after December 31, ~~2013,~~
 3 **2015**, in the manner provided by section 15 of this chapter.

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

11 (b) Except as provided in section 2.3, 2.5, ~~2.6~~, 2.7, 2.8, 2.9, 3.3, 3.5,
 12 3.6, 24, 25, or 26 of this chapter, the county adjusted gross income tax
 13 may be imposed at a rate of one-half of one percent (0.5%),
 14 three-fourths of one percent (0.75%), or one percent (1%) on the
 15 adjusted gross income of resident county taxpayers of the county. Any
 16 county imposing the county adjusted gross income tax must impose the
 17 tax on the nonresident county taxpayers at a rate of one-fourth of one
 18 percent (0.25%) on their adjusted gross income. If the county council
 19 elects to decrease the county adjusted gross income tax, the county
 20 council may decrease the county adjusted gross income tax rate in
 21 increments of one-tenth of one percent (0.1%).

22 (c) To impose the county adjusted gross income tax, the county
 23 council must adopt an ordinance. The ordinance must substantially
 24 state the following:

25 "The _____ County Council imposes the county adjusted
 26 gross income tax on the county taxpayers of _____ County.
 27 The county adjusted gross income tax is imposed at a rate of
 28 _____ percent (____%) on the resident county taxpayers of the
 29 county and one-fourth of one percent (0.25%) on the nonresident
 30 county taxpayers of the county."

31 (d) The auditor of a county shall record all votes taken on
 32 ordinances presented for a vote under the authority of this section and,
 33 **immediately not more than ten (10) days after the vote**, send a
 34 certified copy of the results to **the commissioner of the department,**
 35 **the director of the budget agency, and the commissioner of the**
 36 **department of local government finance** by certified mail.

37 (e) If the county adjusted gross income tax had previously been
 38 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
 39 1983) and that tax was in effect at the time of the enactment of this
 40 chapter, then the county adjusted gross income tax continues in that
 41 county at the rates in effect at the time of enactment until the rates are
 42 modified or the tax is rescinded in the manner prescribed by this

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1 chapter. If a county's adjusted gross income tax is continued under this
 2 subsection, then the tax shall be treated as if it had been imposed under
 3 this chapter and is subject to rescission or reduction as authorized in
 4 this chapter.

5 SECTION 33. IC 6-3.5-1.1-2.5, AS AMENDED BY P.L.184-2006,
 6 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2012]: Sec. 2.5. (a) This section applies only to a **Jackson**
 8 **County, having a population of more than forty-one thousand (41,000)**
 9 **but less than forty-three thousand (43,000).**

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

12 (c) The county council of a county described in subsection (a) may,
 13 by ordinance, determine that additional county adjusted gross income
 14 tax revenue is needed in the county to fund the operation and
 15 maintenance of a jail and juvenile detention center opened after July 1,
 16 1998.

17 (d) Notwithstanding section 2 of this chapter, if the county council
 18 adopts an ordinance under subsection (c), the county council may
 19 impose the county adjusted gross income tax at a rate of one and
 20 one-tenth percent (1.1%) on adjusted gross income for fiscal years
 21 beginning before July 1, 2011. For fiscal years beginning after June 30,
 22 2011, the rate is reduced to one percent (1%). If the county council
 23 imposes the county adjusted gross income tax at a rate of one and
 24 one-tenth percent (1.1%), the county council may decrease the rate or
 25 rescind the tax in the manner provided under this chapter.

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

- 30 (1) shall be paid to the county treasurer;
- 31 (2) may be used only to pay the costs of operating a jail and
 32 juvenile detention center opened after July 1, 1998; and
- 33 (3) may not be considered by the department of local government
 34 finance in determining the county's maximum permissible
 35 property tax levy limit under IC 6-1.1-18.5.

36 SECTION 34. IC 6-3.5-1.1-2.6 IS REPEALED [EFFECTIVE JULY
 37 1, 2012]. Sec. 2.6: (a) This section applies to **Parke County.**

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

- 40 ~~(1) fund the costs (including pre-trial costs) of a capital trial that~~
 41 ~~has been moved to another county for trial; and~~
- 42 ~~(2) to repay money borrowed for the purpose described in~~

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1 subdivision (1):
2 (c) In addition to the rates permitted by section 2 of this chapter, if
3 the county council makes a determination described in subsection (b);
4 the county council may by ordinance impose the county adjusted gross
5 income tax at a rate not to exceed the lesser of:
6 (1) a rate necessary to carry out the purposes of subsection (b); or
7 (2) twenty-five hundredths percent (0.25%);
8 on the adjusted gross income of county taxpayers:
9 (d) The tax imposed under this section may be imposed only until
10 the later of the following:
11 (1) The date on which the costs described in subsection (b);
12 including the repayment of money borrowed for the purposes
13 described in subsection (b); are fully paid.
14 (2) The date on which an ordinance adopted under subsection (c)
15 is rescinded:
16 (e) The term of any borrowing described in subsection (b)(2) may
17 not exceed three (3) years:
18 (f) The county treasurer shall establish a capital trial revenue fund
19 to be used only for purposes described in this section: County adjusted
20 gross income tax revenues derived from the tax rate imposed under this
21 section shall be deposited in the capital trial revenue fund before
22 making a certified distribution under section 11 of this chapter.
23 (g) County adjusted gross income tax revenues derived from the tax
24 rate imposed under this section:
25 (1) may be used only for the purposes described in this section;
26 (2) may not be considered by the department of local government
27 finance in determining the county's maximum permissible
28 property tax levy limit under IC 6-1.1-18.5; and
29 (3) may be pledged for the payment of costs described in
30 subsection (b):
31 (h) Notwithstanding any other law, money remaining in the capital
32 trial revenue fund established under subsection (f) after the tax
33 imposed by this section is terminated under subsection (d) shall be
34 transferred to the county general fund to be used for criminal justice
35 costs:
36 SECTION 35. IC 6-3.5-1.1-2.7 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2.7. (a) This section
38 applies to a **Wayne** County, having a population of more than
39 seventy-one thousand (71,000) but less than seventy-one thousand four
40 hundred (71,400):
41 (b) The county council may, by ordinance, determine that additional
42 county adjusted gross income tax revenue is needed in the county to:

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

5 (2) repay bonds issued, or leases entered into, for constructing,
6 acquiring, improving, renovating, and equipping the county jail
7 and related buildings and parking facilities, including costs
8 related to the demolition of existing buildings and the acquisition
9 of land.

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

- 13 (1) fifteen-hundredths percent (0.15%);
- 14 (2) two-tenths percent (0.2%); or
- 15 (3) twenty-five hundredths percent (0.25%);

16 on the adjusted gross income of county taxpayers if the county council
17 makes the finding and determination set forth in subsection (b). The tax
18 imposed under this section may be imposed only until the later of the
19 date on which the financing on, acquisition, improvement, renovation,
20 and equipping described in subsection (b) is completed or the date on
21 which the last of any bonds issued or leases entered into to finance the
22 construction, acquisition, improvement, renovation, and equipping
23 described in subsection (b) are fully paid. The term of the bonds issued
24 (including any refunding bonds) or a lease entered into under
25 subsection (b)(2) may not exceed twenty (20) years.

26 (d) If the county council makes a determination under subsection
27 (b), the county council may adopt a tax rate under subsection (c). The
28 tax rate may not be imposed at a rate greater than is necessary to pay
29 the costs of financing, acquiring, improving, renovating, and equipping
30 the county jail and related buildings and parking facilities, including
31 costs related to the demolition of existing buildings and the acquisition
32 of land.

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

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

- 40 (1) may only be used for the purposes described in this section;
- 41 (2) may not be considered by the department of local government
42 finance in determining the county's maximum permissible

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1 property tax levy limit under IC 6-1.1-18.5; and

2 (3) may be pledged to the repayment of bonds issued, or leases
3 entered into, for purposes described in subsection (b).

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

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

14 (1) the redemption of bonds issued; or

15 (2) the final payment of lease rentals due under a lease entered
16 into under this section;

17 shall be transferred to the county highway fund to be used for
18 construction, resurfacing, restoration, and rehabilitation of county
19 highways, roads, and bridges.

20 SECTION 36. IC 6-3.5-1.1-2.8, AS AMENDED BY P.L.147-2006,
21 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2012]: Sec. 2.8. (a) This section applies to:

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

26 (2) a **Marshall** County. having a population of more than
27 forty-five thousand (45,000) but less than forty-five thousand nine
28 hundred (45,900):

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

31 (1) finance, construct, acquire, improve, renovate, or equip:

32 (A) jail facilities;

33 (B) juvenile court, detention, and probation facilities;

34 (C) other criminal justice facilities; and

35 (D) related buildings and parking facilities;

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

38 (2) repay bonds issued or leases entered into for the purposes
39 described in subdivision (1).

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

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

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

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

- 11 (1) fifteen-hundredths percent (0.15%);
- 12 (2) two-tenths percent (0.2%); or
- 13 (3) twenty-five hundredths percent (0.25%);

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

19 (e) This subsection applies only to a county described in subsection
20 (a)(1). If the county council imposes the tax under this section to pay
21 for the purposes described in both subsections (b) and (c), when:

- 22 (1) the financing, construction, acquisition, improvement,
23 renovation, and equipping described in subsection (b) are
24 completed; and
- 25 (2) all bonds issued (including any refunding bonds) or leases
26 entered into to finance the construction, acquisition,
27 improvement, renovation, and equipping described in subsection
28 (b) are fully paid;

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

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

- 35 (1) The date on which the financing, construction, acquisition,
36 improvement, renovation, and equipping described in subsection
37 (b) are completed.
- 38 (2) The date on which the last of any bonds issued (including any
39 refunding bonds) or leases entered into to finance the
40 construction, acquisition, improvement, renovation, and
41 equipping described in subsection (b) are fully paid.
- 42 (3) If the county imposing the tax under this section is a county

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- 1 described in subsection (a)(1), the date on which an ordinance
 2 adopted under subsection (c) is rescinded.
- 3 (g) The term of the bonds issued (including any refunding bonds) or
 4 a lease entered into under subsection (b)(2) may not exceed twenty (20)
 5 years.
- 6 (h) The county treasurer shall establish a criminal justice facilities
 7 revenue fund to be used only for purposes described in this section.
 8 County adjusted gross income tax revenues derived from the tax rate
 9 imposed under this section shall be deposited in the criminal justice
 10 facilities revenue fund before making a certified distribution under
 11 section 11 of this chapter.
- 12 (i) County adjusted gross income tax revenues derived from the tax
 13 rate imposed under this section:
- 14 (1) may be used only for the purposes described in this section;
 15 (2) may not be considered by the department of local government
 16 finance in determining the county's maximum permissible
 17 property tax levy limit under IC 6-1.1-18.5; and
 18 (3) may be pledged to the repayment of bonds issued or leases
 19 entered into for any or all the purposes described in subsection
 20 (b).
- 21 (j) Notwithstanding any other law, money remaining in the criminal
 22 justice facilities revenue fund established under subsection (h) after the
 23 tax imposed by this section is terminated under subsection (f) shall be
 24 transferred to the county highway fund to be used for construction,
 25 resurfacing, restoration, and rehabilitation of county highways, roads,
 26 and bridges.
- 27 SECTION 37. IC 6-3.5-1.1-2.9 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2.9. (a) This section
 29 applies to a **Daviess** County. ~~having a population of more than~~
 30 ~~twenty-nine thousand (29,000) but less than thirty thousand (30,000):~~
- 31 (b) The county council may, by ordinance, determine that additional
 32 county adjusted gross income tax revenue is needed in the county to:
- 33 (1) finance, construct, acquire, improve, renovate, remodel, or
 34 equip the county jail and related buildings and parking facilities,
 35 including costs related to the demolition of existing buildings, the
 36 acquisition of land, and any other reasonably related costs; and
 37 (2) repay bonds issued or leases entered into for constructing,
 38 acquiring, improving, renovating, remodeling, and equipping the
 39 county jail and related buildings and parking facilities, including
 40 costs related to the demolition of existing buildings, the
 41 acquisition of land, and any other reasonably related costs.
- 42 (c) In addition to the rates permitted by section 2 of this chapter, the

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1 county council may impose the county adjusted gross income tax at a
2 rate of:

- 3 (1) fifteen-hundredths percent (0.15%);
- 4 (2) two-tenths percent (0.2%); or
- 5 (3) twenty-five hundredths percent (0.25%);

6 on the adjusted gross income of county taxpayers if the county council
7 makes the finding and determination set forth in subsection (b). The tax
8 imposed under this section may be imposed only until the later of the
9 date on which the financing on, acquisition, improvement, renovation,
10 remodeling, and equipping described in subsection (b) are completed
11 or the date on which the last of any bonds issued or leases entered into
12 to finance the construction, acquisition, improvement, renovation,
13 remodeling, and equipping described in subsection (b) are fully paid.
14 The term of the bonds issued (including any refunding bonds) or a
15 lease entered into under subsection (b)(2) may not exceed twenty-five
16 (25) years.

17 (d) If the county council makes a determination under subsection
18 (b), the county council may adopt a tax rate under subsection (c). The
19 tax rate may not be imposed at a rate greater than is necessary to pay
20 the costs of financing, acquiring, improving, renovating, remodeling,
21 and equipping the county jail and related buildings and parking
22 facilities, including costs related to the demolition of existing
23 buildings, the acquisition of land, and any other reasonably related
24 costs.

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

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

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

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

- 40 (1) underemployment in relation to similarly situated counties and
41 the loss of a major manufacturing business;
- 42 (2) an increase in property taxes for taxable years after December

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1 31, 2000, for the construction of a new elementary school; and
2 (3) overcrowding of the county jail, the costs associated with
3 housing the county's inmates outside the county, and the potential
4 unavailability of additional housing for inmates outside the
5 county.

6 The use of county adjusted gross income tax revenues as provided in
7 this chapter is necessary for the county to provide adequate jail
8 capacity in the county and to maintain low property tax rates essential
9 to economic development. The use of county adjusted gross income tax
10 revenues as provided in this chapter to pay any bonds issued or leases
11 entered into to finance the construction, acquisition, improvement,
12 renovation, remodeling, and equipping described in subsection (b),
13 rather than the use of property taxes, promotes those purposes.

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

- 16 (1) the redemption of bonds issued; or
- 17 (2) the final payment of lease rentals due under a lease entered
18 into under this section;

19 shall be transferred to the county highway fund to be used for
20 construction, resurfacing, restoration, and rehabilitation of county
21 highways, roads, and bridges.

22 SECTION 38. IC 6-3.5-1.1-3, AS AMENDED BY P.L.77-2011,
23 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2012]: Sec. 3. (a) The county council may increase the county
25 adjusted gross income tax rate imposed upon the resident county
26 taxpayers of the county. To increase the rate, the county council must
27 adopt an ordinance. The ordinance must substantially state the
28 following:

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

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

39 SECTION 39. IC 6-3.5-1.1-3.1, AS AMENDED BY P.L.77-2011,
40 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2012]: Sec. 3.1. (a) The county council may decrease the
42 county adjusted gross income tax rate imposed upon the resident

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1 county taxpayers of the county. To decrease the rate, the county council
 2 must adopt an ordinance. The ordinance must substantially state the
 3 following:

4 "The _____ County Council decreases the county adjusted
 5 gross income tax rate imposed upon the resident county taxpayers
 6 of the county from _____ percent (___%) to _____ percent
 7 (___%).".

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

13 (c) 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.

19 (d) Notwithstanding IC 6-3.5-7, and except as provided in
 20 subsection (e), a county council that decreases the county adjusted
 21 gross income tax rate in a year may not in the same year adopt or
 22 increase the county economic development income tax under
 23 IC 6-3.5-7.

24 (e) This subsection applies only to a **LaPorte County. having a**
 25 **population of more than one hundred ten thousand (110,000) but less**
 26 **than one hundred fifteen thousand (115,000).** The county council may
 27 adopt or increase the county economic development income tax rate
 28 under IC 6-3.5-7 in the same year that the county council decreases the
 29 county adjusted gross income tax rate if the county economic
 30 development income tax rate plus the county adjusted gross income tax
 31 rate in effect after the county council decreases the county adjusted
 32 gross income tax rate is less than the county adjusted gross income tax
 33 rate in effect before the adoption of an ordinance under this section
 34 decreasing the rate of the county adjusted gross income tax.

35 SECTION 40. IC 6-3.5-1.1-3.5, AS AMENDED BY P.L.224-2007,
 36 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2012]: Sec. 3.5. (a) This section applies only to a **Pulaski**
 38 **County. having a population of more than thirteen thousand five**
 39 **hundred (13,500) but less than fourteen thousand (14,000).**

40 (b) The county council of a county described in subsection (a) may,
 41 by ordinance, determine that additional county adjusted gross income
 42 tax revenue is needed in the county to fund the operation and

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1 maintenance of a jail and justice center.

2 (c) Notwithstanding section 2 of this chapter, if the county council
3 adopts an ordinance under subsection (b), the county council may
4 impose the county adjusted gross income tax at a rate of one and
5 three-tenths percent (1.3%) on adjusted gross income. However, a
6 county may impose the county adjusted gross income tax at a rate of
7 one and three-tenths percent (1.3%) for only eight (8) years. After the
8 county has imposed the county adjusted gross income tax at a rate of
9 one and three-tenths percent (1.3%) for eight (8) years, the rate is
10 reduced to one percent (1%). If the county council imposes the county
11 adjusted gross income tax at a rate of one and three-tenths percent
12 (1.3%), the county council may decrease the rate or rescind the tax in
13 the manner provided under this chapter.

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

- 18 (1) shall be paid to the county treasurer;
- 19 (2) may be used only to pay the costs of operating and
20 maintaining a jail and justice center; and
- 21 (3) may not be considered by the department of local government
22 finance under any provision of IC 6-1.1-18.5, including the
23 determination of the county's maximum permissible property tax
24 levy.

25 SECTION 41. IC 6-3.5-1.1-3.6 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3.6. (a) This section
27 applies only to a **Union** County. ~~having a population of more than six~~
28 ~~thousand (6,000) but less than eight thousand (8,000):~~

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

- 31 (1) finance, construct, acquire, improve, renovate, or equip the
32 county courthouse; and
- 33 (2) repay bonds issued, or leases entered into, for constructing,
34 acquiring, improving, renovating, and equipping the county
35 courthouse.

36 (c) In addition to the rates permitted under section 2 of this chapter,
37 the county council may impose the county adjusted gross income tax
38 at a rate of twenty-five hundredths percent (0.25%) on the adjusted
39 gross income of county taxpayers if the county council makes the
40 finding and determination set forth in subsection (b). The tax imposed
41 under this section may be imposed only until the later of the date on
42 which the financing on, acquisition, improvement, renovation, and

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1 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-two (22) 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 for a time greater than is necessary to pay
 10 the costs of financing, constructing, acquiring, renovating, and
 11 equipping the county courthouse.

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

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

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

26 (g) A county described in subsection (a) possesses unique economic
 27 development challenges due to:

- 28 (1) the county's heavy agricultural base;
- 29 (2) the presence of a large amount of state owned property in the
 30 county that is exempt from property taxation; and
- 31 (3) recent obligations of the school corporation in the county that
 32 have already increased property taxes in the county and imposed
 33 additional property tax burdens on the county's agricultural base.

34 Maintaining low property tax rates is essential to economic
 35 development. The use of county adjusted gross income tax revenues as
 36 provided in this chapter to pay any bonds issued or leases entered into
 37 to finance the construction, acquisition, improvement, renovation, and
 38 equipping described in subsection (b), rather than the use of property
 39 taxes, promotes that purpose.

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

- 42 (1) the redemption of the bonds issued; or

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1 (2) the final payment of lease rentals due under a lease entered
 2 into under this section;
 3 shall be transferred to the county highway fund to be used for
 4 construction, resurfacing, restoration, and rehabilitation of county
 5 highways, roads, and bridges.

6 SECTION 42. IC 6-3.5-1.1-4, AS AMENDED BY P.L.77-2011,
 7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2012]: Sec. 4. (a) The county adjusted gross income tax
 9 imposed by a county council under this chapter remains in effect until
 10 rescinded.

11 (b) Except as provided in subsection (d), the county council may
 12 rescind the county adjusted gross income tax by adopting an ordinance
 13 to rescind the tax.

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

20 (d) A county council may not rescind the county adjusted gross
 21 income tax or take any action that would result in a civil taxing unit in
 22 the county having a smaller certified share than the certified share to
 23 which the civil taxing unit was entitled when the civil taxing unit
 24 pledged county adjusted gross income tax if the civil taxing unit or any
 25 commission, board, department, or authority that is authorized by
 26 statute to pledge county adjusted gross income tax has pledged county
 27 adjusted gross income tax for any purpose permitted by IC 5-1-14 or
 28 any other statute. The prohibition in this section does not apply if the
 29 civil taxing unit pledges legally available revenues to fully replace the
 30 civil taxing unit's certified share that has been pledged.

31 SECTION 43. IC 6-3.5-1.1-10, AS AMENDED BY P.L.77-2011,
 32 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 10. (a) ~~Except as~~
 34 ~~provided in subsection (b); one-half (1/2)~~ **One-twelfth (1/12)** of each
 35 adopting county's certified distribution for a calendar year shall be
 36 distributed from its account established under section 8 of this chapter
 37 to the appropriate county treasurer on ~~May 1 and the other one-half~~
 38 ~~(1/2) on November 1~~ **the first regular business day of each month of**
 39 that calendar year.

40 (b) ~~This subsection applies to a county having a population of more~~
 41 ~~than one hundred forty-five thousand (145,000) but less than one~~
 42 ~~hundred forty-eight thousand (148,000); if an ordinance imposing the~~

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1 tax is adopted before July 1 of a year. Notwithstanding section 9 of this
 2 chapter the initial certified distribution certified for a county under
 3 section 9 of this chapter shall be distributed to the county treasurer
 4 from the account established for the county under section 8 of this
 5 chapter according to the following schedule during the eighteen (18)
 6 month period beginning on July 1 of the year in which the county
 7 initially adopts an ordinance under section 2 of this chapter:

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

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

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

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

16 Notwithstanding section 11 of this chapter, the part of the certified
 17 distribution received under subdivision (1) that would otherwise be
 18 allocated to a civil taxing unit or school corporation as property tax
 19 replacement credits under section 11 of this chapter shall be set aside
 20 and treated for the calendar year when received by the civil taxing unit
 21 or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or
 22 IC 20-44-3. Certified distributions made to the county treasurer for
 23 calendar years following the eighteen (18) month period described in
 24 this subsection shall be made as provided in subsection (a):

25 (e) (b) Except for:

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

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

29 (B) debt service on bonds; or

30 (C) lease rentals;

31 under section 2.3 of this chapter;

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

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

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

37 (B) debt service on bonds; or

38 (C) lease rentals;

39 under section 2.8 of this chapter;

40 (4) revenue that must be used to pay the costs of construction,
 41 improvement, renovation, or remodeling of a jail and related
 42 buildings and parking structures under section 2.7, 2.9, or 3.3 of

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- 1 this chapter;
- 2 (5) revenue that must be used to pay the costs of operating and
- 3 maintaining a jail and justice center under section 3.5(d) of this
- 4 chapter;
- 5 (6) revenue that must be used to pay the costs of constructing,
- 6 acquiring, improving, renovating, or equipping a county
- 7 courthouse under section 3.6 of this chapter;
- 8 ~~(7) revenue under section 2.6 of this chapter;~~ or
- 9 ~~(8) (7) revenue attributable to a tax rate under section 24, 25, or~~
- 10 ~~26 of this chapter;~~
- 11 distributions made to a county treasurer under ~~subsections~~ **subsection**
- 12 ~~(a) and (b)~~ shall be treated as though they were property taxes that were
- 13 due and payable during that same calendar year. Except as provided by
- 14 ~~subsection (b) and~~ sections 24, 25, and 26 of this chapter, the certified
- 15 distribution shall be distributed and used by the taxing units and school
- 16 corporations as provided in sections 11 through 15 of this chapter.
- 17 ~~(d)~~ **(c)** All distributions from an account established under section
- 18 8 of this chapter shall be made by warrants issued by the auditor of the
- 19 state to the treasurer of the state ordering the appropriate payments.
- 20 SECTION 44. IC 6-3.5-1.1-24, AS AMENDED BY P.L.77-2011,
- 21 SECTION 10, AND AS AMENDED BY P.L.172-2011, SECTION 73,
- 22 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
- 23 [EFFECTIVE JULY 1, 2012]: Sec. 24. (a) In a county in which the
- 24 county adjusted gross income tax is in effect, the county council may
- 25 ~~before August 1 of a year;~~ adopt an ordinance to impose or increase (as
- 26 applicable) a tax rate under this section.
- 27 (b) In a county in which neither the county adjusted gross income
- 28 tax nor the county option income tax is in effect, the county council
- 29 may ~~before August 1 of a year;~~ adopt an ordinance to impose a tax rate
- 30 under this section.
- 31 (c) ~~An ordinance adopted under this section takes effect October 1~~
- 32 ~~of the year in which the ordinance is adopted.~~ If a county council
- 33 adopts an ordinance to impose or increase a tax rate under this section,
- 34 **not more than ten (10) days after the vote**, the county auditor shall
- 35 send a certified copy of the ordinance to the **commissioner of the**
- 36 **department, the director of the budget agency, and the commissioner**
- 37 **of the** department of local government finance by certified mail.
- 38 (d) A tax rate under this section is in addition to any other tax rates
- 39 imposed under this chapter and does not affect the purposes for which
- 40 other tax revenue under this chapter may be used.
- 41 (e) The following apply only in the year in which a county council
- 42 first imposes a tax rate under this section.

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

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- 1 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the
 2 county in the preceding year.
- 3 STEP TWO: For distribution to each civil taxing unit that in the
 4 year had a maximum permissible property tax levy limited under
 5 ~~IC 6-1.1-18.5-3(g)~~; IC 6-1.1-18.5-3(b), determine the result of:
- 6 (1) the quotient of:
- 7 (A) the part of the amount determined under STEP ONE of
 8 IC 6-3.5-1.5-1(a) in the preceding year that was attributable
 9 to the civil taxing unit; divided by
- 10 (B) the STEP ONE amount; multiplied by
- 11 (2) the tax revenue received by the county treasurer under this
 12 section.
- 13 STEP THREE: For distributions in 2009 and thereafter, the result
 14 of this STEP is zero (0). For distribution to the county for deposit
 15 in the county family and children's fund before 2009, determine
 16 the result of:
- 17 (1) the quotient of:
- 18 (A) the amount determined under STEP TWO of
 19 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 20 (B) the STEP ONE amount; multiplied by
- 21 (2) the tax revenue received by the county treasurer under this
 22 section.
- 23 STEP FOUR: For distributions in 2009 and thereafter, the result
 24 of this STEP is zero (0). For distribution to the county for deposit
 25 in the county children's psychiatric residential treatment services
 26 fund before 2009, determine the result of:
- 27 (1) the quotient of:
- 28 (A) the amount determined under STEP THREE of
 29 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 30 (B) the STEP ONE amount; multiplied by
- 31 (2) the tax revenue received by the county treasurer under this
 32 section.
- 33 STEP FIVE: For distribution to the county for community mental
 34 health center purposes, determine the result of:
- 35 (1) the quotient of:
- 36 (A) the amount determined under STEP FOUR of
 37 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 38 (B) the STEP ONE amount; multiplied by
- 39 (2) the tax revenue received by the county treasurer under this
 40 section.
- 41 Except as provided in subsection (m), the county treasurer shall
 42 distribute the portion of the certified distribution that is attributable to

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1 a tax rate under this section as specified in this section. The county
 2 treasurer shall make the distributions under this subsection at the same
 3 time that distributions are made to civil taxing units under section 15
 4 of this chapter.

5 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county
 6 council may not decrease or rescind a tax rate imposed under this
 7 chapter.

8 (i) The tax rate under this section shall not be considered for
 9 purposes 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; or

13 (2) the maximum permissible property tax levy under *STEP*
 14 *EIGHT of IC 6-1.1-18.5-3(b)*; *IC 6-1.1-18.5-3*.

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

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

22 (l) If a county council imposes a tax rate under this section, the
 23 portion of county adjusted gross income tax revenue dedicated to
 24 property tax replacement credits under section 11 of this chapter may
 25 not be decreased.

26 (m) In the year following the year in a which a county first imposes
 27 a tax rate under this section, one-half (1/2) of the tax revenue that is
 28 attributable to the tax rate under this section must be deposited in the
 29 county stabilization fund established under subsection (o).

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

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



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1 tax rate under this section if:
 2 (1) the certified distributions attributable to a tax rate under this
 3 section are less than the amount calculated under STEP ONE
 4 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the
 5 department of local government finance and the department of
 6 state revenue to determine the tax rate under this section for a
 7 year; or
 8 (2) the certified distributions attributable to a tax rate under this
 9 section in a year are less than the certified distributions
 10 attributable to a tax rate under this section in the preceding year.
 11 However, subdivision (2) does not apply to the year following the first
 12 year in which certified distributions of revenue attributable to the tax
 13 rate under this section are distributed to the county.

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

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

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

22 SECTION 45. IC 6-3.5-1.1-25, AS AMENDED BY P.L.172-2011,
 23 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2012]: Sec. 25. (a) As used in this section, "public safety"
 25 refers to the following:

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

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- 1 (B) convicted of a crime; or
 2 (C) adjudicated as a delinquent child or a child in need of
 3 services.
 4 (8) A juvenile detention facility under IC 31-31-8.
 5 (9) A juvenile detention center under IC 31-31-9.
 6 (10) A county jail.
 7 (11) A communications system (as defined in IC 36-8-15-3) or an
 8 enhanced emergency telephone system (as defined in
 9 IC 36-8-16-2).
 10 (12) Medical and health expenses for jail inmates and other
 11 confined persons.
 12 (13) Pension payments for any of the following:
 13 (A) A member of the fire department (as defined in
 14 IC 36-8-1-8) or any other employee of a fire department.
 15 (B) A member of the police department (as defined in
 16 IC 36-8-1-9), a police chief hired under a waiver under
 17 IC 36-8-4-6.5, or any other employee hired by a police
 18 department.
 19 (C) A county sheriff or any other member of the office of the
 20 county sheriff.
 21 (D) Other personnel employed to provide a service described
 22 in this section.
 23 (b) If a county council has imposed a tax rate of at least twenty-five
 24 hundredths of one percent (0.25%) under section 24 of this chapter, a
 25 tax rate of at least twenty-five hundredths of one percent (0.25%) under
 26 section 26 of this chapter, or a total combined tax rate of at least
 27 twenty-five hundredths of one percent (0.25%) under sections 24 and
 28 26 of this chapter, the county council may also adopt an ordinance to
 29 impose an additional tax rate under this section to provide funding for
 30 public safety.
 31 (c) A tax rate under this section may not exceed twenty-five
 32 hundredths of one percent (0.25%).
 33 (d) If a county council adopts an ordinance to impose a tax rate
 34 under this section, **not more than ten (10) days after the vote**, the
 35 county auditor shall send a certified copy of the ordinance to the
 36 **commissioner of the department, the director of the budget agency,**
 37 **and the commissioner of the department of local government finance**
 38 **by certified mail.**
 39 (e) A tax rate under this section is in addition to any other tax rates
 40 imposed under this chapter and does not affect the purposes for which
 41 other tax revenue under this chapter may be used.
 42 (f) Except as provided in subsection (k) or (l), the county auditor

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1 shall distribute the portion of the certified distribution that is
 2 attributable to a tax rate under this section to the county and to each
 3 municipality in the county that is carrying out or providing at least one
 4 (1) of the public safety purposes described in subsection (a). The
 5 amount that shall be distributed to the county or municipality is equal
 6 to the result of:

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

9 (2) a fraction equal to:

10 (A) the attributed allocation amount (as defined in
 11 IC 6-3.5-1.1-15) of the county or municipality for the calendar
 12 year; divided by

13 (B) the sum of the attributed allocation amounts of the county
 14 and each municipality in the county that is entitled to a
 15 distribution under this section for the calendar year.

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

23 (g) The department of local government finance may not require a
 24 county or municipality receiving tax revenue under this section to
 25 reduce the county's or municipality's property tax levy for a particular
 26 year on account of the county's or municipality's receipt of the tax
 27 revenue.

28 (h) The tax rate under this section and the tax revenue attributable
 29 to the tax rate under this section shall not be considered for purposes
 30 of computing:

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

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

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

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

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

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

6 (l) A fire department, volunteer fire department, or emergency
 7 medical services provider that:

8 (1) provides fire protection or emergency medical services within
 9 the county; and

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

13 may before July 1 of a year apply to the county council for a
 14 distribution of tax revenue under this section during the following
 15 calendar year. The county council shall review an application
 16 submitted under this subsection and may before September 1 of a year
 17 adopt a resolution requiring that one (1) or more of the applicants shall
 18 receive a specified amount of the tax revenue to be distributed under
 19 this section during the following calendar year. A resolution approved
 20 under this subsection providing for a distribution to one (1) or more fire
 21 departments, volunteer fire departments, or emergency medical
 22 services providers applies only to distributions in the following
 23 calendar year. Any amount of tax revenue distributed under this
 24 subsection to a fire department, volunteer fire department, or
 25 emergency medical services provider shall be distributed before the
 26 remainder of the tax revenue is distributed under subsection (f).

27 SECTION 46. IC 6-3.5-1.1-26, AS AMENDED BY P.L.172-2011,
 28 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2012]: Sec. 26. (a) A county council may impose a tax rate
 30 under this section to provide property tax relief to taxpayers in the
 31 county. A county council is not required to impose any other tax before
 32 imposing a tax rate under this section.

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

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

39 (d) If a county council adopts an ordinance to impose or increase a
 40 tax rate under this section, **not more than ten (10) days after the vote**,
 41 the county auditor shall send a certified copy of the ordinance to the
 42 **commissioner of the department, the director of the budget agency,**

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1 and the **commissioner of the** department of local government finance
2 by certified mail.

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

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

10 (1) Except as provided in subsection (j), the tax revenue may be
11 used to provide local property tax replacement credits at a
12 uniform rate to all taxpayers in the county. The local property tax
13 replacement credits shall be treated for all purposes as property
14 tax levies. The county auditor shall determine the local property
15 tax replacement credit percentage for a particular year based on
16 the amount of tax revenue that will be used under this subdivision
17 to provide local property tax replacement credits in that year. A
18 county council may not adopt an ordinance determining that tax
19 revenue shall be used under this subdivision to provide local
20 property tax replacement credits at a uniform rate to all taxpayers
21 in the county unless the county council has done the following:

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

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

32 (2) The tax revenue may be used to uniformly provide the
33 homestead credit percentage in the county. The homestead credits
34 shall be treated for all purposes as property tax levies. The
35 homestead credits do not reduce the basis for determining any
36 state homestead credit. The homestead credits shall be applied to
37 the net property taxes due on the homestead after the application
38 of all other assessed value deductions or property tax deductions
39 and credits that apply to the amount owed under IC 6-1.1. The
40 county auditor shall determine the homestead credit percentage
41 for a particular year based on the amount of tax revenue that will
42 be used under this subdivision to provide homestead credits in

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that year.

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

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

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

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1 credits against the county's levies or against a particular
2 township's or municipality's levies is equal to the percentage
3 determined by dividing the population of the county,
4 township, or municipality by the sum of the total population
5 of the county, each township in the county, and each
6 municipality in the county.

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

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

20 (g) The tax rate under this section and the tax revenue attributable
21 to the tax rate under this section shall not be considered for purposes
22 of computing:

- 23 (1) the maximum income tax rate that may be imposed in a county
24 under section 2 of this chapter or any other provision of this
25 chapter;
- 26 (2) the maximum permissible property tax levy under
27 IC 6-1.1-18.5-3; or
- 28 (3) the credit under IC 6-1.1-20.6.

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

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

42 (j) A taxpayer that owns an industrial plant located in Jasper County

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1 is ineligible for a local property tax replacement credit under this
 2 section against the property taxes due on the industrial plant if the
 3 assessed value of the industrial plant as of March 1, 2006, exceeds
 4 twenty percent (20%) of the total assessed value of all taxable property
 5 in the county on that date. The general assembly finds that the
 6 provisions of this subsection are necessary because the industrial plant
 7 represents such a large percentage of Jasper County's assessed
 8 valuation.

9 SECTION 47. IC 6-3.5-1.5-1, AS AMENDED BY
 10 P.L.182-2009(ss), SECTION 215, IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) The department
 12 of local government finance and the department of state revenue
 13 (~~before January 1, 2010~~) or the budget agency (~~after December 31,~~
 14 ~~2009~~) shall, before ~~July~~ **September** 1 of each year, jointly calculate the
 15 county adjusted income tax rate or county option income tax rate (as
 16 applicable) that must be imposed in a county to raise income tax
 17 revenue in the following year equal to the sum of the following STEPS:

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

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

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

28 In the case of a civil taxing unit that is located in more than one
 29 (1) county, the department of local government finance shall, for
 30 purposes of making the determination under this subdivision,
 31 apportion the civil taxing unit's maximum permissible ad valorem
 32 property tax levy among the counties in which the civil taxing unit
 33 is located.

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

37 (1) the department of local government finance's estimate of
 38 the family and children property tax levy that will be imposed
 39 by the county under IC 12-19-7-4 (**before its repeal**) for the
 40 ensuing calendar year (before any adjustment under
 41 IC 12-19-7-4(b) (**before its repeal**) for the ensuing calendar
 42 year); minus

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- 1 (2) the county's family and children property tax levy imposed
 2 by the county under IC 12-19-7-4 (**before its repeal**) for the
 3 current calendar year.
- 4 STEP THREE: This STEP applies only to property taxes first due
 5 and payable before January 1, 2009. Determine the greater of zero
 6 (0) or the result of:
- 7 (1) the department of local government finance's estimate of
 8 the children's psychiatric residential treatment services
 9 property tax levy that will be imposed by the county under
 10 IC 12-19-7.5-6 for (**before its repeal**) the ensuing calendar
 11 year (before any adjustment under IC 12-19-7.5-6(b) (**before**
 12 **its repeal**) for the ensuing calendar year); minus
 13 (2) the children's psychiatric residential treatment services
 14 property tax imposed by the county under IC 12-19-7.5-6
 15 (**before its repeal**) for the current calendar year.
- 16 STEP FOUR: Determine the greater of zero (0) or the result of:
- 17 (1) the department of local government finance's estimate of
 18 the county's maximum community mental health centers
 19 property tax levy under IC 12-29-2-2 for the ensuing calendar
 20 year (before any adjustment under IC 12-29-2-2(c) for the
 21 ensuing calendar year); minus
 22 (2) the county's maximum community mental health centers
 23 property tax levy under IC 12-29-2-2 for the current calendar
 24 year.
- 25 (b) In the case of a county that wishes to impose a tax rate under
 26 IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the
 27 department of local government finance and ~~the department of state~~
 28 ~~revenue (before January 1, 2010) or the budget agency (after December~~
 29 ~~31, 2009)~~ shall jointly estimate the amount that will be calculated
 30 under subsection (a) in the second year after the tax rate is first
 31 imposed. The department of local government finance and ~~the~~
 32 ~~department of state revenue (before January 1, 2010) or the budget~~
 33 ~~agency (after December 31, 2009)~~ shall calculate the tax rate under
 34 IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) that must be imposed
 35 in the county in the second year after the tax rate is first imposed to
 36 raise income tax revenue equal to the estimate under this subsection.
- 37 (c) ~~The department (before January 1, 2010) or the budget agency~~
 38 ~~(after December 31, 2009)~~ and the department of local government
 39 finance shall make the calculations under subsections (a) and (b) based
 40 on the best information available at the time the calculation is made.
- 41 (d) Notwithstanding IC 6-3.5-1.1-24(h) and IC 6-3.5-6-30(h), if a
 42 county has adopted an income tax rate under IC 6-3.5-1.1-24 or

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1 IC 6-3.5-6-30 to replace property tax levy growth, the part of the tax
 2 rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 that was used before
 3 January 1, 2009, to reduce levy growth in the county family and
 4 children's fund property tax levy and the children's psychiatric
 5 residential treatment services property tax levy shall instead be used for
 6 property tax relief in the same manner that a tax rate under
 7 IC 6-3.5-1.1-26 or IC 6-3.5-6-32 is used for property tax relief.

8 SECTION 48. IC 6-3.5-1.5-2, AS ADDED BY P.L.224-2007,
 9 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2012]: Sec. 2. The department of local government finance
 11 shall, before ~~July~~ **September** 1 of each year, certify the amount
 12 calculated for a county under section 1 of this chapter to the county
 13 auditor.

14 SECTION 49. IC 6-3.5-6-8, AS AMENDED BY P.L.77-2011,
 15 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2012]: Sec. 8. (a) The county income tax council of any
 17 county in which the county adjusted gross income tax will not be in
 18 effect on December 1 of a year under an ordinance adopted during a
 19 previous calendar year may impose the county option income tax on the
 20 adjusted gross income of county taxpayers of its county.

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

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

29 "The _____ County Income Tax Council imposes the
 30 county option income tax on the county taxpayers of
 31 _____ County. The county option income tax is
 32 imposed at a rate of two-tenths of one percent (0.2%) on the
 33 resident county taxpayers of the county and at a rate of
 34 five-hundredths of one percent (0.05%) on all other county
 35 taxpayers."

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

42 (e) The county option income tax rate in effect for the county

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1 taxpayers of a county who are not resident county taxpayers of that
 2 county is at all times one-fourth (1/4) of the tax rate imposed upon
 3 resident county taxpayers.

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

10 SECTION 50. IC 6-3.5-6-9, AS AMENDED BY P.L.77-2011,
 11 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2012]: Sec. 9. (a) If on ~~March 31~~ **January 1** of a calendar year
 13 the county option income tax rate in effect for resident county
 14 taxpayers equals six tenths of one percent (0.6%), excluding a tax rate
 15 imposed under section 30, 31, or 32 of this chapter, the county income
 16 tax council of that county may pass an ordinance to increase its tax rate
 17 for resident county taxpayers. If a county income tax council passes an
 18 ordinance under this section, its county option income tax rate for
 19 resident county taxpayers increases by one-tenth of one percent (0.1%)
 20 in the year in which the ordinance is adopted, as provided in section 1.5
 21 of this chapter, and on each succeeding October 1 until its rate reaches
 22 a maximum of one percent (1%), excluding a tax rate imposed under
 23 section 30, 31, or 32 of this chapter.

24 (b) The auditor of the county shall record any vote taken on an
 25 ordinance proposed under the authority of this section and,
 26 **immediately not more than ten (10) days after the vote**, send a
 27 certified copy of the results to **the commissioner of the department,**
 28 **the director of the budget agency, and the commissioner of the**
 29 **department of local government finance** by certified mail.

30 SECTION 51. IC 6-3.5-6-11, AS AMENDED BY P.L.77-2011,
 31 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2012]: Sec. 11. (a) This section does not apply to a tax rate
 33 imposed under section 30 of this chapter.

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

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

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

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

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

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

8 (2) the tax rate equals six-tenths of one percent (0.6%) (if the
9 frozen tax rate equaled an amount less than six-tenths of one
10 percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled
11 an amount in excess of six-tenths of one percent (0.6%)).

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

18 SECTION 52. IC 6-3.5-6-12, AS AMENDED BY P.L.77-2011,
19 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2012]: Sec. 12. (a) The county option income tax imposed by
21 a county income tax council under this chapter remains in effect until
22 rescinded.

23 (b) Subject to subsection (c), the county income tax council of a
24 county may rescind the county option income tax by passing an
25 ordinance.

26 (c) A county income tax council may not rescind the county option
27 income tax or take any action that would result in a civil taxing unit in
28 the county having a smaller distributive share than the distributive
29 share to which it was entitled when it pledged county option income
30 tax, if the civil taxing unit or any commission, board, department, or
31 authority that is authorized by statute to pledge county option income
32 tax, has pledged county option income tax for any purpose permitted
33 by IC 5-1-14 or any other statute.

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

41 SECTION 53. IC 6-3.5-6-12.5, AS AMENDED BY P.L.77-2011,
42 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2012]: Sec. 12.5. (a) The county income tax council may
2 adopt an ordinance to decrease the county option income tax rate in
3 effect.

4 (b) To decrease the county option income tax rate, the county
5 income tax council must adopt an ordinance. The ordinance must
6 substantially state the following:

7 "The _____ County Income Tax Council decreases the
8 county option income tax rate from _____ percent (___ %)
9 to _____ percent (___ %)."

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

15 (d) The county auditor shall record the votes taken on an ordinance
16 under this subsection and, **not more than ten (10) days after the vote**,
17 shall send a certified copy of the ordinance to the **commissioner of the**
18 **department, the director of the budget agency, and the**
19 **commissioner of the department of local government finance** by
20 certified mail. **not more than thirty (30) days after the ordinance is**
21 **adopted.**

22 (e) Notwithstanding IC 6-3.5-7, a county income tax council that
23 decreases the county option income tax in a year may not in the same
24 year adopt or increase the county economic development income tax
25 under IC 6-3.5-7.

26 SECTION 54. IC 6-3.5-6-17, AS AMENDED BY P.L.229-2011,
27 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 17. (a) Revenue derived
29 from the imposition of the county option income tax shall, in the
30 manner prescribed by this section, be distributed to the county that
31 imposed it. The amount that is to be distributed to a county during an
32 ensuing calendar year equals the amount of county option income tax
33 revenue that the budget agency determines has been:

34 (1) received from that county for a taxable year ending in a
35 calendar year preceding the calendar year in which the
36 determination is made; and

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

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

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1 (b) Before August 2 of each calendar year, the budget agency shall
 2 certify to the county auditor of each adopting county the amount
 3 determined under subsection (a) plus the amount of interest in the
 4 county's account that has accrued and has not been included in a
 5 certification made in a preceding year. The amount certified is the
 6 county's "certified distribution" for the immediately succeeding
 7 calendar year. The amount certified shall be adjusted, as necessary,
 8 under subsections (c), (d), (e), and (f). The budget agency shall provide
 9 the county council with an informative summary of the calculations
 10 used to determine the certified distribution. The summary of
 11 calculations must include:

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

19 The budget agency shall also certify information concerning the part of
 20 the certified distribution that is attributable to a tax rate under section
 21 30, 31, or 32 of this chapter. This information must be certified to the
 22 county auditor and to the department of local government finance not
 23 later than September 1 of each calendar year. The part of the certified
 24 distribution that is attributable to a tax rate under section 30, 31, or 32
 25 of this chapter may be used only as specified in those provisions.

26 (c) The budget agency shall certify an amount less than the amount
 27 determined under subsection (b) if the budget agency determines that
 28 the reduced distribution is necessary to offset overpayments made in a
 29 calendar year before the calendar year of the distribution. The budget
 30 agency may reduce the amount of the certified distribution over several
 31 calendar years so that any overpayments are offset over several years
 32 rather than in one (1) lump sum.

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

39 (e) This subsection applies to a county that imposes, increases,
 40 decreases, or rescinds a tax or tax rate under this chapter before
 41 November 1 in the same calendar year in which the budget agency
 42 makes a certification under this section. The budget agency shall adjust

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1 the certified distribution of a county to provide for a distribution in the
 2 immediately following calendar year and in each calendar year
 3 thereafter. The budget agency shall provide for a full transition to
 4 certification of distributions as provided in subsection (a)(1) through
 5 (a)(2) in the manner provided in subsection (c). If the county imposes,
 6 increases, decreases, or rescinds a tax or tax rate under this chapter
 7 after the date for which a certification under subsection (b) is based, the
 8 budget agency shall adjust the certified distribution of the county after
 9 August 1 of the calendar year. The adjustment shall reflect any other
 10 adjustment required under subsections (c), (d), and (f). The adjusted
 11 certification shall be treated as the county's "certified distribution" for
 12 the immediately succeeding calendar year. The budget agency shall
 13 certify the adjusted certified distribution to the county auditor for the
 14 county and provide the county council with an informative summary of
 15 the calculations that revises the informative summary provided in
 16 subsection (b) and reflects the changes made in the adjustment.

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

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

27 (2) the following:

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

30 (B) In a county other than a county containing a consolidated
 31 city, two (2).

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

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

41 (i) All distributions from an account established under section 16 of
 42 this chapter shall be made by warrants issued by the auditor of state to

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1 the treasurer of state ordering the appropriate payments.

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

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

10 (l) The estimates under subsections (j) and (k) must specify the
11 amount of the estimated certified distributions that are attributable to
12 the additional rate authorized under section 30 of this chapter, the
13 additional rate authorized under section 31 of this chapter, the
14 additional rate authorized under section 32 of this chapter, and any
15 other additional rates authorized under this chapter.

16 SECTION 55. IC 6-3.5-6-28, AS AMENDED BY P.L.77-2011,
17 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2012]: Sec. 28. (a) This section applies only to Howard
19 County.

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

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

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

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

39 (2) agreeing to freeze the part of any property tax levy imposed in
40 the county for the operation of the jail or juvenile detention
41 center, or both, covered by the ordinance at the rate imposed in
42 the year preceding the year in which a full year of additional

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1 county option income tax is certified for distribution to the county
 2 under this section for the term in which an ordinance is in effect
 3 under this section.

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

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

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

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

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

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

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

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

40 SECTION 56. IC 6-3.5-6-29, AS AMENDED BY P.L.77-2011,
 41 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2012]: Sec. 29. (a) This section applies only to Scott County.

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

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1 used only for the purposes described in this section. County option
 2 income tax revenues derived from the tax rate imposed under this
 3 section shall be deposited in the county jail revenue fund before
 4 making a certified distribution under section 18 of this chapter.

5 (f) County option income tax revenues derived from an additional
 6 tax rate imposed under this section:

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

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

11 (3) may be pledged for the repayment of bonds issued or leases
 12 entered into to fund the purposes described in subsection (c)(1),
 13 except operation or maintenance.

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

22 SECTION 57. IC 6-3.5-6-30, AS AMENDED BY P.L.172-2011,
 23 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2012]: Sec. 30. (a) In a county in which the county option
 25 income tax is in effect, the county income tax council may adopt an
 26 ordinance to impose or increase (as applicable) a tax rate under this
 27 section.

28 (b) In a county in which neither the county option adjusted gross
 29 income tax nor the county option income tax is in effect, the county
 30 income tax council may adopt an ordinance to impose a tax rate under
 31 this section.

32 (c) If a county income tax council adopts an ordinance to impose or
 33 increase a tax rate under this section, **not more than ten (10) days**
 34 **after the vote**, the county auditor shall send a certified copy of the
 35 ordinance to the **commissioner of the department, the director of the**
 36 **budget agency**, and the **commissioner of the** department of local
 37 government finance by certified mail.

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

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

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

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- 1 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the
 2 county in the preceding year.
- 3 STEP TWO: For distribution to each civil taxing unit that in the
 4 year had a maximum permissible property tax levy limited under
 5 IC 6-1.1-18.5-3(b), determine the result of:
- 6 (1) the quotient of:
- 7 (A) the part of the amount determined under STEP ONE of
 8 IC 6-3.5-1.5-1(a) in the preceding year that was attributable
 9 to the civil taxing unit; divided by
- 10 (B) the STEP ONE amount; multiplied by
- 11 (2) the tax revenue received by the county treasurer under this
 12 section.
- 13 STEP THREE: For distributions in 2009 and thereafter, the result
 14 of this STEP is zero (0). For distribution to the county for deposit
 15 in the county family and children's fund before 2009, determine
 16 the result of:
- 17 (1) the quotient of:
- 18 (A) the amount determined under STEP TWO of
 19 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 20 (B) the STEP ONE amount; multiplied by
- 21 (2) the tax revenue received by the county treasurer under this
 22 section.
- 23 STEP FOUR: For distributions in 2009 and thereafter, the result
 24 of this STEP is zero (0). For distribution to the county for deposit
 25 in the county children's psychiatric residential treatment services
 26 fund before 2009, determine the result of:
- 27 (1) the quotient of:
- 28 (A) the amount determined under STEP THREE of
 29 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 30 (B) the STEP ONE amount; multiplied by
- 31 (2) the tax revenue received by the county treasurer under this
 32 section.
- 33 STEP FIVE: For distribution to the county for community mental
 34 health center purposes, determine the result of:
- 35 (1) the quotient of:
- 36 (A) the amount determined under STEP FOUR of
 37 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 38 (B) the STEP ONE amount; multiplied by
- 39 (2) the tax revenue received by the county treasurer under this
 40 section.
- 41 Except as provided in subsection (m), the county treasurer shall
 42 distribute the portion of the certified distribution that is attributable to

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1 a tax rate under this section as specified in this section. The county
2 treasurer shall make the distributions under this subsection at the same
3 time that distributions are made to civil taxing units under section 18
4 of this chapter.

5 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county
6 income tax council may not decrease or rescind a tax rate imposed
7 under this section.

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

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

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

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

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

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

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

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

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

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

36 (o) A county stabilization fund is established in each county that
37 imposes a tax rate under this section. The county stabilization fund
38 shall be administered by the county auditor. If for a year the certified
39 distributions attributable to a tax rate under this section exceed the
40 amount calculated under STEP ONE through STEP FOUR of
41 IC 6-3.5-1.5-1(a) that is used by the department of local government
42 finance and the department of state revenue to determine the tax rate

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1 under this section, the excess shall be deposited in the county
 2 stabilization fund. Money shall be distributed from the county
 3 stabilization fund in a year by the county auditor to political
 4 subdivisions entitled to a distribution of tax revenue attributable to the
 5 tax rate under this section if:

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

12 (2) the certified distributions attributable to a tax rate under this
 13 section in a year are less than the certified distributions
 14 attributable to a tax rate under this section in the preceding year.

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

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

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

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

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

29 SECTION 58. IC 6-3.5-6-31, AS AMENDED BY P.L.172-2011,
 30 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2012]: Sec. 31. (a) As used in this section, "public safety"
 32 refers to the following:

33 (1) A police and law enforcement system to preserve public peace
 34 and order.

35 (2) A firefighting and fire prevention system.

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

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

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

40 (6) A probation department of a court.

41 (7) Confinement, supervision, services under a community
 42 corrections program (as defined in IC 35-38-2.6-2), or other

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1 correctional services for a person who has been:

2 (A) diverted before a final hearing or trial under an agreement
3 that is between the county prosecuting attorney and the person
4 or the person's custodian, guardian, or parent and that provides
5 for confinement, supervision, community corrections services,
6 or other correctional services instead of a final action
7 described in clause (B) or (C);

8 (B) convicted of a crime; or

9 (C) adjudicated as a delinquent child or a child in need of
10 services.

11 (8) A juvenile detention facility under IC 31-31-8.

12 (9) A juvenile detention center under IC 31-31-9.

13 (10) A county jail.

14 (11) A communications system (as defined in IC 36-8-15-3) or an
15 enhanced emergency telephone system (as defined in
16 IC 36-8-16-2).

17 (12) Medical and health expenses for jail inmates and other
18 confined persons.

19 (13) Pension payments for any of the following:

20 (A) A member of the fire department (as defined in
21 IC 36-8-1-8) or any other employee of a fire department.

22 (B) A member of the police department (as defined in
23 IC 36-8-1-9), a police chief hired under a waiver under
24 IC 36-8-4-6.5, or any other employee hired by a police
25 department.

26 (C) A county sheriff or any other member of the office of the
27 county sheriff.

28 (D) Other personnel employed to provide a service described
29 in this section.

30 (b) The county income tax council may adopt an ordinance to
31 impose an additional tax rate under this section to provide funding for
32 public safety if:

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

36 (2) the county income tax council has imposed a tax rate of at
37 least twenty-five hundredths of one percent (0.25%) under section
38 30 of this chapter, a tax rate of at least twenty-five hundredths of
39 one percent (0.25%) under section 32 of this chapter, or a total
40 combined tax rate of at least twenty-five hundredths of one
41 percent (0.25%) under sections 30 and 32 of this chapter, in the
42 case of a county other than a county containing a consolidated

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- 1 city.
- 2 (c) A tax rate under this section may not exceed the following:
- 3 (1) Five-tenths of one percent (0.5%), in the case of a county
- 4 containing a consolidated city.
- 5 (2) Twenty-five hundredths of one percent (0.25%), in the case of
- 6 a county other than a county containing a consolidated city.
- 7 (d) If a county income tax council adopts an ordinance to impose a
- 8 tax rate under this section, **not more than ten (10) days after the vote**,
- 9 the county auditor shall send a certified copy of the ordinance to the
- 10 **commissioner of the department, the director of the budget agency,**
- 11 **and the commissioner of the department of local government finance**
- 12 **by certified mail.**
- 13 (e) A tax rate under this section is in addition to any other tax rates
- 14 imposed under this chapter and does not affect the purposes for which
- 15 other tax revenue under this chapter may be used.
- 16 (f) Except as provided in subsections (l) and (m), the county auditor
- 17 shall distribute the portion of the certified distribution that is
- 18 attributable to a tax rate under this section to the county and to each
- 19 municipality in the county that is carrying out or providing at least one
- 20 (1) of the public safety purposes described in subsection (a). The
- 21 amount that shall be distributed to the county or municipality is equal
- 22 to the result of:
- 23 (1) the portion of the certified distribution that is attributable to a
- 24 tax rate under this section; multiplied by
- 25 (2) a fraction equal to:
- 26 (A) the total property taxes being collected in the county by
- 27 the county or municipality for the calendar year; divided by
- 28 (B) the sum of the total property taxes being collected in the
- 29 county by the county and each municipality in the county that
- 30 is entitled to a distribution under this section for the calendar
- 31 year.
- 32 The county auditor shall make the distributions required by this
- 33 subsection not more than thirty (30) days after receiving the portion of
- 34 the certified distribution that is attributable to a tax rate under this
- 35 section. Tax revenue distributed to a county or municipality under this
- 36 subsection must be deposited into a separate account or fund and may
- 37 be appropriated by the county or municipality only for public safety
- 38 purposes.
- 39 (g) The department of local government finance may not require a
- 40 county or municipality receiving tax revenue under this section to
- 41 reduce the county's or municipality's property tax levy for a particular
- 42 year on account of the county's or municipality's receipt of the tax

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1 revenue.

2 (h) The tax rate under this section and the tax revenue attributable

3 to the tax rate under this section shall not be considered for purposes

4 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;

8 (2) the maximum permissible property tax levy under

9 IC 6-1.1-18.5-3; or

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

11 (i) The tax rate under this section may be imposed or rescinded at

12 the same time and in the same manner that the county may impose or

13 increase a tax rate under section 30 of this chapter.

14 (j) 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 (k) 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 additional tax rate under this section.

20 (l) Two (2) or more political subdivisions that are entitled to receive

21 a distribution under this section may adopt resolutions providing that

22 some part or all of those distributions shall instead be paid to one (1)

23 political subdivision in the county to carry out specific public safety

24 purposes specified in the resolutions.

25 (m) A fire department, volunteer fire department, or emergency

26 medical services provider that:

27 (1) provides fire protection or emergency medical services within

28 the county; and

29 (2) is operated by or serves a political subdivision that is not

30 otherwise entitled to receive a distribution of tax revenue under

31 this section;

32 may before July 1 of a year apply to the county income tax council for

33 a distribution of tax revenue under this section during the following

34 calendar year. The county income tax council shall review an

35 application submitted under this subsection and may before September

36 1 of a year adopt a resolution requiring that one (1) or more of the

37 applicants shall receive a specified amount of the tax revenue to be

38 distributed under this section during the following calendar year. A

39 resolution approved under this subsection providing for a distribution

40 to one (1) or more fire departments, volunteer fire departments, or

41 emergency services providers applies only to distributions in the

42 following calendar year. Any amount of tax revenue distributed under

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1 this subsection to a fire department, volunteer fire department, or
 2 emergency medical services provider shall be distributed before the
 3 remainder of the tax revenue is distributed under subsection (f).

4 SECTION 59. IC 6-3.5-6-32, AS AMENDED BY P.L.172-2011,
 5 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2012]: Sec. 32. (a) A county income tax council may impose
 7 a tax rate under this section to provide property tax relief to taxpayers
 8 in the county. A county income tax council is not required to impose
 9 any other tax before imposing a tax rate under this section.

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

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

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

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

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

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

42 (A) Made available to the public the county council's best

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estimate of the amount of property tax replacement credits to be provided under this subdivision to homesteads, other residential property, commercial property, industrial property, and agricultural property.

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

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

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1 taxpayers within a particular municipality in Lake County
2 (as determined by the department based on the department's
3 best estimate) shall be used only to provide a local property
4 tax credit against property taxes imposed by that
5 municipality.

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

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

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

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

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

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

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

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- 1 (1) the maximum income tax rate that may be imposed in a county
- 2 under section 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 (h) Tax revenue under this section shall be treated as a part of the
- 8 receiving civil taxing unit's or school corporation's property tax levy for
- 9 that year for purposes of fixing the budget of the civil taxing unit or
- 10 school corporation and for determining the distribution of taxes that are
- 11 distributed on the basis of property tax levies. To the extent the county
- 12 auditor determines that there is income tax revenue remaining from the
- 13 tax under this section after providing the property tax replacement, the
- 14 excess shall be credited to a dedicated county account and may be used
- 15 only for property tax replacement under this section in subsequent
- 16 years.
- 17 (i) The department of local government finance, and the department
- 18 of state revenue may take any actions necessary to carry out the
- 19 purposes of this section.
- 20 (j) Notwithstanding any other provision, in Lake County the county
- 21 council (and not the county income tax council) is the entity authorized
- 22 to take actions concerning the tax rate under this section.
- 23 SECTION 60. IC 6-3.5-6-33, AS AMENDED BY P.L.77-2011,
- 24 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 25 JULY 1, 2012]: Sec. 33. (a) This section applies only to Monroe
- 26 County.
- 27 (b) Maintaining low property tax rates is essential to economic
- 28 development, and the use of county option income tax revenues as
- 29 provided in this chapter and as needed in the county to fund the
- 30 operation and maintenance of a juvenile detention center and other
- 31 facilities to provide juvenile services, rather than the use of property
- 32 taxes, promotes that purpose.
- 33 (c) In addition to the rates permitted by sections 8 and 9 of this
- 34 chapter, the county fiscal body may impose an additional county option
- 35 income tax at a rate of not more than twenty-five hundredths percent
- 36 (0.25%) on the adjusted gross income of resident county taxpayers if
- 37 the county fiscal body makes the finding and determination set forth in
- 38 subsection (d). Section 8(e) of this chapter applies to the application of
- 39 the additional rate to nonresident taxpayers.
- 40 (d) In order to impose the county option income tax as provided in
- 41 this section, the county fiscal body must adopt an ordinance:
- 42 (1) finding and determining that revenues from the county option

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1 income tax are needed in the county to fund the operation and
 2 maintenance of a juvenile detention center and other facilities
 3 necessary to provide juvenile services; and

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

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

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

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

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

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

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

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

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1 17(a)(2) of this chapter in the manner provided in section 17(c) of this
2 chapter.

3 SECTION 61. IC 6-3.5-7-1 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) Except as
5 otherwise provided in this section, as used in this chapter, "adjusted
6 gross income" has the meaning set forth in IC 6-3-1-3.5(a).

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

11 (c) In the case of a county taxpayer who is a resident of a ~~Perry~~
12 County, ~~having a population of more than eighteen thousand three~~
13 ~~hundred (18,300) but less than nineteen thousand three hundred~~
14 ~~(19,300)~~; the term "adjusted gross income" does not include adjusted
15 gross income that is:

16 (1) earned in a county that is:

17 (A) located in another state; and

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

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

21 SECTION 62. IC 6-3.5-7-1.5 IS REPEALED [EFFECTIVE JULY
22 1, 2012]. Sec. 1.5: As used in this chapter, "capital project" includes
23 substance removal or remedial action in a designated unit.

24 SECTION 63. IC 6-3.5-7-4.3 IS REPEALED [EFFECTIVE JULY
25 1, 2012]. Sec. 4.3: As used in this chapter, "designated unit" refers to
26 a county having a population of more than one hundred forty-eight
27 thousand (148,000) but less than one hundred seventy thousand
28 (170,000).

29 SECTION 64. IC 6-3.5-7-4.6 IS REPEALED [EFFECTIVE JULY
30 1, 2012]. Sec. 4.6: As used in this chapter, "remedial action" has the
31 meaning set forth in IC 13-11-2-185.

32 SECTION 65. IC 6-3.5-7-4.7 IS REPEALED [EFFECTIVE JULY
33 1, 2012]. Sec. 4.7: As used in this chapter, "removal" has the meaning
34 set forth in IC 13-11-2-187.

35 SECTION 66. IC 6-3.5-7-4.8 IS REPEALED [EFFECTIVE JULY
36 1, 2012]. Sec. 4.8: As used in this chapter, "substance" has the meaning
37 set forth in IC 13-11-2-98 for "hazardous substance".

38 SECTION 67. IC 6-3.5-7-5, AS AMENDED BY P.L.199-2011,
39 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2012]: Sec. 5. (a) Except as provided in subsection (c), the
41 county economic development income tax may be imposed on the
42 adjusted gross income of county taxpayers. The entity that may impose

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- 1 the tax is:
- 2 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 3 the county option income tax is in effect on ~~March 31~~ **October 1**
- 4 of the year the county economic development income tax is
- 5 imposed;
- 6 (2) the county council if the county adjusted gross income tax is
- 7 in effect on ~~March 31~~ **October 1** of the year the county economic
- 8 development tax is imposed; or
- 9 (3) the county income tax council or the county council,
- 10 whichever acts first, for a county not covered by subdivision (1)
- 11 or (2).

12 To impose the county economic development income tax, a county

13 income tax council shall use the procedures set forth in IC 6-3.5-6

14 concerning the imposition of the county option income tax.

15 (b) Except as provided in ~~subsections (c), (g), (k), (p), and (r)~~ **this**

16 **section** and section 28 of this chapter, the county economic

17 development income tax may be imposed at a rate of:

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

26 on the adjusted gross income of county taxpayers.

27 (c) Except as provided in ~~subsection (h), (i), (j), (k), (l), (m), (n), (o),~~

28 ~~(p), (s), (v), (w), (x), or (y)~~, **this section**, the county economic

29 development income tax rate plus the county adjusted gross income tax

30 rate, if any, that are in effect on January 1 of a year may not exceed one

31 and twenty-five hundredths percent (1.25%). Except as provided in

32 ~~subsection (g), (p), (r), (t), (u), (w), (x), or (y)~~, **this section**, the county

33 economic development tax rate plus the county option income tax rate,

34 if any, that are in effect on January 1 of a year may not exceed one

35 percent (1%).

36 (d) To impose, increase, decrease, or rescind the county economic

37 development income tax, the appropriate body must adopt an

38 ordinance.

39 (e) The ordinance to impose the tax must substantially state the

40 following:

41 "The _____ County _____ imposes the county economic

42 development income tax on the county taxpayers of _____

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1 County. The county economic development income tax is imposed at
 2 a rate of _____ percent (____%) on the county taxpayers of the
 3 county."

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

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

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

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

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

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

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

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

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

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

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1 one and five-tenths percent (1.5%).

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

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

9 (2) the sum of the county economic development income tax rate
10 and the county adjusted gross income tax rate that are in effect on
11 January 1 of a year may not exceed one and five-tenths percent
12 (1.5%);

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

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

21 ~~(m)~~ (l) For:

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

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

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

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

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

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- 1 (1) the county economic development income tax may be imposed
- 2 at a rate of twenty-five hundredths percent (0.25%); and
- 3 (2) the sum of the county economic development income tax rate
- 4 and:
- 5 (A) the county adjusted gross income tax rate that are in effect
- 6 on January 1 of a year may not exceed one and five-tenths
- 7 percent (1.5%); or
- 8 (B) the county option income tax rate that are in effect on
- 9 January 1 of a year may not exceed one and twenty-five
- 10 hundredths percent (1.25%);

11 if the county council makes a determination to impose rates under this
 12 subsection and section 24 of this chapter.

13 ~~(p)~~ (o) In addition:

- 14 (1) the county economic development income tax may be imposed
- 15 at a rate that exceeds by not more than twenty-five hundredths
- 16 percent (0.25%) the maximum rate that would otherwise apply
- 17 under this section; and
- 18 (2) the:
- 19 (A) county economic development income tax; and
- 20 (B) county option income tax or county adjusted gross income
- 21 tax;
- 22 may be imposed at combined rates that exceed by not more than
- 23 twenty-five hundredths percent (0.25%) the maximum combined
- 24 rates that would otherwise apply under this section.

25 However, the additional rate imposed under this subsection may not
 26 exceed the amount necessary to mitigate the increased ad valorem
 27 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 **(repealed)**
 28 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or
 29 residential property (as defined in section 26 of this chapter), as
 30 appropriate under the ordinance adopted by the adopting body in the
 31 county, resulting from the deduction of the assessed value of inventory
 32 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the
 33 exclusion in 2008 of inventory from the definition of personal property
 34 in IC 6-1.1-1-11.

35 ~~(p)~~ (p) If the county economic development income tax is imposed
 36 as authorized under subsection ~~(p)~~ (o) at a rate that exceeds the
 37 maximum rate that would otherwise apply under this section, the
 38 certified distribution must be used for the purpose provided in section
 39 ~~25(e)~~ or 26 of this chapter to the extent that the certified distribution
 40 results from the difference between:

- 41 (1) the actual county economic development tax rate; and
- 42 (2) the maximum rate that would otherwise apply under this

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- 1 section.
- 2 ~~(p)~~ **(q)** This subsection applies only to a county described in section
- 3 27 of this chapter. Except as provided in subsection ~~(p)~~; **(o)**, in addition
- 4 to the rates permitted by subsection (b), the:
- 5 (1) county economic development income tax may be imposed at
- 6 a rate of twenty-five hundredths percent (0.25%); and
- 7 (2) county economic development income tax rate plus the county
- 8 option income tax rate that are in effect on January 1 of a year
- 9 may equal up to one and twenty-five hundredths percent (1.25%);
- 10 if the county council makes a determination to impose rates under this
- 11 subsection and section 27 of this chapter.
- 12 ~~(s)~~ **(r)** Except as provided in subsection ~~(p)~~; **(o)**, the county
- 13 economic development income tax rate plus the county adjusted gross
- 14 income tax rate that are in effect on January 1 of a year may not exceed
- 15 one and five-tenths percent (1.5%) if the county has imposed the
- 16 county adjusted gross income tax under IC 6-3.5-1.1-3.3.
- 17 ~~(t)~~ **(s)** This subsection applies to Howard County. Except as
- 18 provided in subsection ~~(p)~~; **(o)**, the sum of the county economic
- 19 development income tax rate and the county option income tax rate that
- 20 are in effect on January 1 of a year may not exceed one and twenty-five
- 21 hundredths percent (1.25%).
- 22 ~~(u)~~ **(t)** This subsection applies to Scott County. Except as provided
- 23 in subsection ~~(p)~~; **(o)**, the sum of the county economic development
- 24 income tax rate and the county option income tax rate that are in effect
- 25 on January 1 of a year may not exceed one and twenty-five hundredths
- 26 percent (1.25%).
- 27 ~~(v)~~ **(u)** This subsection applies to Jasper County. Except as provided
- 28 in subsection ~~(p)~~; **(o)**, the sum of the county economic development
- 29 income tax rate and the county adjusted gross income tax rate that are
- 30 in effect on January 1 of a year may not exceed one and five-tenths
- 31 percent (1.5%).
- 32 ~~(w)~~ **(v)** An additional county economic development income tax rate
- 33 imposed under section 28 of this chapter may not be considered in
- 34 calculating any limit under this section on the sum of:
- 35 (1) the county economic development income tax rate plus the
- 36 county adjusted gross income tax rate; or
- 37 (2) the county economic development tax rate plus the county
- 38 option income tax rate.
- 39 ~~(x)~~ **(w)** The income tax rate limits imposed by subsection (c) or ~~(y)~~
- 40 **(x)** or any other provision of this chapter do not apply to:
- 41 (1) a county adjusted gross income tax rate imposed under
- 42 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or

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

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

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

22 SECTION 68. IC 6-3.5-7-6, AS AMENDED BY P.L.77-2011,
 23 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2012]: Sec. 6. (a) The body imposing the tax may decrease or
 25 increase the county economic development income tax rate imposed
 26 upon the county taxpayers as long as the resulting rate does not exceed
 27 the rates specified in section 5(b) and 5(c) or ~~5(g)~~ of this chapter. The
 28 rate imposed under this section must be adopted at one (1) of the rates
 29 specified in section 5(b) of this chapter. To decrease or increase the
 30 rate, the appropriate body must adopt an ordinance. The ordinance
 31 must substantially state the following:

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

36 (b) 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.

42 SECTION 69. 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.

13 SECTION 70. IC 6-3.5-7-11, AS AMENDED BY P.L.229-2011,
14 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2012]: Sec. 11. (a) Revenue derived from the imposition of
16 the county economic development income tax shall, in the manner
17 prescribed by this section, be distributed to the county that imposed it.

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

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

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

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

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

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

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

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

42 (4) adjustments for tax rate changes; and

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

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1 the adjustment.

2 (i) The budget agency shall before May 1 of every odd-numbered

3 year publish an estimate of the statewide total amount of certified

4 distributions to be made under this chapter during the following two (2)

5 calendar years.

6 (j) The budget agency shall before May 1 of every even-numbered

7 year publish an estimate of the statewide total amount of certified

8 distributions to be made under this chapter during the following

9 calendar year.

10 (k) The estimates under subsections (i) and (j) must specify the

11 amount of the estimated certified distributions that are attributable to

12 any additional rates authorized under this chapter.

13 SECTION 71. IC 6-3.5-7-12, AS AMENDED BY P.L.199-2011,

14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

15 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 12. (a) Except as

16 provided in sections 23, ~~25~~, 26, 27, 27.5, and 28 of this chapter, the

17 county auditor shall distribute in the manner specified in this section

18 the certified distribution to the county.

19 (b) Except as provided in subsections (c) and (h) and ~~sections~~

20 **section 15 and 25** of this chapter, and subject to adjustment as

21 provided in IC 36-8-19-7.5, the amount of the certified distribution that

22 the county and each city or town in a county is entitled to receive

23 ~~during May and November~~ **each month** of each year equals the product

24 of the following:

25 (1) The amount of the certified distribution for that month;

26 multiplied by

27 (2) A fraction. The numerator of the fraction equals the sum of:

28 (A) total property taxes that are first due and payable to the

29 county, city, or town during the calendar year in which the

30 month falls; plus

31 (B) for a county, the welfare allocation amount.

32 The denominator of the fraction equals the sum of the total

33 property taxes that are first due and payable to the county and all

34 cities and towns of the county during the calendar year in which

35 the month falls, plus the welfare allocation amount. The welfare

36 allocation amount is an amount equal to the sum of the property

37 taxes imposed by the county in 1999 for the county's welfare fund

38 and welfare administration fund and, if the county received a

39 certified distribution under this chapter in 2008, the property

40 taxes imposed by the county in 2008 for the county's county

41 medical assistance to wards fund, family and children's fund,

42 children's psychiatric residential treatment services fund, county

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- 1 hospital care for the indigent fund, and children with special
 2 health care needs county fund.
- 3 (c) This subsection applies to a county council or county income tax
 4 council that imposes a tax under this chapter after June 1, 1992. The
 5 body imposing the tax may adopt an ordinance before August 2 of a
 6 year to provide for the distribution of certified distributions under this
 7 subsection instead of a distribution under subsection (b). The following
 8 apply if an ordinance is adopted under this subsection:
- 9 (1) The ordinance is effective January 1 of the following year.
- 10 (2) Except as provided in ~~sections 25 and section~~ 26 of this
 11 chapter, the amount of the certified distribution that the county
 12 and each city and town in the county is entitled to receive during
 13 ~~May and November~~ **each month** of each year equals the product
 14 of:
- 15 (A) the amount of the certified distribution for the month;
 16 multiplied by
- 17 (B) a fraction. For a city or town, the numerator of the fraction
 18 equals the population of the city or the town. For a county, the
 19 numerator of the fraction equals the population of the part of
 20 the county that is not located in a city or town. The
 21 denominator of the fraction equals the sum of the population
 22 of all cities and towns located in the county and the population
 23 of the part of the county that is not located in a city or town.
- 24 (3) The ordinance may be made irrevocable for the duration of
 25 specified lease rental or debt service payments.
- 26 (d) The body imposing the tax may not adopt an ordinance under
 27 subsection (c) if, before the adoption of the proposed ordinance, any of
 28 the following have pledged the county economic development income
 29 tax for any purpose permitted by IC 5-1-14 or any other statute:
- 30 (1) The county.
- 31 (2) A city or town in the county.
- 32 (3) A commission, a board, a department, or an authority that is
 33 authorized by statute to pledge the county economic development
 34 income tax.
- 35 (e) The department of local government finance shall provide each
 36 county auditor with the fractional amount of the certified distribution
 37 that the county and each city or town in the county is entitled to receive
 38 under this section.
- 39 (f) Money received by a county, city, or town under this section
 40 shall be deposited in the unit's economic development income tax fund.
- 41 (g) Except as provided in subsection (b)(2)(B), in determining the
 42 fractional amount of the certified distribution the county and its cities

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

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

8 SECTION 72. IC 6-3.5-7-13.1, AS AMENDED BY P.L.199-2011,
9 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2012]: Sec. 13.1. (a) The fiscal officer of each county, city, or
11 town for a county in which the county economic development tax is
12 imposed shall establish an economic development income tax fund.
13 Except as provided in sections 23, ~~25~~; 26, 27, and 27.5 of this chapter,
14 the revenue received by a county, city, or town under this chapter shall
15 be deposited in the unit's economic development income tax fund.

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

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

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

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

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

8 (5) This subdivision applies only in a **Porter** County. ~~having a~~
9 ~~population of more than one hundred forty-five thousand~~
10 ~~(145,000) but less than one hundred forty-eight thousand~~
11 ~~(148,000).~~ All of the tax revenue that results each year from a tax
12 rate increase described in subdivision (4) that is in excess of the
13 first three million five hundred thousand dollars (\$3,500,000) that
14 results each year from the tax rate increase must be used by the
15 county and cities and towns in the county for homestead credits
16 under this subdivision. The following apply to homestead credits
17 provided under this subdivision:

18 (A) The homestead credits must be applied uniformly to
19 provide a homestead credit for homesteads in the county, city,
20 or town.

21 (B) The homestead credits shall be treated for all purposes as
22 property tax levies.

23 (C) The homestead credits shall be applied to the net property
24 taxes due on the homestead after the application of all other
25 assessed value deductions or property tax deductions and
26 credits that apply to the amount owed under IC 6-1.1.

27 (D) The department of local government finance shall
28 determine the homestead credit percentage for a particular
29 year based on the amount of county economic development
30 income tax revenue that will be used under this subdivision to
31 provide homestead credits in that year.

32 (6) This subdivision applies only in a **Lake** County. ~~having a~~
33 ~~population of more than four hundred thousand (400,000) but less~~
34 ~~than seven hundred thousand (700,000).~~ A county or a city or
35 town in the county may use county economic development
36 income tax revenue to provide homestead credits in the county,
37 city, or town. The following apply to homestead credits provided
38 under this subdivision:

39 (A) The county, city, or town fiscal body must adopt an
40 ordinance authorizing the homestead credits. The ordinance
41 must specify the amount of county economic development
42 income tax revenue that will be used to provide homestead

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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 county economic development income tax rate is increased after

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1 June 30, 2006, in the county, the first three million five hundred
 2 thousand dollars (\$3,500,000) of the tax revenue that results each
 3 year from the tax rate increase shall be used by the county only to
 4 make the county's transfer required by IC 36-7.5-4-2. The first
 5 three million five hundred thousand dollars (\$3,500,000) of the
 6 tax revenue that results each year from the tax rate increase shall
 7 be paid by the county treasurer to the treasurer of the northwest
 8 Indiana regional development authority under IC 36-7.5-4-2
 9 before certified distributions are made to the county or any cities
 10 or towns in the county under this chapter from the tax revenue
 11 that results each year from the tax rate increase. All of the tax
 12 revenue that results each year from the tax rate increase that is in
 13 excess of the first three million five hundred thousand dollars
 14 (\$3,500,000) that results each year from the tax rate increase must
 15 be used by the county and cities and towns in the county for
 16 homestead credits under subdivision (9).

17 (9) This subdivision applies only to a county described in
 18 subdivision (8). All of the tax revenue that results each year from
 19 a tax rate increase described in subdivision (8) that is in excess of
 20 the first three million five hundred thousand dollars (\$3,500,000)
 21 that results each year from the tax rate increase must be used by
 22 the county and cities and towns in the county for homestead
 23 credits under this subdivision. The following apply to homestead
 24 credits provided under this subdivision:

25 (A) The homestead credits must be applied uniformly to
 26 provide a homestead credit for homesteads in the county, city,
 27 or town.

28 (B) The homestead credits shall be treated for all purposes as
 29 property tax levies.

30 (C) The homestead credits shall be applied to the net property
 31 taxes due on the homestead after the application of all other
 32 assessed value deductions or property tax deductions and
 33 credits that apply to the amount owed under IC 6-1.1.

34 (D) The department of local government finance shall
 35 determine the homestead credit percentage for a particular
 36 year based on the amount of county economic development
 37 income tax revenue that will be used under this subdivision to
 38 provide homestead credits in that year.

39 (c) As used in this section, an economic development project is any
 40 project that:

41 (1) the county, city, or town determines will:

42 (A) promote significant opportunities for the gainful

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- 1 employment of its citizens;
- 2 (B) attract a major new business enterprise to the unit; or
- 3 (C) retain or expand a significant business enterprise within
- 4 the unit; and
- 5 (2) involves an expenditure for:
- 6 (A) the acquisition of land;
- 7 (B) interests in land;
- 8 (C) site improvements;
- 9 (D) infrastructure improvements;
- 10 (E) buildings;
- 11 (F) structures;
- 12 (G) rehabilitation, renovation, and enlargement of buildings
- 13 and structures;
- 14 (H) machinery;
- 15 (I) equipment;
- 16 (J) furnishings;
- 17 (K) facilities;
- 18 (L) administrative expenses associated with such a project,
- 19 including contract payments authorized under subsection
- 20 (b)(2)(D);
- 21 (M) operating expenses authorized under subsection (b)(2)(E);
- 22 or
- 23 (N) to the extent not otherwise allowed under this chapter,
- 24 substance removal or remedial action in a designated unit;
- 25 or any combination of these.

26 (d) If there are bonds outstanding that have been issued under
 27 section 14 of this chapter or leases in effect under section 21 of this
 28 chapter, a county, city, or town may not expend money from its
 29 economic development income tax fund for a purpose authorized under
 30 subsection (b)(3) in a manner that would adversely affect owners of the
 31 outstanding bonds or payment of any lease rentals due.

32 SECTION 73. IC 6-3.5-7-15 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 15. (a) The executive
 34 of a county, city, or town may, subject to the use of the certified
 35 distribution permitted under ~~sections 25 and section~~ **section** 26 of this chapter:

- 36 (1) adopt a capital improvement plan specifying the uses of the
- 37 revenues to be received under this chapter; or
- 38 (2) designate the county or a city or town in the county as the
- 39 recipient of all or a part of its share of the distribution.

40 (b) If a designation is made under subsection (a)(2), the county
 41 treasurer shall transfer the share or part of the share to the designated
 42 unit unless that unit does not have a capital improvement plan.

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1 (c) A county, city, or town that fails to adopt a capital improvement
 2 plan may not receive:
 3 (1) its fractional amount of the certified distribution; or
 4 (2) any amount designated under subsection (a)(2);
 5 for the year or years in which the unit does not have a plan. The county
 6 treasurer shall retain the certified distribution and any designated
 7 distribution for such a unit in a separate account until the unit adopts
 8 a plan. Interest on the separate account becomes part of the account. If
 9 a unit fails to adopt a plan for a period of three (3) years, then the
 10 balance in the separate account shall be distributed to the other units in
 11 the county based on property taxes first due and payable to the units
 12 during the calendar year in which the three (3) year period expires.
 13 (d) A capital improvement plan must include the following
 14 components:
 15 (1) Identification and general description of each project that
 16 would be funded by the county economic development income
 17 tax.
 18 (2) The estimated total cost of the project.
 19 (3) Identification of all sources of funds expected to be used for
 20 each project.
 21 (4) The planning, development, and construction schedule of each
 22 project.
 23 (e) A capital improvement plan:
 24 (1) must encompass a period of no less than two (2) years; and
 25 (2) must incorporate projects the cost of which is at least
 26 seventy-five percent (75%) of the fractional amount certified
 27 distribution expected to be received by the county, city, or town
 28 in that period of time.
 29 (f) In making a designation under subsection (a)(2), the executive
 30 must specify the purpose and duration of the designation. If the
 31 designation is made to provide for the payment of lease rentals or bond
 32 payments, the executive may specify that the designation and its
 33 duration are irrevocable.
 34 SECTION 74. IC 6-3.5-7-16, AS AMENDED BY P.L.77-2011,
 35 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 16. (a) ~~Except as~~
 37 ~~provided in subsections (b) and (c); on May 1 of each year, one-half~~
 38 ~~(1/2) One-twelfth (1/12)~~ of each county's certified distribution for a
 39 calendar year shall be distributed from its account established under
 40 section 10 of this chapter to the **appropriate** county treasurer ~~The~~
 41 ~~other one-half (1/2) shall be distributed on November 1 the first~~
 42 **regular business day of each month** of that calendar year.

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1 (b) This subsection applies to a county having a population of more
2 than one hundred forty-five thousand (145,000) but less than one
3 hundred forty-eight thousand (148,000); if the ordinance imposing the
4 tax is adopted before July 1 of a year. Notwithstanding section 11 of
5 this chapter; the initial certified distribution certified for a county under
6 section 11 of this chapter shall be distributed to the county treasurer
7 from the account established for the county under section 10 of this
8 chapter according to the following schedule during the eighteen (18)
9 month period beginning on July 1 of the year in which the county
10 initially adopts an ordinance under section 5 of this chapter:

- 11 (1) One-fourth (1/4) on October 1 of the year in which the
- 12 ordinance was adopted.
- 13 (2) One-fourth (1/4) on January 1 of the calendar year following
- 14 the year in which the ordinance was adopted.
- 15 (3) One-fourth (1/4) on May 1 of the calendar year following the
- 16 year in which the ordinance was adopted.
- 17 (4) One-fourth (1/4) on November 1 of the calendar year
- 18 following the year in which the ordinance was adopted.

19 The county auditor and county treasurer shall distribute amounts
20 received under this subsection to a county and each city or town in the
21 county in the same proportions as are set forth in section 12 of this
22 chapter. Certified distributions made to the county treasurer for
23 calendar years following the eighteen (18) month period described in
24 this subsection shall be made as provided in subsection (a):

25 (c) Before July 1 of each year, a county's certified distribution for
26 additional homestead credits under section 25 or 26 of this chapter for
27 the year shall be distributed from the county's account established
28 under section 10 of this chapter:

29 (d) (b) All distributions from an account established under section
30 10 of this chapter shall be made by warrants issued by the auditor of
31 state to the treasurer of state ordering the appropriate payments.

32 SECTION 75. IC 6-3.5-7-22 IS REPEALED [EFFECTIVE JULY
33 1, 2012]. Sec. 22: (a) This section only applies to a designated unit:

34 (b) The county income tax council may, by ordinance, determine
35 that economic development income tax money is needed in the county
36 to fund substance removal and remedial action, including the
37 repayment of bonds or other debt incurred for substance removal or
38 remedial action; and the actions taken to fund substance removal and
39 remedial action serve a public purpose by promoting public health,
40 welfare, and safety.

41 (c) If the county income tax council makes a determination under
42 subsection (b); the county income tax council may adopt a tax rate

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1 under section 5(g) of this chapter. The tax rate may not be imposed at
 2 a rate or for a time greater than is necessary to fund substance removal
 3 and remedial action in the county, including the repayment of bonds or
 4 other debt incurred for substance removal or remedial action.

5 (d) The county treasurer shall establish a substance removal and
 6 remedial action fund to be used only for the purposes described in this
 7 section. County economic development income tax revenues derived
 8 from the tax rate imposed under section 5(g) of this chapter shall be
 9 deposited in the substance removal and remedial action fund before
 10 making a certified distribution under section 12 of this chapter.

11 (e) The county income tax council may, by ordinance, appropriate
 12 or pledge any part of the substance removal and remediation action
 13 fund to a political subdivision or to an entity formed by an interlocal
 14 cooperation agreement under IC 36-1-7 for the purposes set forth in
 15 this chapter in the county.

16 (f) The county auditor shall distribute the amount specified in the
 17 ordinance to the designated political subdivision or to an entity formed
 18 by an interlocal cooperation agreement under IC 36-1-7 from the
 19 substance removal and remedial action fund.

20 (g) Bonds issued by a political subdivision or an entity formed by an
 21 interlocal cooperation agreement under IC 36-1-7 payable from the
 22 substance removal and remedial action fund do not constitute debt of
 23 a designated unit or a city or town in the designated unit, and the bonds
 24 shall contain a statement on their face to that effect and to the effect
 25 that the bonds are payable solely from money in the substance removal
 26 and remedial action fund, and other available funds, and are not
 27 supported by the full faith and credit of the county, city, or town.

28 SECTION 76. IC 6-3.5-7-22.5 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 22.5. (a) This section
 30 applies to a **Randolph** County, having a population of more than
 31 twenty-seven thousand four hundred (27,400) but less than
 32 twenty-seven thousand five hundred (27,500).

33 (b) In addition to the rates permitted by section 5 of this chapter, the
 34 county council may impose the county economic development income
 35 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
 36 gross income of county taxpayers if the county council makes the
 37 finding and determination set forth in subsection (c).

38 (c) In order to impose the county economic development income tax
 39 as provided in this section, the county council must adopt an ordinance
 40 finding and determining that revenues from the county economic
 41 development income tax are needed to pay the costs of:

42 (1) financing, constructing, acquiring, renovating, and equipping

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1 the county courthouse, and financing and renovating the former
 2 county hospital for additional office space, educational facilities,
 3 nonsecure juvenile facilities, and other county functions,
 4 including the repayment of bonds issued, or leases entered into for
 5 constructing, acquiring, renovating, and equipping the county
 6 courthouse and for renovating the former county hospital for
 7 additional office space, educational facilities, nonsecure juvenile
 8 facilities, and other county functions;

9 (2) financing constructing, acquiring, renovating, and equipping
 10 buildings for a volunteer fire department (as defined in
 11 IC 36-8-12-2) that provides services in any part of the county; and
 12 (3) financing constructing, acquiring, and renovating firefighting
 13 apparatus or other related equipment for a volunteer fire
 14 department (as defined in IC 36-8-12-2) that provides services in
 15 any part of the county.

16 (d) If the county council makes a determination under subsection
 17 (c), the county council may adopt a tax rate under subsection (b). The
 18 tax rate may not be imposed at a rate or for a time greater than is
 19 necessary to pay for the purposes described in this section.

20 (e) The county treasurer shall establish a county option tax revenue
 21 fund to be used only for the purposes described in this section. County
 22 economic development income tax revenues derived from the tax rate
 23 imposed under this section shall be deposited in the county option tax
 24 revenue fund before making a certified distribution under section 11 of
 25 this chapter.

26 (f) County economic development income tax revenues derived
 27 from the tax rate imposed under this section:

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

34 (g) A county described in subsection (a) possesses:

- 35 (1) unique fiscal challenges to finance the operations of county
 36 government due to the county's ongoing obligation to repay
 37 amounts received by the county due to an overpayment of the
 38 county's certified distribution under IC 6-3.5-1.1-9 for a prior
 39 year; and
- 40 (2) unique capital financing needs related to the purposes
 41 described in subsection (c).

42 SECTION 77. IC 6-3.5-7-23, AS AMENDED BY P.L.146-2008,

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1 SECTION 349, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2012]: Sec. 23. (a) This section applies only to
 3 a **Hancock** County. ~~having a population of more than fifty-five~~
 4 ~~thousand (55,000) but less than sixty-five thousand (65,000).~~

5 (b) The county council may by ordinance determine that, in order to
 6 promote the development of libraries in the county and thereby
 7 encourage economic development, it is necessary to use economic
 8 development income tax revenue to replace library property taxes in
 9 the county. However, a county council may adopt an ordinance under
 10 this subsection only if all territory in the county is included in a library
 11 district.

12 (c) If the county council makes a determination under subsection
 13 (b), the county council may designate the county economic
 14 development income tax revenue generated by the tax rate adopted
 15 under section 5 of this chapter, or revenue generated by a portion of the
 16 tax rate, as revenue that will be used to replace public library property
 17 taxes imposed by public libraries in the county. The county council
 18 may not designate for library property tax replacement purposes any
 19 county economic development income tax revenue that is generated by
 20 a tax rate of more than fifteen-hundredths percent (0.15%).

21 (d) The county treasurer shall establish a library property tax
 22 replacement fund to be used only for the purposes described in this
 23 section. County economic development income tax revenues derived
 24 from the portion of the tax rate designated for property tax replacement
 25 credits under subsection (c) shall be deposited in the library property
 26 tax replacement fund before certified distributions are made under
 27 section 12 of this chapter. Any interest earned on money in the library
 28 property tax replacement fund shall be credited to the library property
 29 tax replacement fund.

30 (e) The amount of county economic development income tax
 31 revenue dedicated to providing library property tax replacement credits
 32 shall, in the manner prescribed in this section, be allocated to public
 33 libraries operating in the county and shall be used by those public
 34 libraries as property tax replacement credits. The amount of property
 35 tax replacement credits that each public library in the county is entitled
 36 to receive during a calendar year under this section equals the lesser of:

37 (1) the product of:

38 (A) the amount of revenue deposited by the county auditor in
 39 the library property tax replacement fund; multiplied by

40 (B) a fraction described as follows:

41 (i) The numerator of the fraction equals the sum of the total
 42 property taxes that would have been collected by the public

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- 1 library during the previous calendar year from taxpayers
- 2 located within the library district if the property tax
- 3 replacement under this section had not been in effect.
- 4 (ii) The denominator of the fraction equals the sum of the
- 5 total property taxes that would have been collected during
- 6 the previous year from taxpayers located within the county
- 7 by all public libraries that are eligible to receive property tax
- 8 replacement credits under this section if the property tax
- 9 replacement under this section had not been in effect; or
- 10 (2) the total property taxes that would otherwise be collected by
- 11 the public library for the calendar year if the property tax
- 12 replacement credit under this section were not in effect.

13 The department of local government finance shall make any
 14 adjustments necessary to account for the expansion of a library district.
 15 However, a public library is eligible to receive property tax
 16 replacement credits under this section only if it has entered into
 17 reciprocal borrowing agreements with all other public libraries in the
 18 county. If the total amount of county economic development income
 19 tax revenue deposited by the county auditor in the library property tax
 20 replacement fund for a calendar year exceeds the total property tax
 21 liability that would otherwise be imposed for public libraries in the
 22 county for the year, the excess shall remain in the library property tax
 23 replacement fund and shall be used for library property tax replacement
 24 purposes in the following calendar year.

25 (f) Notwithstanding subsection (e), if a public library did not impose
 26 a property tax levy during the previous calendar year, that public
 27 library is entitled to receive a part of the property tax replacement
 28 credits to be distributed for the calendar year. The amount of property
 29 tax replacement credits the public library is entitled to receive during
 30 the calendar year equals the product of:

- 31 (1) the amount of revenue deposited in the library property tax
- 32 replacement fund; multiplied by
- 33 (2) a fraction. The numerator of the fraction equals the budget of
- 34 the public library for that calendar year. The denominator of the
- 35 fraction equals the aggregate budgets of public libraries in the
- 36 county for that calendar year.

37 If for a calendar year a public library is allocated a part of the property
 38 tax replacement credits under this subsection, then the amount of
 39 property tax credits distributed to other public libraries in the county
 40 for the calendar year shall be reduced by the amount to be distributed
 41 as property tax replacement credits under this subsection. The
 42 department of local government finance shall make any adjustments

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1 required by this subsection and provide the adjustments to the county
2 auditor.

3 (g) The department of local government finance shall inform the
4 county auditor of the amount of property tax replacement credits that
5 each public library in the county is entitled to receive under this
6 section. The county auditor shall certify to each public library the
7 amount of property tax replacement credits that the public library is
8 entitled to receive during that calendar year. The county auditor shall
9 also certify these amounts to the county treasurer.

10 (h) A public library receiving property tax replacement credits under
11 this section shall allocate the credits among each fund for which a
12 distinct property tax levy is imposed. The amount that must be
13 allocated to each fund equals:

- 14 (1) the amount of property tax replacement credits provided to the
- 15 public library under this section; multiplied by
- 16 (2) the amount determined in STEP THREE of the following
- 17 formula:

18 STEP ONE: Determine the property taxes that would have
19 been collected for each fund by the public library during the
20 previous calendar year if the property tax replacement under
21 this section had not been in effect.

22 STEP TWO: Determine the sum of the total property taxes that
23 would have been collected for all funds by the public library
24 during the previous calendar year if the property tax
25 replacement under this section had not been in effect.

26 STEP THREE: Divide the STEP ONE amount by the STEP
27 TWO amount.

28 However, if a public library did not impose a property tax levy during
29 the previous calendar year or did not impose a property tax levy for a
30 particular fund during the previous calendar year, but the public library
31 is imposing a property tax levy in the current calendar year or is
32 imposing a property tax levy for the particular fund in the current
33 calendar year, the department of local government finance shall adjust
34 the amount of property tax replacement credits allocated among the
35 various funds of the public library and shall provide the adjustment to
36 the county auditor. If a public library receiving property tax
37 replacement credits under this section does not impose a property tax
38 levy for a particular fund that is first due and payable in a calendar year
39 in which the property tax replacement credits are being distributed, the
40 public library is not required to allocate to that fund a part of the
41 property tax replacement credits to be distributed to the public library.
42 Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives

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1 property tax replacement credits under this section is subject to the
2 procedures for the issuance of bonds set forth in IC 6-1.1-20.

3 (i) For each public library that receives property tax credits under
4 this section, the department of local government finance shall certify
5 to the county auditor the property tax rate applicable to each fund after
6 the property tax replacement credits are allocated.

7 (j) A public library shall treat property tax replacement credits
8 received during a particular calendar year under this section as a part
9 of the public library's property tax levy for each fund for that same
10 calendar year for purposes of fixing the public library's budget and for
11 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

12 (k) For the purpose of computing and distributing certified
13 distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or
14 IC 6-6-5, the property tax replacement credits that are received under
15 this section shall be treated as though they were property taxes that
16 were due and payable during that same calendar year.

17 SECTION 78. IC 6-3.5-7-24 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 24. (a) This section
19 applies to a **Knox County, having a population of more than thirty-nine**
20 **thousand (39,000) but less than thirty-nine thousand six hundred**
21 **(39,600).**

22 (b) In addition to the rates permitted by section 5 of this chapter, the
23 county council may impose the county economic development income
24 tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted
25 gross income of county taxpayers if the county council makes the
26 finding and determination set forth in subsection (c).

27 (c) In order to impose the county economic development income tax
28 as provided in this section, the county council must adopt an ordinance
29 finding and determining that revenues from the county economic
30 development income tax are needed to pay the costs of financing,
31 constructing, acquiring, renovating, and equipping a county jail
32 including the repayment of bonds issued, or leases entered into, for
33 constructing, acquiring, renovating, and equipping a county jail.

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

39 (e) The county treasurer shall establish a county jail revenue fund
40 to be used only for the purposes described in this section. County
41 economic development income tax revenues derived from the tax rate
42 imposed under this section shall be deposited in the county jail revenue

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1 fund before making a certified distribution under section 11 of this
2 chapter.

3 (f) County economic development income tax revenues derived
4 from the tax rate imposed under this section:

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

11 SECTION 79. IC 6-3.5-7-25 IS REPEALED [EFFECTIVE JULY
12 1, 2012]. Sec. 25: (a) This section applies only to a county that has
13 adopted an ordinance under IC 6-1.1-12-41(f).

14 (b) For purposes of this section, "imposing entity" means the entity
15 that adopted the ordinance under IC 6-1.1-12-41(f).

16 (c) The imposing entity may adopt an ordinance to provide for the
17 use of the certified distribution described in section 16(c) of this
18 chapter for the purpose provided in subsection (c). A county income
19 tax council that adopts an ordinance under this subsection shall use the
20 procedures set forth in IC 6-3.5-6 concerning the adoption of an
21 ordinance for the imposition of the county option income tax. Except
22 as provided in subsection (j), an ordinance must be adopted under this
23 subsection after March 31 but before August 1 of a calendar year. The
24 ordinance may provide for an additional rate under section 5(p) of this
25 chapter. An ordinance adopted under this subsection:

- 26 (1) first applies to the certified distribution described in section
27 16(c) of this chapter made in the calendar year that immediately
28 succeeds the calendar year in which the ordinance is adopted;
- 29 (2) must specify the calendar years to which the ordinance
30 applies; and
- 31 (3) must specify that the certified distribution must be used to
32 provide for:
 - 33 (A) uniformly applied increased homestead credits as provided
34 in subsection (f); or
 - 35 (B) allocated increased homestead credits as provided in
36 subsection (h).

37 An ordinance adopted under this subsection may be combined with an
38 ordinance adopted under section 26 of this chapter.

39 (d) If an ordinance is adopted under subsection (c), the percentage
40 of the certified distribution specified in the ordinance for use for the
41 purpose provided in subsection (c) shall be:

- 42 (1) retained by the county auditor under subsection (i); and

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1 (2) used for the purpose provided in subsection (e) instead of the
 2 purposes specified in the capital improvement plans adopted
 3 under section 15 of this chapter.
 4 (e) If an ordinance is adopted under subsection (e), the imposing
 5 entity shall use the certified distribution described in section 16(c) of
 6 this chapter to increase the homestead credit allowed in the county
 7 under IC 6-1.1-20-9 for a year to offset the effect on homesteads in the
 8 county resulting from a county deduction for inventory under
 9 IC 6-1.1-12-41.
 10 (f) If the imposing entity specifies the application of uniform
 11 increased homestead credits under subsection (c)(3)(A), the county
 12 auditor shall, for each calendar year in which an increased homestead
 13 credit percentage is authorized under this section, determine:
 14 (1) the amount of the certified distribution that is available to
 15 provide an increased homestead credit percentage for the year;
 16 (2) the amount of uniformly applied homestead credits for the
 17 year in the county that equals the amount determined under
 18 subdivision (1); and
 19 (3) the increased percentage of homestead credit that equates to
 20 the amount of homestead credits determined under subdivision
 21 (2).
 22 (g) The increased percentage of homestead credit determined by the
 23 county auditor under subsection (f) applies uniformly in the county in
 24 the calendar year for which the increased percentage is determined.
 25 (h) If the imposing entity specifies the application of allocated
 26 increased homestead credits under subsection (c)(3)(B), the county
 27 auditor shall, for each calendar year in which an increased homestead
 28 credit is authorized under this section, determine:
 29 (1) the amount of the certified distribution that is available to
 30 provide an increased homestead credit for the year; and
 31 (2) an increased percentage of homestead credit for each taxing
 32 district in the county that allocates to the taxing district an amount
 33 of increased homestead credits that bears the same proportion to
 34 the amount determined under subdivision (1) that the amount of
 35 inventory assessed value deducted under IC 6-1.1-12-41 in the
 36 taxing district for the immediately preceding year's assessment
 37 date bears to the total inventory assessed value deducted under
 38 IC 6-1.1-12-41 in the county for the immediately preceding year's
 39 assessment date.
 40 (i) The county auditor shall retain from the payments of the county's
 41 certified distribution an amount equal to the revenue lost, if any, due to
 42 the increase of the homestead credit within the county. The money shall

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1 be distributed to the civil taxing units and school corporations of the
2 county:

- 3 (1) as if the money were from property tax collections; and
4 (2) in such a manner that no civil taxing unit or school
5 corporation will suffer a net revenue loss because of the
6 allowance of an increased homestead credit.

7 (j) An entity authorized to adopt:

- 8 (1) an ordinance under subsection (c); and
9 (2) an ordinance under IC 6-1.1-12-41(f);

10 may consolidate the two (2) ordinances. The limitation under
11 subsection (c) that an ordinance must be adopted after January 1 of a
12 calendar year does not apply if a consolidated ordinance is adopted
13 under this subsection. However, notwithstanding subsection (c)(1), the
14 ordinance must state that it first applies to certified distributions in the
15 calendar year in which property taxes are initially affected by the
16 deduction under IC 6-1.1-12-41.

17 SECTION 80. IC 6-3.5-7-25.5 IS REPEALED [EFFECTIVE JULY
18 1, 2012]. See. 25.5. Subject to the approval of the imposing entity, the
19 county auditor may adjust the increased percentage of homestead credit
20 determined under section 25(h)(2) of this chapter if the county auditor
21 determines that the adjustment is necessary to achieve an equitable
22 reduction of property taxes among the homesteads in the county.

23 SECTION 81. IC 6-3.5-7-26, AS AMENDED BY P.L.77-2011,
24 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2012]: Sec. 26. (a) This section applies only to homestead and
26 property tax replacement credits for property taxes first due and
27 payable after calendar year 2006.

28 (b) The following definitions apply throughout this section:

- 29 (1) "Adopt" includes amend.
30 (2) "Adopting entity" means:
31 (A) the entity that adopts an ordinance under
32 IC 6-1.1-12-41(f); or
33 (B) any other entity that may impose a county economic
34 development income tax under section 5 of this chapter.
35 (3) "Homestead" refers to tangible property that is eligible for a
36 homestead credit under IC 6-1.1-20.9 (repealed) or the standard
37 deduction under IC 6-1.1-12-37.
38 (4) "Residential" refers to the following:
39 (A) Real property, a mobile home, and industrialized housing
40 that would qualify as a homestead if the taxpayer had filed for
41 a homestead credit under IC 6-1.1-20.9 (repealed) or the
42 standard deduction under IC 6-1.1-12-37.



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1 (B) Real property not described in clause (A) designed to
2 provide units that are regularly used to rent or otherwise
3 furnish residential accommodations for periods of thirty (30)
4 days or more, regardless of whether the tangible property is
5 subject to assessment under rules of the department of local
6 government finance that apply to:

- 7 (i) residential property; or
- 8 (ii) commercial property.

9 (c) An adopting entity may adopt an ordinance to provide for the use
10 of the certified distribution described in section 16(c) of this chapter for
11 the purpose provided in subsection (e). An adopting entity that adopts
12 an ordinance under this subsection shall use the procedures set forth in
13 IC 6-3.5-6 concerning the adoption of an ordinance for the imposition
14 of the county option income tax. The ordinance may provide for an
15 additional rate under section ~~5(p)~~ 5(o) of this chapter. An ordinance
16 adopted under this subsection:

17 (1) first applies to the certified distribution described in section
18 16(c) of this chapter made in the later of the calendar year that
19 immediately succeeds the calendar year in which the ordinance is
20 adopted or calendar year 2007; and

21 (2) must specify that the certified distribution must be used to
22 provide for one (1) of the following, as determined by the
23 adopting entity:

- 24 (A) Uniformly applied homestead credits as provided in
25 subsection (f).
- 26 (B) Uniformly applied residential credits as provided in
27 subsection (g).
- 28 (C) Allocated homestead credits as provided in subsection (i).
- 29 (D) Allocated residential credits as provided in subsection (j).

30 An ordinance adopted under this subsection may be combined with an
31 ordinance adopted under section 25 of this chapter **(before its repeal)**.

32 (d) If an ordinance is adopted under subsection (c), the percentage
33 of the certified distribution specified in the ordinance for use for the
34 purpose provided in subsection (e) shall be:

- 35 (1) retained by the county auditor under subsection (k); and
- 36 (2) used for the purpose provided in subsection (e) instead of the
37 purposes specified in the capital improvement plans adopted
38 under section 15 of this chapter.

39 (e) If an ordinance is adopted under subsection (c), the adopting
40 entity shall use the certified distribution described in section 16(c) of
41 this chapter to provide:

- 42 (1) if the ordinance grants a credit described in subsection

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1 (c)(2)(A) or (c)(2)(C), a homestead credit for homesteads; or
 2 (2) if the ordinance grants a credit described in subsection
 3 (c)(2)(B) or (c)(2)(D), a property tax replacement credit for
 4 residential property;

5 for property taxes to offset the effect on homesteads or residential
 6 property, as applicable, in the county resulting from the statewide
 7 deduction for inventory under IC 6-1.1-12-42 or from the exclusion in
 8 2008 of inventory from the definition of personal property in
 9 IC 6-1.1-1-11. The amount of a residential property tax replacement
 10 credit granted under this section may not be considered in computing
 11 the amount of any homestead credit to which the residential property
 12 may be entitled under IC 6-1.1-20.9 (before its repeal) or another law
 13 other than IC 6-1.1-20.6.

14 (f) If the imposing entity specifies the application of uniform
 15 homestead credits under subsection (c)(2)(A), the county auditor shall,
 16 for each calendar year in which a homestead credit percentage is
 17 authorized under this section, determine:

18 (1) the amount of the certified distribution that is available to
 19 provide a homestead credit percentage under this section for the
 20 year;

21 (2) the amount of uniformly applied homestead credits for the
 22 year in the county that equals the amount determined under
 23 subdivision (1); and

24 (3) the percentage of homestead credit under this section that
 25 equates to the amount of homestead credits determined under
 26 subdivision (2).

27 (g) If the imposing entity specifies the application of uniform
 28 residential credits under subsection (c)(2)(B), the county auditor shall
 29 determine for each calendar year in which a homestead credit
 30 percentage is authorized under this section:

31 (1) the amount of the certified distribution that is available to
 32 provide a residential property tax replacement credit percentage
 33 for the year;

34 (2) the amount of uniformly applied residential property tax
 35 replacement credits for the year in the county that equals the
 36 amount determined under subdivision (1); and

37 (3) the percentage of residential property tax replacement credit
 38 under this section that equates to the amount of residential
 39 property tax replacement credits determined under subdivision
 40 (2).

41 (h) The percentage of homestead credit determined by the county
 42 auditor under subsection (f) or the percentage of residential property

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1 tax replacement credit determined by the county auditor under
2 subsection (g) applies uniformly in the county in the calendar year for
3 which the percentage is determined.

4 (i) If the imposing entity specifies the application of allocated
5 homestead credits under subsection (c)(2)(C), the county auditor shall,
6 for each calendar year in which a homestead credit is authorized under
7 this section, determine:

8 (1) the amount of the certified distribution that is available to
9 provide a homestead credit under this section for the year; and

10 (2) except as provided in subsection (1), a percentage of
11 homestead credit for each taxing district in the county that
12 allocates to the taxing district an amount of homestead credits that
13 bears the same proportion to the amount determined under
14 subdivision (1) that the amount of inventory assessed value
15 deducted under IC 6-1.1-12-42 in the taxing district for the
16 assessment date in 2006 bears to the total inventory assessed
17 value deducted under IC 6-1.1-12-42 in the county for the
18 assessment date in 2006.

19 (j) If the imposing entity specifies the application of allocated
20 residential property tax replacement credits under subsection (c)(2)(D),
21 the county auditor shall determine for each calendar year in which a
22 residential property tax replacement credit is authorized under this
23 section:

24 (1) the amount of the certified distribution that is available to
25 provide a residential property tax replacement credit under this
26 section for the year; and

27 (2) except as provided in subsection (1), a percentage of
28 residential property tax replacement credit for each taxing district
29 in the county that allocates to the taxing district an amount of
30 residential property tax replacement credits that bears the same
31 proportion to the amount determined under subdivision (1) that
32 the amount of inventory assessed value deducted under
33 IC 6-1.1-12-42 in the taxing district for the assessment date in
34 2006 bears to the total inventory assessed value deducted under
35 IC 6-1.1-12-42 in the county for the assessment date in 2006.

36 (k) The county auditor shall retain from the payments of the county's
37 certified distribution an amount equal to the revenue lost, if any, due to
38 the homestead credit or residential property tax replacement credit
39 provided under this section within the county. The money shall be
40 distributed to the civil taxing units and school corporations of the
41 county:

42 (1) as if the money were from property tax collections; and

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1 (2) in such a manner that no civil taxing unit or school
2 corporation will suffer a net revenue loss because of the
3 allowance of a homestead credit or residential property tax
4 replacement credit under this section.

5 (l) Subject to the approval of the imposing entity, the county auditor
6 may adjust the increased percentage of:

7 (1) homestead credit determined under subsection (i)(2) if the
8 county auditor determines that the adjustment is necessary to
9 achieve an equitable reduction of property taxes among the
10 homesteads in the county; or

11 (2) residential property tax replacement credit determined under
12 subsection (j)(2) if the county auditor determines that the
13 adjustment is necessary to achieve an equitable reduction of
14 property taxes among the residential property in the county.

15 SECTION 82. IC 6-3.5-7-27, AS AMENDED BY P.L.77-2011,
16 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2012]: Sec. 27. (a) This section applies to a county that:

18 (1) operates a courthouse that is subject to an order that:

19 (A) is issued by a federal district court;

20 (B) applies to an action commenced before January 1, 2003;

21 and

22 (C) requires the county to comply with the federal Americans
23 with Disabilities Act; and

24 (2) has insufficient revenues to finance the construction,
25 acquisition, improvement, renovation, equipping, and operation
26 of the courthouse facilities and related facilities.

27 (b) A county described in this section possesses unique fiscal
28 challenges in financing, renovating, equipping, and operating the
29 county courthouse facilities and related facilities because the county
30 consistently has one (1) of the highest unemployment rates in Indiana.
31 Maintaining low property tax rates is essential to economic
32 development in the county. The use of economic development income
33 tax revenues under this section for the purposes described in subsection
34 (c) promotes that purpose.

35 (c) In addition to actions authorized by section 5 of this chapter, a
36 county council may, using the procedures set forth in this chapter,
37 adopt an ordinance to impose an additional county economic
38 development income tax on the adjusted gross income of county
39 taxpayers. The ordinance imposing the additional tax must include a
40 finding that revenues from additional tax are needed to pay the costs of:

41 (1) constructing, acquiring, improving, renovating, equipping, or
42 operating the county courthouse or related facilities;

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1 (2) repaying any bonds issued, or leases entered into, for
 2 constructing, acquiring, improving, renovating, equipping, or
 3 operating the county courthouse or related facilities; and
 4 (3) economic development projects described in the county's
 5 capital improvement plan.

6 (d) The tax rate imposed under this section may not exceed
 7 twenty-five hundredths percent (0.25%).

8 (e) If the county council adopts an ordinance to impose an
 9 additional tax under this section, the county auditor shall, ~~immediately~~
 10 **not more than ten (10) days after the vote**, send a certified copy of
 11 the ordinance to **the commissioner of the department, the director of**
 12 **the budget agency, and the commissioner of the department of**
 13 **local government finance** by certified mail. The county treasurer shall
 14 establish a county facilities revenue fund to be used only for the
 15 purposes described in subsection (c)(1) and (c)(2). The amount of
 16 county economic development income tax revenues derived from the
 17 tax rate imposed under this section that are necessary to pay the costs
 18 described in subsection (c)(1) and (c)(2) shall be deposited into the
 19 county facilities revenue fund before a certified distribution is made
 20 under section 12 of this chapter. The remainder shall be deposited into
 21 the economic development income tax funds of the county's units.

22 (f) County economic development income tax revenues derived
 23 from the tax rate imposed under this section may not be used for
 24 purposes other than those described in this section.

25 (g) County economic development income tax revenues derived
 26 from the tax rate imposed under this section that are deposited into the
 27 county facilities revenue fund may not be considered by the department
 28 of local government finance in determining the county's ad valorem
 29 property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

30 (h) Notwithstanding any other law, funds accumulated from the
 31 county economic development income tax imposed under this section
 32 and deposited into the county facilities revenue fund or any other
 33 revenues of the county may be deposited into a nonreverting fund of
 34 the county to be used for operating costs of the courthouse facilities,
 35 juvenile detention facilities, or related facilities. Amounts in the county
 36 nonreverting fund may not be used by the department of local
 37 government finance to reduce the county's ad valorem property tax levy
 38 for an ensuing calendar year under IC 6-1.1-18.5.

39 SECTION 83. IC 6-3.5-7-28, AS AMENDED BY P.L.172-2011,
 40 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2012]: Sec. 28. (a) This section applies only to a county that
 42 is a member of a regional development authority under IC 36-7.6.

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1 (b) In addition to the rates permitted by section 5 of this chapter, the
2 entity that imposed the county economic development income tax
3 under section 5 of this chapter (or, in the case of a county that has not
4 imposed the county economic development income tax, the entity that
5 may impose the county economic development income tax under
6 section 5(a)(3) of this chapter) may by ordinance impose an additional
7 county economic development income tax at a rate of:

- 8 (1) in the case of a county described in IC 36-7.6-4-2(b)(2),
9 twenty-five thousandths of one percent (0.025%); or
10 (2) in the case of any other county to which this section applies,
11 five-hundredths of one percent (0.05%);
12 on the adjusted gross income of county taxpayers.

13 (c) If an additional county economic development income tax is
14 imposed under this section, the county treasurer shall establish a county
15 regional development authority fund. Notwithstanding any other
16 provision of this chapter, the county economic development income tax
17 revenues derived from the additional county economic development
18 income tax imposed under this section must be deposited in the county
19 regional development authority fund before any certified distributions
20 are made under section 12 of this chapter.

21 (d) County economic development income tax revenues derived
22 from the additional county economic development income tax imposed
23 under this section and deposited in the county regional development
24 authority fund:

- 25 (1) shall, not more than thirty (30) days after being deposited in
26 the county regional development authority fund, be transferred as
27 provided in IC 36-7.6-4-2 to the development fund of the regional
28 development authority for which the county is a member; and
29 (2) may not be considered by the department of local government
30 finance in determining the county's maximum permissible
31 property tax levy under IC 6-1.1-18.5.

32 (e) Notwithstanding sections 5 and 6 of this chapter, if a county
33 becomes a member of a regional development authority under
34 IC 36-7.6 and imposes an additional county economic development
35 income tax under this section before July 1 of a year, then,
36 notwithstanding section 11 or any other provision of this chapter, the
37 initial certified distribution of the tax revenue that results from the
38 additional tax shall be distributed to the county treasurer from the
39 account established for the county under this chapter according to the
40 following schedule during the eighteen (18) month period beginning on
41 July 1 of the year in which the county adopts the ordinance to impose
42 the additional tax:

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- 1 (1) One-fourth (1/4) on October 1 of the year in which the
- 2 ordinance to impose the additional tax is adopted.
- 3 (2) One-fourth (1/4) on January 1 of the calendar year following
- 4 the year in which the ordinance to impose the additional tax is
- 5 adopted.
- 6 (3) One-fourth (1/4) on May 1 of the calendar year following the
- 7 year in which the ordinance to impose the additional tax is
- 8 adopted.
- 9 (4) One-fourth (1/4) on November 1 of the calendar year
- 10 following the year in which the ordinance to impose the additional
- 11 tax is adopted.

12 SECTION 84. IC 36-1-8-5.1, AS AMENDED BY P.L.53-2011,
 13 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2012]: Sec. 5.1. (a) A political subdivision may establish a
 15 rainy day fund by the adoption of:

- 16 (1) an ordinance, in the case of a county, city, or town; or
- 17 (2) a resolution, in the case of any other political subdivision.

18 (b) An ordinance or a resolution adopted under this section must
 19 specify the following:

- 20 (1) The purposes of the rainy day fund.
- 21 (2) The sources of funding for the rainy day fund, which may
- 22 include the following:

23 (A) Unused and unencumbered funds under:

- 24 (i) section 5 of this chapter;
- 25 (ii) IC 6-3.5-1.1-21.1;
- 26 (iii) IC 6-3.5-6-17.3; or
- 27 (iv) IC 6-3.5-7-17.3.

28 (B) Any other funding source:

- 29 (i) specified in the ordinance or resolution adopted under
- 30 this section; and
- 31 (ii) not otherwise prohibited by law.

32 (c) The rainy day fund is subject to the same appropriation process
 33 as other funds that receive tax money.

34 (d) In any fiscal year, a political subdivision may transfer under
 35 section 5 of this chapter not more than ten percent (10%) of the
 36 political subdivision's total annual budget for that fiscal year, ~~adopted~~
 37 **certified** under IC 6-1.1-17, to the rainy day fund.

38 (e) A political subdivision may use only the funding sources
 39 specified in subsection (b)(2)(A) or in the ordinance or resolution
 40 establishing the rainy day fund. The political subdivision may adopt a
 41 subsequent ordinance or resolution authorizing the use of another
 42 funding source.

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1 (f) The department of local government finance may not reduce the
2 actual or maximum permissible levy of a political subdivision as a
3 result of a balance in the rainy day fund of the political subdivision.

4 (g) A county, city, or town may at any time, by ordinance or
5 resolution, transfer to:

6 (1) its general fund; or

7 (2) any other appropriated funds of the county, city, or town;
8 money that has been deposited in the rainy day fund of the county, city,
9 or town.

10 SECTION 85. IC 36-2-9-20, AS AMENDED BY P.L.177-2005,
11 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2012]: Sec. 20. The county auditor shall:

13 (1) maintain an electronic data file of the information contained
14 on the tax duplicate for all:

15 (A) parcels; and

16 (B) personal property returns;

17 for each township in the county as of each assessment date;

18 (2) maintain the electronic data file in a form that formats the
19 information in the file with the standard data, field, and record
20 coding required and approved by:

21 (A) the legislative services agency; and

22 (B) the department of local government finance;

23 (3) transmit the data in the file with respect to the assessment date
24 of each year before March 15 of the next year to:

25 (A) the legislative services agency in an electronic format
26 under IC 5-14-6; and

27 (B) the department of local government finance;

28 in a manner that meets the data export and transmission
29 requirements in a standard format, as prescribed by the office of
30 technology established by IC 4-13.1-2-1 and approved by the
31 legislative services agency; and

32 (4) resubmit the data in the form and manner required under this
33 subsection, upon request of the legislative services agency or the
34 department of local government finance, if data previously
35 submitted under this subsection does not comply with the
36 requirements of this subsection, as determined by the legislative
37 services agency or the department of local government finance.

38 An electronic data file maintained for a particular assessment date may
39 not be overwritten with data for a subsequent assessment date until a
40 copy of an electronic data file that preserves the data for the particular
41 assessment date is archived in the manner prescribed by the office of
42 technology established by IC 4-13.1-2-1 and approved by the

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1 legislative services agency.
2 SECTION 86. IC 36-3-6-9, AS AMENDED BY P.L.182-2009(ss),
3 SECTION 401, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) Except as provided in
5 subsection (d), the city-county legislative body shall review the
6 proposed operating and maintenance budgets and tax levies and adopt
7 final operating and maintenance budgets and tax levies for each of the
8 following entities in the county:
9 (1) An airport authority operating under IC 8-22-3.
10 (2) A public library operating under IC 36-12.
11 (3) A capital improvement board of managers operating under
12 IC 36-10.
13 (4) A public transportation corporation operating under IC 36-9-4.
14 (5) A health and hospital corporation established under
15 IC 16-22-8.
16 (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is
17 located in the county and has a governing body that is not
18 comprised of a majority of officials who are elected to serve on
19 the governing body.
20 Except as provided in subsection (c), the city-county legislative body
21 may reduce or modify but not increase a proposed operating and
22 maintenance budget or tax levy under this section.
23 (b) The board of each entity listed in subsection (a) shall, after
24 adoption of its proposed budget and tax levies, submit them, along with
25 detailed accounts, to the city clerk before ~~the first day of September of~~
26 ~~each year.~~ **2.**
27 (c) The city-county legislative body or, when subsection (d) applies,
28 the fiscal body of an excluded city or town shall review the issuance of
29 bonds of an entity listed in subsection (a). Approval of the city-county
30 legislative body or, when subsection (d) applies, the fiscal body of an
31 excluded city or town is required for the issuance of bonds. The
32 city-county legislative body or the fiscal body of an excluded city or
33 town may not reduce or modify a budget or tax levy of an entity listed
34 in subsection (a) in a manner that would:
35 (1) limit or restrict the rights vested in the entity to fulfill the
36 terms of any agreement made with the holders of the entity's
37 bonds; or
38 (2) in any way impair the rights or remedies of the holders of the
39 entity's bonds.
40 (d) If the assessed valuation of a taxing unit is entirely contained
41 within an excluded city or town (as described in IC 36-3-1-7) that is
42 located in a county having a consolidated city, the governing body of

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1 the taxing unit shall submit its proposed operating and maintenance
 2 budget and tax levies to the city or town fiscal body for approval and
 3 not the city-county legislative body. Except as provided in subsection
 4 (c), the fiscal body of the excluded city or town may reduce or modify
 5 but not increase a proposed operating and maintenance budget or tax
 6 levy under this section.

7 SECTION 87. IC 36-12-12-5, AS ADDED BY P.L.1-2005,
 8 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2012]: Sec. 5. (a) If the library board passes a resolution under
 10 section 3 of this chapter and the appropriate fiscal body or bodies
 11 approve the plan, the library board shall ~~submit the resolution and the~~
 12 ~~plan to the department of local government finance. If the department~~
 13 ~~of local government finance determines that:~~

14 (1) the library board has correctly advertised the plan under
 15 section 3(c) of this chapter;

16 (2) the plan was adopted by the library board and approved by the
 17 appropriate fiscal body or bodies; and

18 (3) the plan conforms to the format prescribed by the department;
 19 the department shall require notice of the submission to be given to the
 20 taxpayers of the library district in accordance with IC 5-3-1-2(b).
 21 **publish notice of adoption in accordance with IC 5-3-1-2(i).**

22 (b) Ten (10) or more taxpayers who will be affected by the adopted
 23 plan may file a petition with the county auditor of a county in which the
 24 library district is located not later than ten (10) days after the
 25 publication **of the notice of adoption required by subsection (a)**,
 26 setting forth the taxpayers' objections to the proposed plan. The county
 27 auditor shall immediately certify the petition to the department of local
 28 government finance.

29 SECTION 88. **An emergency is declared for this act.**

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