

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 355, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, line 4, after "a" reset in roman "political subdivision".
- 2 Page 1, line 8, delete "civil taxing unit".
- 3 Page 1, delete lines 10 through 12.
- 4 Page 2, between lines 24 and 25, begin a new line block indented
- 5 and insert:
- 6 **"(4) The state superintendent of public instruction or the**
- 7 **superintendent's designee.**
- 8 **(5) An individual appointed by the chairperson of the**
- 9 **legislative council."**
- 10 Page 2, line 40, delete "civil taxing unit" and insert "**political**
- 11 **subdivision**".
- 12 Page 2, line 41, delete "civil taxing unit" and insert "**political**
- 13 **subdivision**".
- 14 Page 3, line 22, delete "civil taxing unit" and insert "**political**
- 15 **subdivision**".
- 16 Page 3, line 23, delete "civil taxing unit" and insert "**political**
- 17 **subdivision**".
- 18 Page 3, line 25, delete "civil taxing unit:" and insert "**political**
- 19 **subdivision:**".

- 1 Page 3, line 26, delete "civil taxing unit" and insert "**political**
2 **subdivision**".
- 3 Page 3, line 28, delete "civil taxing unit" and insert "**political**
4 **subdivision**".
- 5 Page 3, line 30, delete "civil taxing unit" and insert "**political**
6 **subdivision**".
- 7 Page 3, line 33, delete "civil taxing unit," and insert "**political**
8 **subdivision,**".
- 9 Page 3, line 39, delete "civil taxing unit's" and insert "**political**
10 **subdivision's**".
- 11 Page 3, line 41, delete "civil taxing unit" and insert "**political**
12 **subdivision**".
- 13 Page 3, line 42, delete "civil taxing unit's" and insert "**political**
14 **subdivision's**".
- 15 Page 4, line 6, delete "civil taxing unit" and insert "**political**
16 **subdivision**".
- 17 Page 4, line 8, delete "civil taxing unit's" and insert "**political**
18 **subdivision's**".
- 19 Page 4, line 11, delete "civil taxing unit" and insert "**political**
20 **subdivision**".
- 21 Page 4, between lines 13 and 14, begin a new line block indented
22 and insert:
- 23 "**(8) As a result of granting the property tax credits under**
24 **IC 6-1.1-20.6, the political subdivision has had to reduce its**
25 **levy for all funds, except its debt service funds, by at least**
26 **seventy-five percent (75%) regarding the year for which the**
27 **latest certified levies have been determined. This percentage**
28 **shall be computed as follows:**
- 29 (A) **Compute the amount of credits granted under**
30 **IC 6-1.1-20.6 against the political subdivision's combined**
31 **levy for all of its funds.**
- 32 (B) **Compute the political subdivision's combined levy for**
33 **all of its funds, except debt service funds.**
- 34 (C) **Divide the amount computed under clause (A) by the**
35 **amount computed under clause (B) and express the**
36 **amount as a percentage.**
- 37 **(9) The political subdivision has had two (2) successive**
38 **referenda fail that would have resulted in property taxes that**

1 would not be considered for purposes of the credit for
2 excessive property taxes under IC 6-1.1-20.6.

3 (10) In the case of a school corporation, the school
4 corporation has had two (2) successive general fund referenda
5 fail.

6 The board may consider whether a political subdivision has fully
7 exercised all the local options available to the political subdivision,
8 such as a local option income tax or a local option income tax rate
9 increase or, in the case of a school corporation, an operating
10 referendum."

11 Page 4, line 14, delete "civil taxing unit" and insert "**political**
12 **subdivision**".

13 Page 4, line 18, delete "civil taxing unit" and insert "**political**
14 **subdivision**".

15 Page 4, line 25, delete "civil taxing unit" and insert "**political**
16 **subdivision**".

17 Page 5, line 3, delete "civil taxing unit" and insert "**political**
18 **subdivision**".

19 Page 6, line 2, delete "civil taxing unit" and insert "**political**
20 **subdivision**".

21 Page 6, line 5, delete "civil taxing unit." and insert "**political**
22 **subdivision.**".

23 Page 6, line 7, delete "civil taxing unit" and insert "**political**
24 **subdivision**".

25 Page 6, line 8, delete "civil taxing unit" and insert "**political**
26 **subdivision**".

27 Page 6, line 10, delete "civil taxing unit's" and insert "**political**
28 **subdivision's**".

29 Page 6, line 11, delete "civil taxing unit's" and insert "**political**
30 **subdivision's**".

31 Page 6, line 13, delete "civil taxing unit." and insert "**political**
32 **subdivision.**".

33 Page 6, line 15, delete "civil taxing unit" and insert "**political**
34 **subdivision**".

35 Page 6, line 17, delete "civil taxing unit's" and insert "**political**
36 **subdivision's**".

37 Page 6, line 20, delete "civil taxing unit" and insert "**political**
38 **subdivision**".

- 1 Page 6, line 21, delete "civil taxing unit" and insert "**political**
2 **subdivision**".
- 3 Page 6, line 23, delete "civil taxing".
- 4 Page 6, line 24, delete "unit" and insert "**political subdivision**".
- 5 Page 6, line 33, delete "civil taxing unit" and insert "**political**
6 **subdivision**".
- 7 Page 6, line 34, delete "civil taxing unit's" and insert "**political**
8 **subdivision's**".
- 9 Page 6, line 37, delete "civil taxing unit." and insert "**political**
10 **subdivision.**".
- 11 Page 6, line 41, delete "civil taxing unit" and insert "**political**
12 **subdivision**".
- 13 Page 6, line 42, delete "civil taxing unit's" and insert "**political**
14 **subdivision's**".
- 15 Page 7, line 2, delete "civil taxing units" and insert "**political**
16 **subdivisions**".
- 17 Page 7, between lines 3 and 4, begin a new line block indented and
18 insert:
- 19 "**(4) In the case of a school corporation, one (1) or more of the**
20 **following:**
- 21 (A) Enter into a contract with the treasurer of state to
22 provide a loan with interest from the counter-cyclical
23 revenue and economic stabilization fund (IC 4-10-18) or
24 the common school fund of the state (IC 20-49-3) on the
25 terms determined by the emergency manager and the
26 treasurer of state. The treasurer of state is authorized to
27 make the loan to the extent money is available in the fund.
- 28 (B) Authorize the use of unobligated reserves or other
29 balances in a construction fund, sinking fund, bond fund,
30 or debt service fund, to the extent permitted under the
31 school corporation's agreements with the holders of any
32 bonds, leases, or other obligations of the school
33 corporation or a holding company for the school
34 corporation.
- 35 (C) Authorize fund to fund transfers from and to any
36 statutory fund."
- 37 Page 7, line 9, delete "civil taxing unit's" and insert "**political**
38 **subdivision's**".

1 Page 7, between lines 10 and 11, begin a new paragraph and insert:
 2 "SECTION 10. IC 6-1.1-20.3-8.7 IS ADDED TO THE INDIANA
 3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2012]: **Sec. 8.7. A school corporation that**
 5 **receives emergency financial relief may not do any of the following**
 6 **without the approval of the board during the period before the**
 7 **board terminates the school corporation's status as a distressed**
 8 **school corporation:**

- 9 (1) **Acquire real property for school building purposes.**
 10 (2) **Construct new school buildings or remodel or renovate**
 11 **existing school buildings.**
 12 (3) **Incur a contractual obligation (except an employment**
 13 **contract for a new employee whose employment replaces the**
 14 **employment of a former employee) that requires an**
 15 **expenditure of more than ten thousand dollars (\$10,000).**
 16 (4) **Purchase or enter into an agreement to purchase personal**
 17 **property at a cost of more than ten thousand dollars**
 18 **(\$10,000).**
 19 (5) **Adopt or advertise a budget, tax levy, or tax rate for an**
 20 **ensuing budget year."**

21 Page 7, line 13, reset in roman "distressed political".

22 Page 7, line 14, reset in roman "subdivision".

23 Page 7, line 14, delete "civil taxing unit".

24 Page 7, line 25, delete "or".

25 Page 7, line 26, delete "civil taxing" and insert "**political**
 26 **subdivision**".

27 Page 7, line 27, delete "unit".

28 Page 7, line 28, after "chapter;" insert "**or**".

29 Page 7, between lines 28 and 29, begin a new line block indented
 30 and insert the following:

- 31 **"(3) a school corporation that has a new:**
 32 **(A) superintendent employed; or**
 33 **(B) member elected or appointed to its governing body;**
 34 **during the time a school corporation is a distressed political**
 35 **subdivision;"**

36 Page 7, line 29, delete "civil taxing" and insert "**political**
 37 **subdivision's**".

38 Page 7, line 32, delete "civil taxing unit's" and insert "**political**

- 1 **subdivision's".**
- 2 Page 7, line 33, delete "civil taxing unit's" and insert "**political**
- 3 **subdivision's".**
- 4 Page 7, line 36, delete "civil taxing unit." and insert "**political**
- 5 **subdivision."**
- 6 Page 7, line 40, delete "civil taxing unit's" and insert "**political**
- 7 **subdivision's".**
- 8 Page 8, line 1, delete "civil taxing" and insert "**political**
- 9 **subdivision's".**
- 10 Page 8, line 2, delete "unit's".
- 11 Page 8, line 5, delete "civil taxing unit's" and insert "**political**
- 12 **subdivision's".**
- 13 Renumber all SECTIONS consecutively.
 (Reference is to SB 355 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 1.

Hershman

Chairperson