



March 29, 2013

# ENGROSSED HOUSE BILL No. 1116

DIGEST OF HB 1116 (Updated March 27, 2013 11:01 am - DI 73)

**Citations Affected:** IC 6-1.1; IC 36-1.5; IC 36-6; IC 36-7; IC 36-12; noncode.

**Synopsis:** Property taxes. Makes numerous changes concerning the administration of property taxes. Authorizes townships to petition the department of local government finance (DLGF) in 2013 for permission to increase the township levy by the amount borrowed in 2012 or 2013 for emergency fire loans. Requires the DLGF to grant permission for the levy increase. Removes an obsolete provision under which the DLGF had discretion to approve similar levy increases. Provides that if a township receives such a maximum levy increase in 2014 based on a fire emergency loan: (1) the township is limited in the amount of property taxes it may impose to: (A) in 2014, 3/4 of the amount borrowed in 2013; (B) in 2015, 1/3 of the amount borrowed in 2014; and (C) in 2016, 1/3 of the amount borrowed in 2015; and (2) the township may incur an emergency fire loan in 2014 through 2016, limited to 1/2 of the amount borrowed in the previous year. Prohibits emergency fire loans for such a township after 2016. Specifies that any  
(Continued next page)

**Effective:** July 1, 2013.

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## Leonard, Wesco

(SENATE SPONSORS — HEAD, WALKER)

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January 8, 2013, read first time and referred to Committee on Ways and Means.  
January 10, 2013, reassigned to Committee on Government and Regulatory Reform.  
February 19, 2013, amended, reported — Do Pass.  
February 21, 2013, read second time, amended, ordered engrossed.  
February 22, 2013, engrossed.  
February 25, 2013, read third time, passed. Yeas 88, nays 7.

SENATE ACTION

February 27, 2013, read first time and referred to Committee on Appropriations.  
March 19, 2013, pursuant to Senate Rule 68(b), reassigned to Committee on Tax and Fiscal Policy.  
March 28, 2013, amended, reported favorably — Do Pass.

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Digest Continued

school building for academic instruction is: (1) subject to the petition and remonstrance process if the cost of the project is less than or equal to \$10,000,000; or (2) subject to the referendum process if the cost of the project is more than \$10,000,000. (Under current law the threshold is \$10,000,000 for elementary and middle school buildings and \$20,000,000 for high school buildings.) Provides that in determining whether a local government capital project is a controlled project and whether the petition and remonstrance process or the referendum process apply to the capital project, the cost of the capital project does not include expenditures for the capital project that will be paid from donations or other gifts. Provides that libraries are subject to the law requiring other taxing units governed by appointed boards to have all budgets and additional appropriations approved by the appropriate county, city, or town fiscal body. Repeals a statute requiring an appointed library board to submit its budget or an additional appropriation for approval only if the budget is increased by more than the assessed value growth quotient. Permits an owner to pay property taxes attributable to changes in assessment of the owner's property over the same number of years that corresponds to any delay in assessment of the owner's property if the owner complied with the applicable statutes concerning filing an assessment registration notice or obtaining permits for the changes to the real property. Requires redevelopment commissions to submit reports to the appropriate fiscal body regarding tax increment financing areas. Requires the fiscal body to provide the same information to the DLGF.

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March 29, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

# ENGROSSED HOUSE BILL No. 1116

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

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

1 SECTION 1. IC 6-1.1-4-27.5, AS AMENDED BY P.L.112-2012,  
2 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2013]: Sec. 27.5. (a) The auditor of each county shall establish  
4 a property reassessment fund. The county treasurer shall deposit all  
5 collections resulting from the property taxes that the county levies for  
6 the county's property reassessment fund.  
7 (b) With respect to a reassessment of real property under a county's  
8 reassessment plan under section 4.2 of this chapter, the county council  
9 of each county shall, for property taxes due each year, levy against all  
10 the taxable property in the county an amount equal to the estimated  
11 costs of the reassessment under section 28.5 of this chapter for the  
12 group of parcels to be reassessed in that year.  
13 (c) ~~The department of local government finance shall give to each~~  
14 ~~county council notice, before January 1 in a year, of the tax levies~~  
15 ~~required by this section for that year.~~  
16 (d) ~~The department of local government finance may raise or lower~~  
17 ~~the property tax levy under this section for a year if the department~~

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1 determines it is appropriate because the estimated cost of:

2 (1) a reassessment of one (1) or more groups of parcels under a  
3 county's reassessment plan prepared under section 4.2 of this  
4 chapter; or

5 (2) making annual adjustments under section 4.5 of this chapter;  
6 has changed:

7 ~~(e)~~ (c) The county assessor may petition the county fiscal body to  
8 increase the levy under subsection (b) to pay for the costs of:

9 (1) a reassessment of one (1) or more groups of parcels under a  
10 county's reassessment plan prepared under section 4.2 of this  
11 chapter;

12 (2) verification under 50 IAC 21-3-2 of sales disclosure forms  
13 forwarded to the county assessor under IC 6-1.1-5.5-3; or

14 (3) processing annual adjustments under section 4.5 of this  
15 chapter.

16 The assessor must document the needs and reasons for the increased  
17 funding.

18 ~~(f)~~ (d) If the county fiscal body denies a petition under subsection  
19 ~~(e)~~; (c), the county assessor may appeal to the department of local  
20 government finance. The department of local government finance shall:

21 (1) hear the appeal; and

22 (2) determine whether the additional levy is necessary.

23 SECTION 2. IC 6-1.1-17-3.5, AS AMENDED BY P.L.137-2012,  
24 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 JULY 1, 2013]: Sec. 3.5. (a) This section does not apply to taxing units  
26 located in a county in which a county board of tax adjustment reviews  
27 budgets, tax rates, and tax levies. This section does not apply to a  
28 taxing unit that has its proposed budget and proposed property tax levy  
29 approved under section 20 or ~~20.3~~ of this chapter or IC 36-3-6-9.

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

35 (1) A statement of the proposed or estimated tax rate and tax levy  
36 for the taxing unit for the ensuing budget year.

37 (2) In the case of a taxing unit other than a school corporation, a  
38 copy of the taxing unit's proposed budget for the ensuing budget  
39 year.

40 (c) In the case of a taxing unit located in more than one (1) county,  
41 the taxing unit shall file the information under subsection (b) with the  
42 fiscal body of the county in which the greatest part of the taxing unit's

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1 net assessed valuation is located.  
 2 (d) A taxing unit must file the information under subsection (b)  
 3 before September 2 of a year.  
 4 (e) A county fiscal body shall complete the following in a manner  
 5 prescribed by the department of local government finance before  
 6 October 2 of a year:  
 7 (1) Review any proposed or estimated tax rate or tax levy filed by  
 8 a taxing unit with the county fiscal body under this section.  
 9 (2) In the case of a taxing unit other than a school corporation,  
 10 review any proposed or estimated budget filed by a taxing unit  
 11 with the county fiscal body under this section.  
 12 (3) In the case of a taxing unit other than a school corporation,  
 13 issue a nonbinding recommendation to a taxing unit regarding the  
 14 taxing unit's proposed or estimated tax rate or tax levy or  
 15 proposed budget.  
 16 (f) The recommendation under subsection (e) must include a  
 17 comparison of any increase in the taxing unit's budget or tax levy to:  
 18 (1) the average increase in Indiana nonfarm personal income for  
 19 the preceding six (6) calendar years and the average increase in  
 20 nonfarm personal income for the county for the preceding six (6)  
 21 calendar years; and  
 22 (2) increases in the budgets and tax levies of other taxing units in  
 23 the county.  
 24 (g) The department of local government finance must provide each  
 25 county fiscal body with the most recent available information  
 26 concerning increases in Indiana nonfarm personal income and  
 27 increases in county nonfarm personal income.  
 28 (h) If a taxing unit fails to file the information required by  
 29 subsection (b) with the fiscal body of the county in which the taxing  
 30 unit is located by the time prescribed in subsection (d), the most recent  
 31 annual appropriations and annual tax levy of that taxing unit are  
 32 continued for the ensuing budget year.  
 33 (i) If a county fiscal body fails to complete the requirements of  
 34 subsection (e) before the deadline in subsection (e) for any taxing unit  
 35 subject to this section, the most recent annual appropriations and  
 36 annual tax levy of the county are continued for the ensuing budget year.  
 37 SECTION 3. IC 6-1.1-17-16, AS AMENDED BY P.L.137-2012,  
 38 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2013]: Sec. 16. (a) Subject to the limitations and requirements  
 40 prescribed in this section, the department of local government finance  
 41 may revise, reduce, or increase a political subdivision's budget by fund,  
 42 tax rate, or tax levy which the department reviews under section 8 or

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1 10 of this chapter.

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

8 (c) Except as provided in subsections (j) and (k); **section 16.1 of**  
9 **this chapter, the department of local government finance is not**  
10 **required to hold a public hearing** before the department of local  
11 government finance reviews, revises, reduces, or increases a political  
12 subdivision's budget by fund, tax rate, or tax levy under this section. ~~the~~  
13 ~~department must hold a public hearing on the budget, tax rate, and tax~~  
14 ~~levy. The department of local government finance shall hold the~~  
15 ~~hearing in the county in which the political subdivision is located. The~~  
16 ~~department of local government finance may consider the budgets by~~  
17 ~~fund, tax rates, and tax levies of several political subdivisions at the~~  
18 ~~same public hearing. At least five (5) days before the date fixed for a~~  
19 ~~public hearing, the department of local government finance shall give~~  
20 ~~notice of the time and place of the hearing and of the budgets by fund,~~  
21 ~~levies, and tax rates to be considered at the hearing. The department of~~  
22 ~~local government finance shall publish the notice in two (2)~~  
23 ~~newspapers of general circulation published in the county. However,~~  
24 ~~if only one (1) newspaper of general circulation is published in the~~  
25 ~~county, the department of local government finance shall publish the~~  
26 ~~notice in that newspaper.~~

27 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,  
28 the department of local government finance may not increase a political  
29 subdivision's budget by fund, tax rate, or tax levy to an amount which  
30 exceeds the amount originally fixed by the political subdivision.  
31 However, if the department of local government finance determines  
32 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the  
33 political subdivision, the maximum amount by which the department  
34 may increase the tax rate, tax levy, or budget is the amount originally  
35 fixed by the political subdivision, and not the amount that was  
36 incorrectly published or omitted in the notice described in  
37 IC 5-3-1-2.3(b). The department of local government finance shall give  
38 the political subdivision notification electronically in the manner  
39 prescribed by the department of local government finance specifying  
40 any revision, reduction, or increase the department proposes in a  
41 political subdivision's tax levy or tax rate. The political subdivision has  
42 ten (10) calendar days from the date the political subdivision receives



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1 the notice to provide a response electronically in the manner prescribed  
 2 by the department of local government finance. The response may  
 3 include budget reductions, reallocation of levies, a revision in the  
 4 amount of miscellaneous revenues, and further review of any other  
 5 item about which, in the view of the political subdivision, the  
 6 department is in error. The department of local government finance  
 7 shall consider the adjustments as specified in the political subdivision's  
 8 response if the response is provided as required by this subsection and  
 9 shall deliver a final decision to the political subdivision.

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

- 14 (1) no bonds of the building corporation are outstanding; or
- 15 (2) the building corporation has enough legally available funds on  
 16 hand to redeem all outstanding bonds payable from the particular  
 17 lease rental levy requested.

18 (f) The department of local government finance shall certify its  
 19 action to:

- 20 (1) the county auditor;
- 21 (2) the political subdivision if the department acts pursuant to an  
 22 appeal initiated by the political subdivision;
- 23 (3) the taxpayer that initiated an appeal under section 13 of this  
 24 chapter, or, if the appeal was initiated by multiple taxpayers, the  
 25 first ten (10) taxpayers whose names appear on the statement filed  
 26 to initiate the appeal; and
- 27 (4) a taxpayer that owns property that represents at least ten  
 28 percent (10%) of the taxable assessed valuation in the political  
 29 subdivision.

30 (g) The following may petition for judicial review of the final  
 31 determination of the department of local government finance under  
 32 subsection (f):

- 33 (1) If the department acts under an appeal initiated by a political  
 34 subdivision, the political subdivision.
- 35 (2) If the department:
  - 36 (A) acts under an appeal initiated by one (1) or more taxpayers  
 37 under section 13 of this chapter; or
  - 38 (B) fails to act on the appeal before the department certifies its  
 39 action under subsection (f);
 a taxpayer who signed the statement filed to initiate the appeal.
- 40 (3) If the department acts under an appeal initiated by the county  
 41 auditor under section 14 of this chapter, the county auditor.
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1 (4) A taxpayer that owns property that represents at least ten  
 2 percent (10%) of the taxable assessed valuation in the political  
 3 subdivision.  
 4 The petition must be filed in the tax court not more than forty-five (45)  
 5 days after the department certifies its action under subsection (f).  
 6 (h) The department of local government finance is expressly  
 7 directed to complete the duties assigned to it under this section not later  
 8 than February 15<sup>th</sup> 15 of each year for taxes to be collected during that  
 9 year.  
 10 (i) Subject to the provisions of all applicable statutes, the  
 11 department of local government finance may increase a political  
 12 subdivision's tax levy to an amount that exceeds the amount originally  
 13 fixed by the political subdivision if the increase is:  
 14 (1) requested in writing by the officers of the political  
 15 subdivision;  
 16 (2) either:  
 17 (A) based on information first obtained by the political  
 18 subdivision after the public hearing under section 3 of this  
 19 chapter; or  
 20 (B) results from an inadvertent mathematical error made in  
 21 determining the levy; and  
 22 (3) published by the political subdivision according to a notice  
 23 provided by the department.  
 24 (j) The department of local government finance shall annually  
 25 review the budget by fund of each school corporation not later than  
 26 April 1. The department of local government finance shall give the  
 27 school corporation written notification specifying any revision,  
 28 reduction, or increase the department proposes in the school  
 29 corporation's budget by fund. A public hearing is not required in  
 30 connection with this review of the budget.  
 31 ~~(k) The department of local government finance may hold a hearing~~  
 32 ~~under subsection (e) only if the notice required in section 12 of this~~  
 33 ~~chapter is published at least ten (10) days before the date of the~~  
 34 ~~hearing.~~  
 35 SECTION 4. IC 6-1.1-17-16.1 IS ADDED TO THE INDIANA  
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2013]: **Sec. 16.1. (a) If a taxpayer of a**  
 38 **political subdivision requests a public hearing in the manner**  
 39 **required by subsection (b) before the department of local**  
 40 **government finance reviews, revises, reduces, or increases a**  
 41 **political subdivision's budget by fund, tax rate, or tax levy under**  
 42 **section 16 of this chapter, the department of local government**

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1 **finance shall hold the hearing in the county in which the political**  
 2 **subdivision is located.**

3 **(b) A taxpayer may request a public hearing by filing a written**  
 4 **request with the county auditor or directly with the department of**  
 5 **local government finance in either a paper or electronic format. A**  
 6 **county auditor shall forward any requests received under this**  
 7 **section to the department of local government finance within two**  
 8 **(2) business days of receipt. The department of local government**  
 9 **finance is not required to hold a public hearing under this section**  
 10 **unless it receives the taxpayer's request before November 3.**

11 **(c) The department of local government finance may consider**  
 12 **the budgets by fund, tax rates, and tax levies of several political**  
 13 **subdivisions at the same public hearing.**

14 **(d) At least five (5) days before the date fixed for a public**  
 15 **hearing, the department of local government finance shall give**  
 16 **notice of the time and place of the hearing and of the budgets by**  
 17 **fund, levies, and tax rates to be considered at the hearing. The**  
 18 **department of local government finance shall publish the notice in**  
 19 **two (2) newspapers of general circulation published in the county.**  
 20 **However, if only one (1) newspaper of general circulation is**  
 21 **published in the county, the department of local government**  
 22 **finance shall publish the notice in that newspaper.**

23 SECTION 5. IC 6-1.1-17-20, AS AMENDED BY P.L.137-2012,  
 24 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2013]: Sec. 20. (a) This section applies to each governing  
 26 body of a taxing unit that is not comprised of a majority of officials  
 27 who are elected to serve on the governing body. For purposes of this  
 28 section, an individual who qualifies to be appointed to a governing  
 29 body or serves on a governing body because of the individual's status  
 30 as an elected official of another taxing unit shall be treated as an  
 31 official who was not elected to serve on the governing body.

32 (b) As used in this section, "taxing unit" has the meaning set forth  
 33 in IC 6-1.1-1-21, except that the term does not include a public library  
 34 or an entity whose tax levies are subject to review and modification by  
 35 a city-county legislative body under IC 36-3-6-9.

36 (c) If:

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

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

42 the governing body shall submit its proposed budget and property tax

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1 levy to the city or town fiscal body. The proposed budget and levy shall  
 2 be submitted to the city or town fiscal body in the manner prescribed  
 3 by the department of local government finance before September 2 of  
 4 a year. However, in the case of a public library that is subject to this  
 5 section and is described in subdivision (2), the public library shall  
 6 submit its proposed budget and property tax levy to the county fiscal  
 7 body in the manner provided in subsection (d), rather than to the city  
 8 or town fiscal body, if more than fifty percent (50%) of the parcels of  
 9 real property within the jurisdiction of the public library are located  
 10 outside the city or town.

11 (d) If subsection (c) does not apply, the governing body of the taxing  
 12 unit shall submit its proposed budget and property tax levy to the  
 13 county fiscal body in the county where the taxing unit has the most  
 14 assessed valuation. The proposed budget and levy shall be submitted  
 15 to the county fiscal body in the manner prescribed by the department  
 16 of local government finance before September 2 of a year.

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

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

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

31 SECTION 6. IC 6-1.1-17-20.3 IS REPEALED [EFFECTIVE JULY  
 32 1, 2013]. ~~Sec. 20.3. (a) This section applies only to the governing body~~  
 33 ~~of a public library that:~~

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

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

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

41 ~~(B) one (1).~~

42 For purposes of this section, an individual who qualifies to be

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1 appointed to a governing body or serves on a governing body because  
 2 of the individual's status as an elected official of another taxing unit  
 3 shall be treated as an official who was not elected to serve on the  
 4 governing body:

5 (b) This section does not apply to an entity whose tax levies are  
 6 subject to review and modification by a city-county legislative body  
 7 under IC 36-3-6-9:

8 (c) If:

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

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

14 the governing body shall submit its proposed budget and property tax  
 15 levy to the city or town fiscal body in the manner prescribed by the  
 16 department of local government finance before September 2 of a year.  
 17 However, the governing body shall submit its proposed budget and  
 18 property tax levy to the county fiscal body in the manner provided in  
 19 subsection (d); rather than to the city or town fiscal body; if more than  
 20 fifty percent (50%) of the parcels of real property within the  
 21 jurisdiction of the public library are located outside the city or town.

22 (d) If subsection (c) does not apply, the governing body of the public  
 23 library shall submit its proposed budget and property tax levy to the  
 24 county fiscal body in the county where the public library has the most  
 25 assessed valuation. The proposed budget and levy shall be submitted  
 26 to the county fiscal body in the manner prescribed by the department  
 27 of local government finance before September 2 of a year.

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

32 (f) If a public library fails to file the information required in  
 33 subsection (c) or (d); whichever applies; with the appropriate fiscal  
 34 body by the time prescribed by this section; the most recent annual  
 35 appropriations and annual tax levy of that public library are continued  
 36 for the ensuing budget year.

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

42 SECTION 7. IC 6-1.1-18-5, AS AMENDED BY P.L.137-2012,

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1 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2013]: Sec. 5. (a) If the proper officers of a political  
3 subdivision desire to appropriate more money for a particular year than  
4 the amount prescribed in the budget for that year as finally determined  
5 under this article, they shall give notice of their proposed additional  
6 appropriation. The notice shall state the time and place at which a  
7 public hearing will be held on the proposal. The notice shall be given  
8 once in accordance with IC 5-3-1-2(b).

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

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

14 (2) revenue from property taxes levied under IC 6-1.1;  
15 the political subdivision must report the additional appropriation to the  
16 department of local government finance. If the additional appropriation  
17 is made from a fund described under this subsection, subsections (f),  
18 (g), (h), and (i) apply to the political subdivision.

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

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

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

35 (f) When the department of local government finance receives a  
36 certified copy of a proposal for an additional appropriation under  
37 subsection (e), the department shall determine whether sufficient funds  
38 are available or will be available for the proposal. The determination  
39 shall be made in writing and sent to the political subdivision not more  
40 than fifteen (15) days after the department of local government finance  
41 receives the proposal.

42 (g) In making the determination under subsection (f), the

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1 department of local government finance shall limit the amount of the  
2 additional appropriation to revenues available, or to be made available,  
3 which have not been previously appropriated.

4 (h) If the department of local government finance disapproves an  
5 additional appropriation under subsection (f), the department shall  
6 specify the reason for its disapproval on the determination sent to the  
7 political subdivision.

8 (i) A political subdivision may request a reconsideration of a  
9 determination of the department of local government finance under this  
10 section by filing a written request for reconsideration. A request for  
11 reconsideration must:

12 (1) be filed with the department of local government finance  
13 within fifteen (15) days of the receipt of the determination by the  
14 political subdivision; and

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

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

27 (k) This subsection applies to a public library that:

28 (1) is required to submit the public library's budgets, tax rates, and  
29 tax levies for nonbinding review under IC 6-1.1-17-3.5; and

30 (2) is not required to submit the public library's budgets, tax rates,  
31 and tax levies for binding review and approval under  
32 IC 6-1.1-17-20.

33 If a public library subject to this subsection proposes to make an  
34 additional appropriation for a year; and the additional appropriation  
35 would result in the budget for the library for that year increasing (as  
36 compared to the previous year) by a percentage that is greater than the  
37 result of the assessed value growth quotient determined under  
38 IC 6-1.1-18.5-2 for the calendar year minus one (1); the additional  
39 appropriation must first be approved by the city, town, or county fiscal  
40 body described in IC 6-1.1-17-20.3(c) or IC 6-1.1-17-20(d); as  
41 appropriate.

42 SECTION 8. IC 6-1.1-18-12, AS AMENDED BY P.L.112-2012,



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1 SECTION 34, AND AS AMENDED BY P.L.137-2012, SECTION 30,  
 2 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JULY 1, 2013]: Sec. 12. (a) For purposes of this section,  
 4 "maximum rate" refers to the maximum:  
 5 (1) property tax rate or rates; or  
 6 (2) special benefits tax rate or rates;  
 7 referred to in the statutes listed in subsection (d).  
 8 (b) The maximum rate for taxes first due and payable after 2003 is  
 9 the maximum rate that would have been determined under subsection  
 10 (e) for taxes first due and payable in 2003 if subsection (e) had applied  
 11 for taxes first due and payable in 2003.  
 12 (c) The maximum rate must be adjusted each year to account for the  
 13 change in assessed value of real property that results from:  
 14 (1) an annual adjustment of the assessed value of real property  
 15 under IC 6-1.1-4-4.5; ~~or~~  
 16 (2) a general reassessment of real property under IC 6-1.1-4-4; *or*  
 17 (3) *a reassessment under a county's reassessment plan prepared*  
 18 *under IC 6-1.1-4-4.2.*  
 19 (d) The statutes to which subsection (a) refers are:  
 20 (1) IC 8-10-5-17;  
 21 (2) IC 8-22-3-11;  
 22 (3) IC 8-22-3-25;  
 23 (4) IC 12-29-1-1;  
 24 (5) IC 12-29-1-2;  
 25 (6) IC 12-29-1-3;  
 26 (7) IC 12-29-3-6;  
 27 (8) IC 13-21-3-12;  
 28 (9) IC 13-21-3-15;  
 29 (10) IC 14-27-6-30;  
 30 (11) IC 14-33-7-3;  
 31 (12) IC 14-33-21-5;  
 32 (13) IC 15-14-7-4;  
 33 (14) IC 15-14-9-1;  
 34 (15) IC 15-14-9-2;  
 35 (16) IC 16-20-2-18;  
 36 (17) IC 16-20-4-27;  
 37 (18) IC 16-20-7-2;  
 38 (19) IC 16-22-14;  
 39 (20) IC 16-23-1-29;  
 40 (21) IC 16-23-3-6;  
 41 (22) IC 16-23-4-2;  
 42 (23) IC 16-23-5-6;

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- 1 (24) IC 16-23-7-2;
- 2 (25) IC 16-23-8-2;
- 3 (26) IC 16-23-9-2;
- 4 (27) IC 16-41-15-5;
- 5 (28) IC 16-41-33-4;
- 6 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 7 (30) IC 20-46-6-5;
- 8 (31) IC 20-49-2-10;
- 9 (32) IC 36-1-19-1;
- 10 (33) IC 23-14-66-2;
- 11 (34) IC 23-14-67-3;
- 12 (35) IC 36-7-13-4;
- 13 (36) IC 36-7-14-28;
- 14 (37) IC 36-7-15.1-16;
- 15 (38) IC 36-8-19-8.5;
- 16 (39) IC 36-9-6.1-2;
- 17 (40) IC 36-9-17.5-4;
- 18 (41) IC 36-9-27-73;
- 19 (42) IC 36-9-29-31;
- 20 (43) IC 36-9-29.1-15;
- 21 (44) IC 36-10-6-2;
- 22 (45) IC 36-10-7-7;
- 23 (46) IC 36-10-7-8;
- 24 (47) IC 36-10-7.5-19;
- 25 (48) IC 36-10-13-5;
- 26 (49) IC 36-10-13-7;
- 27 (50) IC 36-10-14-4;
- 28 (51) IC 36-12-7-7;
- 29 (52) IC 36-12-7-8;
- 30 (53) IC 36-12-12-10;
- 31 (54) a statute listed in IC 6-1.1-18.5-9.8; and
- 32 ~~(54)~~ (55) any statute enacted after December 31, 2003, that:
- 33 (A) establishes a maximum rate for any part of the:
- 34 (i) property taxes; or
- 35 (ii) special benefits taxes;
- 36 imposed by a political subdivision; and
- 37 (B) does not exempt the maximum rate from the adjustment
- 38 under this section.
- 39 (e) For property tax rates imposed for property taxes first due and
- 40 payable after December 31, ~~2012~~, **2013**, the new maximum rate under
- 41 a statute listed in subsection (d) is the tax rate determined under STEP
- 42 ~~SEVEN~~ **EIGHT** of the following STEPS:

COPY



1 STEP ONE: *Except as provided in subsection (g)*, determine the  
 2 maximum rate for the political subdivision levying a property tax  
 3 or special benefits tax under the statute for the **previous calendar**  
 4 year. ~~preceding the year in which the annual adjustment or~~  
 5 ~~general the reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2~~  
 6 ~~takes effect.~~  
 7 STEP TWO: *Except as provided in subsection (g)*; Determine the  
 8 actual percentage change (rounded to the nearest one-hundredth  
 9 percent (0.01%)) in the assessed value (~~before the adjustment, if~~  
 10 ~~any, under IC 6-1.1-4-4.5)~~ of the taxable property from the  
 11 **previous calendar year preceding the year the annual adjustment**  
 12 ~~or general the reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2~~  
 13 ~~takes effect to the year that the annual adjustment or general the~~  
 14 ~~reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2 takes effect. in~~  
 15 **which the affected property taxes will be imposed.**  
 16 STEP THREE: Determine the three (3) calendar years that  
 17 immediately precede the ~~ensuing calendar year and in which a~~  
 18 ~~statewide general reassessment of real property under~~  
 19 ~~IC 6-1.1-4-4 does not first take effect. year in which the affected~~  
 20 **property taxes will be imposed.**  
 21 STEP FOUR: *Except as provided in subsection (g)*; Compute  
 22 separately, for each of the calendar years determined in STEP  
 23 THREE, the actual percentage change (rounded to the nearest  
 24 one-hundredth percent (0.01%)) in the assessed value (before the  
 25 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property  
 26 from the preceding year.  
 27 STEP FIVE: Divide the sum of the three (3) quotients computed  
 28 in STEP FOUR by three (3).  
 29 *STEP SIX: Determine the greater of the following:*  
 30 (A) Zero (0).  
 31 (B) *The STEP FIVE result.*  
 32 ~~STEP SIX: SEVEN:~~ Determine the greater of the following:  
 33 (A) Zero (0).  
 34 (B) The result of the STEP TWO percentage minus the STEP  
 35 ~~FIVE SIX~~ percentage.  
 36 ~~STEP SEVEN: EIGHT:~~ Determine the quotient of the STEP ONE  
 37 tax rate divided by the sum of one (1) plus the STEP ~~SIX SEVEN~~  
 38 percentage. ~~increase.~~  
 39 (f) The department of local government finance shall compute the  
 40 maximum rate allowed under subsection (e) and provide the rate to  
 41 each political subdivision with authority to levy a tax under a statute  
 42 listed in subsection (d).

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1 (g) This subsection applies to STEP TWO and STEP FOUR of  
2 subsection (e) for taxes first due and payable after 2011. If the  
3 assessed value change used in the STEPS was not an increase, the  
4 STEPS are applied using instead:

5 (1) the actual percentage decrease (rounded to the nearest  
6 one-hundredth percent (0.01%)) in the assessed value (before the  
7 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property;  
8 or

9 (2) zero (0) if the assessed value did not increase or decrease.

10 (g) This subsection applies only when calculating the maximum rate  
11 for taxes due and payable in calendar year 2013. The STEP ONE  
12 result is the greater of the following:

13 (1) The actual maximum rate established for property taxes first  
14 due and payable in calendar year 2012.

15 (2) The maximum rate that would have been established for  
16 property taxes first due and payable in calendar year 2012 if the  
17 maximum rate had been established under the formula under this  
18 section, as amended in the 2012 session of the general assembly.

19 SECTION 9. IC 6-1.1-18.5-8.1 IS ADDED TO THE INDIANA  
20 CODE AS A NEW SECTION TO READ AS FOLLOWS  
21 [EFFECTIVE JULY 1, 2013]: **Sec. 8.1. If a township is allowed an**  
22 **increase in its maximum permissible ad valorem property tax levy**  
23 **under section 13(c) of this chapter for property taxes first due and**  
24 **payable in 2014, this section and not section 8 of this chapter**  
25 **applies for purposes of permitting the township to impose an ad**  
26 **valorem property tax levy above the limits imposed under section**  
27 **3 of this chapter to pay back an emergency loan incurred under**  
28 **IC 36-6-6-14. The ad valorem property tax levy limits imposed by**  
29 **section 3 of this chapter do not apply to ad valorem property taxes**  
30 **imposed by a township under IC 36-6-6-14, limited to the**  
31 **following:**

32 (1) For 2014, three-fourths (3/4) of the amount borrowed  
33 under IC 36-6-6-14 during 2013.

34 (2) For 2015, one-third (1/3) of the amount borrowed under  
35 IC 36-6-6-14 during 2014.

36 (3) For 2016, one-third (1/3) of the amount borrowed under  
37 IC 36-6-6-14 during 2015.

38 For purposes of computing the ad valorem property tax levy limit  
39 imposed on such a township under section 3 of this chapter, the  
40 township's ad valorem property tax levy for a particular calendar  
41 year does not include that part of the levy imposed under  
42 IC 36-6-6-14.



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1 SECTION 10. IC 6-1.1-18.5-13, AS AMENDED BY P.L.112-2012,  
2 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2013]: Sec. 13. (a) With respect to an appeal filed under  
4 section 12 of this chapter, the department may find that a civil taxing  
5 unit should receive any one (1) or more of the following types of relief:

6 (1) Permission to the civil taxing unit to increase its levy in excess  
7 of the limitations established under section 3 of this chapter, if in  
8 the judgment of the department the increase is reasonably  
9 necessary due to increased costs of the civil taxing unit resulting  
10 from annexation, consolidation, or other extensions of  
11 governmental services by the civil taxing unit to additional  
12 geographic areas or persons. With respect to annexation,  
13 consolidation, or other extensions of governmental services in a  
14 calendar year, if those increased costs are incurred by the civil  
15 taxing unit in that calendar year and more than one (1)  
16 immediately succeeding calendar year, the unit may appeal under  
17 section 12 of this chapter for permission to increase its levy under  
18 this subdivision based on those increased costs in any of the  
19 following:

- 20 (A) The first calendar year in which those costs are incurred.
- 21 (B) One (1) or more of the immediately succeeding four (4)
- 22 calendar years.

23 (2) A levy increase may not be granted under this subdivision for  
24 property taxes first due and payable after December 31, 2008.  
25 Permission to the civil taxing unit to increase its levy in excess of  
26 the limitations established under section 3 of this chapter, if the  
27 local government tax control board finds that the civil taxing unit  
28 needs the increase to meet the civil taxing unit's share of the costs  
29 of operating a court established by statute enacted after December  
30 31, 1973. Before recommending such an increase, the local  
31 government tax control board shall consider all other revenues  
32 available to the civil taxing unit that could be applied for that  
33 purpose. The maximum aggregate levy increases that the local  
34 government tax control board may recommend for a particular  
35 court equals the civil taxing unit's estimate of the unit's share of  
36 the costs of operating a court for the first full calendar year in  
37 which it is in existence. For purposes of this subdivision, costs of  
38 operating a court include:

- 39 (A) the cost of personal services (including fringe benefits);
- 40 (B) the cost of supplies; and
- 41 (C) any other cost directly related to the operation of the court.

42 (3) Permission to the civil taxing unit to increase its levy in excess

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1 of the limitations established under section 3 of this chapter, if the  
 2 department finds that the quotient determined under STEP SIX of  
 3 the following formula is equal to or greater than one and  
 4 two-hundredths (1.02):

5 STEP ONE: Determine the three (3) calendar years that most  
 6 immediately precede the ensuing calendar year and in which  
 7 a statewide general reassessment of real property under  
 8 IC 6-1.1-4-4 does not first become effective.

9 STEP TWO: Compute separately, for each of the calendar  
 10 years determined in STEP ONE, the quotient (rounded to the  
 11 nearest ten-thousandth (0.0001)) of the sum of the civil taxing  
 12 unit's total assessed value of all taxable property and:

13 (i) for a particular calendar year before 2007, the total  
 14 assessed value of property tax deductions in the unit under  
 15 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar  
 16 year; or

17 (ii) for a particular calendar year after 2006, the total  
 18 assessed value of property tax deductions that applied in the  
 19 unit under IC 6-1.1-12-42 in 2006 plus for a particular  
 20 calendar year after 2009, the total assessed value of property  
 21 tax deductions that applied in the unit under  
 22 IC 6-1.1-12-37.5 in 2008;

23 divided by the sum determined under this STEP for the  
 24 calendar year immediately preceding the particular calendar  
 25 year.

26 STEP THREE: Divide the sum of the three (3) quotients  
 27 computed in STEP TWO by three (3).

28 STEP FOUR: Compute separately, for each of the calendar  
 29 years determined in STEP ONE, the quotient (rounded to the  
 30 nearest ten-thousandth (0.0001)) of the sum of the total  
 31 assessed value of all taxable property in all counties and:

32 (i) for a particular calendar year before 2007, the total  
 33 assessed value of property tax deductions in all counties  
 34 under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular  
 35 calendar year; or

36 (ii) for a particular calendar year after 2006, the total  
 37 assessed value of property tax deductions that applied in all  
 38 counties under IC 6-1.1-12-42 in 2006 plus for a particular  
 39 calendar year after 2009, the total assessed value of property  
 40 tax deductions that applied in the unit under  
 41 IC 6-1.1-12-37.5 in 2008;

42 divided by the sum determined under this STEP for the

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1           calendar year immediately preceding the particular calendar  
2           year.  
3           STEP FIVE: Divide the sum of the three (3) quotients  
4           computed in STEP FOUR by three (3).  
5           STEP SIX: Divide the STEP THREE amount by the STEP  
6           FIVE amount.  
7           The civil taxing unit may increase its levy by a percentage not  
8           greater than the percentage by which the STEP THREE amount  
9           exceeds the percentage by which the civil taxing unit may  
10          increase its levy under section 3 of this chapter based on the  
11          assessed value growth quotient determined under section 2 of this  
12          chapter.  
13          (4) A levy increase may not be granted under this subdivision for  
14          property taxes first due and payable after December 31, 2008.  
15          Permission to the civil taxing unit to increase its levy in excess of  
16          the limitations established under section 3 of this chapter, if the  
17          local government tax control board finds that the civil taxing unit  
18          needs the increase to pay the costs of furnishing fire protection for  
19          the civil taxing unit through a volunteer fire department. For  
20          purposes of determining a township's need for an increased levy,  
21          the local government tax control board shall not consider the  
22          amount of money borrowed under IC 36-6-6-14 during the  
23          immediately preceding calendar year. However, any increase in  
24          the amount of the civil taxing unit's levy recommended by the  
25          local government tax control board under this subdivision for the  
26          ensuing calendar year may not exceed the lesser of:  
27                (A) ten thousand dollars (\$10,000); or  
28                (B) twenty percent (20%) of:  
29                   (i) the amount authorized for operating expenses of a  
30                   volunteer fire department in the budget of the civil taxing  
31                   unit for the immediately preceding calendar year; plus  
32                   (ii) the amount of any additional appropriations authorized  
33                   during that calendar year for the civil taxing unit's use in  
34                   paying operating expenses of a volunteer fire department  
35                   under this chapter; minus  
36                   (iii) the amount of money borrowed under IC 36-6-6-14  
37                   during that calendar year for the civil taxing unit's use in  
38                   paying operating expenses of a volunteer fire department.  
39          (5) A levy increase may not be granted under this subdivision for  
40          property taxes first due and payable after December 31, 2008.  
41          Permission to a civil taxing unit to increase its levy in excess of  
42          the limitations established under section 3 of this chapter in order

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1 to raise revenues for pension payments and contributions the civil  
 2 taxing unit is required to make under IC 36-8. The maximum  
 3 increase in a civil taxing unit's levy that may be recommended  
 4 under this subdivision for an ensuing calendar year equals the  
 5 amount, if any, by which the pension payments and contributions  
 6 the civil taxing unit is required to make under IC 36-8 during the  
 7 ensuing calendar year exceeds the product of one and one-tenth  
 8 (1.1) multiplied by the pension payments and contributions made  
 9 by the civil taxing unit under IC 36-8 during the calendar year that  
 10 immediately precedes the ensuing calendar year. For purposes of  
 11 this subdivision, "pension payments and contributions made by a  
 12 civil taxing unit" does not include that part of the payments or  
 13 contributions that are funded by distributions made to a civil  
 14 taxing unit by the state.

15 (6) A levy increase may not be granted under this subdivision for  
 16 property taxes first due and payable after December 31, 2008.  
 17 Permission to increase its levy in excess of the limitations  
 18 established under section 3 of this chapter if the local government  
 19 tax control board finds that:

20 (A) the township's township assistance ad valorem property  
 21 tax rate is less than one and sixty-seven hundredths cents  
 22 (\$0.0167) per one hundred dollars (\$100) of assessed  
 23 valuation; and

24 (B) the township needs the increase to meet the costs of  
 25 providing township assistance under IC 12-20 and IC 12-30-4.

26 The maximum increase that the board may recommend for a  
 27 township is the levy that would result from an increase in the  
 28 township's township assistance ad valorem property tax rate of  
 29 one and sixty-seven hundredths cents (\$0.0167) per one hundred  
 30 dollars (\$100) of assessed valuation minus the township's ad  
 31 valorem property tax rate per one hundred dollars (\$100) of  
 32 assessed valuation before the increase.

33 (7) A levy increase may not be granted under this subdivision for  
 34 property taxes first due and payable after December 31, 2008.  
 35 Permission to a civil taxing unit to increase its levy in excess of  
 36 the limitations established under section 3 of this chapter if:

37 (A) the increase has been approved by the legislative body of  
 38 the municipality with the largest population where the civil  
 39 taxing unit provides public transportation services; and

40 (B) the local government tax control board finds that the civil  
 41 taxing unit needs the increase to provide adequate public  
 42 transportation services.

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1 The local government tax control board shall consider tax rates  
 2 and levies in civil taxing units of comparable population, and the  
 3 effect (if any) of a loss of federal or other funds to the civil taxing  
 4 unit that might have been used for public transportation purposes.  
 5 However, the increase that the board may recommend under this  
 6 subdivision for a civil taxing unit may not exceed the revenue that  
 7 would be raised by the civil taxing unit based on a property tax  
 8 rate of one cent (\$0.01) per one hundred dollars (\$100) of  
 9 assessed valuation.

10 (8) A levy increase may not be granted under this subdivision for  
 11 property taxes first due and payable after December 31, 2008.  
 12 Permission to a civil taxing unit to increase the unit's levy in  
 13 excess of the limitations established under section 3 of this  
 14 chapter if the local government tax control board finds that:

15 (A) the civil taxing unit is:

16 (i) a county having a population of more than one hundred  
 17 seventy thousand (170,000) but less than one hundred  
 18 seventy-five thousand (175,000);

19 (ii) a city having a population of more than sixty-five  
 20 thousand (65,000) but less than seventy thousand (70,000);

21 (iii) a city having a population of more than twenty-nine  
 22 thousand five hundred (29,500) but less than twenty-nine  
 23 thousand six hundred (29,600);

24 (iv) a city having a population of more than thirteen  
 25 thousand four hundred fifty (13,450) but less than thirteen  
 26 thousand five hundred (13,500); or

27 (v) a city having a population of more than eight thousand  
 28 seven hundred (8,700) but less than nine thousand (9,000);  
 29 and

30 (B) the increase is necessary to provide funding to undertake  
 31 removal (as defined in IC 13-11-2-187) and remedial action  
 32 (as defined in IC 13-11-2-185) relating to hazardous  
 33 substances (as defined in IC 13-11-2-98) in solid waste  
 34 disposal facilities or industrial sites in the civil taxing unit that  
 35 have become a menace to the public health and welfare.

36 The maximum increase that the local government tax control  
 37 board may recommend for such a civil taxing unit is the levy that  
 38 would result from a property tax rate of six and sixty-seven  
 39 hundredths cents (\$0.0667) for each one hundred dollars (\$100)  
 40 of assessed valuation. For purposes of computing the ad valorem  
 41 property tax levy limit imposed on a civil taxing unit under  
 42 section 3 of this chapter, the civil taxing unit's ad valorem

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1 property tax levy for a particular year does not include that part of  
 2 the levy imposed under this subdivision. In addition, a property  
 3 tax increase permitted under this subdivision may be imposed for  
 4 only two (2) calendar years.

5 (9) A levy increase may not be granted under this subdivision for  
 6 property taxes first due and payable after December 31, 2008.  
 7 Permission for a county:

8 (A) having a population of more than eighty thousand (80,000)  
 9 but less than ninety thousand (90,000) to increase the county's  
 10 levy in excess of the limitations established under section 3 of  
 11 this chapter, if the local government tax control board finds  
 12 that the county needs the increase to meet the county's share of  
 13 the costs of operating a jail or juvenile detention center,  
 14 including expansion of the facility, if the jail or juvenile  
 15 detention center is opened after December 31, 1991;

16 (B) that operates a county jail or juvenile detention center that  
 17 is subject to an order that:

- 18 (i) was issued by a federal district court; and
- 19 (ii) has not been terminated;

20 (C) that operates a county jail that fails to meet:

- 21 (i) American Correctional Association Jail Construction
- 22 Standards; and
- 23 (ii) Indiana jail operation standards adopted by the
- 24 department of correction; or

25 (D) that operates a juvenile detention center that fails to meet  
 26 standards equivalent to the standards described in clause (C)  
 27 for the operation of juvenile detention centers.

28 Before recommending an increase, the local government tax  
 29 control board shall consider all other revenues available to the  
 30 county that could be applied for that purpose. An appeal for  
 31 operating funds for a jail or a juvenile detention center shall be  
 32 considered individually, if a jail and juvenile detention center are  
 33 both opened in one (1) county. The maximum aggregate levy  
 34 increases that the local government tax control board may  
 35 recommend for a county equals the county's share of the costs of  
 36 operating the jail or a juvenile detention center for the first full  
 37 calendar year in which the jail or juvenile detention center is in  
 38 operation.

39 (10) A levy increase may not be granted under this subdivision for  
 40 property taxes first due and payable after December 31, 2008.  
 41 Permission for a township to increase its levy in excess of the  
 42 limitations established under section 3 of this chapter, if the local

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1 government tax control board finds that the township needs the  
 2 increase so that the property tax rate to pay the costs of furnishing  
 3 fire protection for a township, or a portion of a township, enables  
 4 the township to pay a fair and reasonable amount under a contract  
 5 with the municipality that is furnishing the fire protection.  
 6 However, for the first time an appeal is granted the resulting rate  
 7 increase may not exceed fifty percent (50%) of the difference  
 8 between the rate imposed for fire protection within the  
 9 municipality that is providing the fire protection to the township  
 10 and the township's rate. A township is required to appeal a second  
 11 time for an increase under this subdivision if the township wants  
 12 to further increase its rate. However, a township's rate may be  
 13 increased to equal but may not exceed the rate that is used by the  
 14 municipality. More than one (1) township served by the same  
 15 municipality may use this appeal.

16 ~~(11) A levy increase may not be granted under this subdivision for~~  
 17 ~~property taxes first due and payable after December 31, 2008.~~  
 18 ~~Permission for a township to increase its levy in excess of the~~  
 19 ~~limitations established under section 3 of this chapter; if the local~~  
 20 ~~government tax control board finds that the township has been~~  
 21 ~~required; for the three (3) consecutive years preceding the year for~~  
 22 ~~which the appeal under this subdivision is to become effective; to~~  
 23 ~~borrow funds under IC 36-6-6-14 to furnish fire protection for the~~  
 24 ~~township or a part of the township. However; the maximum~~  
 25 ~~increase in a township's levy that may be allowed under this~~  
 26 ~~subdivision is the least of the amounts borrowed under~~  
 27 ~~IC 36-6-6-14 during the preceding three (3) calendar years. A~~  
 28 ~~township may elect to phase in an approved increase in its levy~~  
 29 ~~under this subdivision over a period not to exceed three (3) years.~~  
 30 ~~A particular township may appeal to increase its levy under this~~  
 31 ~~section not more frequently than every fourth calendar year.~~

32 ~~(12) (11) Permission to a city having a population of more than~~  
 33 ~~thirty-one thousand five hundred (31,500) but less than thirty-one~~  
 34 ~~thousand seven hundred twenty-five (31,725) to increase its levy~~  
 35 ~~in excess of the limitations established under section 3 of this~~  
 36 ~~chapter if:~~

37 (A) an appeal was granted to the city under this section to  
 38 reallocate property tax replacement credits under IC 6-3.5-1.1  
 39 in 1998, 1999, and 2000; and

40 (B) the increase has been approved by the legislative body of  
 41 the city, and the legislative body of the city has by resolution  
 42 determined that the increase is necessary to pay normal

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operating expenses.  
The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

~~(13)~~ **(12)** A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter due to a natural disaster, an accident, or another unanticipated emergency.

~~(14)~~ **(13)** Permission to Jefferson County to increase its levy in excess of the limitations established under section 3 of this chapter if the department finds that the county experienced a property tax revenue shortfall that resulted from an erroneous estimate of the effect of the supplemental deduction under IC 6-1.1-12-37.5 on the county's assessed valuation. An appeal for a levy increase under this subdivision may not be denied because of the amount of cash balances in county funds. The maximum increase in the county's levy that may be approved under this subdivision is three hundred thousand dollars (\$300,000).

(b) The department of local government finance shall increase the maximum permissible ad valorem property tax levy under section 3 of this chapter for the city of Goshen for 2012 and thereafter by an amount equal to the greater of zero (0) or the result of:

(1) the city's total pension costs in 2009 for the 1925 police pension fund (IC 36-8-6) and the 1937 firefighters' pension fund (IC 36-8-7); minus

(2) the sum of:  
(A) the total amount of state funds received in 2009 by the city and used to pay benefits to members of the 1925 police pension fund (IC 36-8-6) or the 1937 firefighters' pension fund (IC 36-8-7); plus

(B) any previous permanent increases to the city's levy that were authorized to account for the transfer to the state of the responsibility to pay benefits to members of the 1925 police pension fund (IC 36-8-6) and the 1937 firefighters' pension fund (IC 36-8-7).

**(c) In calendar year 2013, the department of local government finance shall allow a township to increase its maximum permissible**

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1 ad valorem property tax levy in excess of the limitations  
2 established under section 3 of this chapter, if the township:

- 3 (1) petitions the department for the levy increase on a form
- 4 prescribed by the department; and
- 5 (2) submits proof of the amount borrowed in calendar year
- 6 2012 or 2013, but not both, under IC 36-6-6-14 to furnish fire
- 7 protection for the township or a part of the township.

8 **The maximum increase in a township's levy that may be allowed**  
9 **under this subsection is the amount borrowed by the township**  
10 **under IC 36-6-6-14 in the year for which proof was submitted**  
11 **under subdivision (2). An increase allowed under this subsection**  
12 **applies to property taxes first due and payable after December 31,**  
13 **2013.**

14 SECTION 11. IC 6-1.1-20-0.5 IS ADDED TO THE INDIANA  
15 CODE AS A NEW SECTION TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2013]: **Sec. 0.5. (a) This section applies to a**  
17 **preliminary determination to issue bonds or enter into a lease**  
18 **made after June 30, 2013.**

19 (b) **In determining whether a project is a controlled project for**  
20 **purposes of this chapter and whether the petition and**  
21 **remonstrance process under sections 3.1 and 3.2 of this chapter or**  
22 **the referendum process under sections 3.5 and 3.6 of this chapter**  
23 **apply to the project, the cost of the project does not include**  
24 **expenditures for the project that will be paid from donations or**  
25 **other gifts:**

- 26 (1) **that are received by the political subdivision; and**
- 27 (2) **for which the political subdivision adopts an ordinance or**
- 28 **resolution pledging that the donations or other gifts will be**
- 29 **used exclusively for expenditures on the project's costs.**

30 SECTION 12. IC 6-1.1-20-3.1, AS AMENDED BY P.L.198-2011,  
31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
32 JULY 1, 2013]: **Sec. 3.1. (a) This section applies only to the following:**

33 (1) **A controlled project (as defined in section 1.1 of this chapter**  
34 **as in effect June 30, 2008) for which the proper officers of a**  
35 **political subdivision make a preliminary determination in the**  
36 **manner described in subsection (b) before July 1, 2008.**

37 (2) **An elementary school building, middle school building, high**  
38 **school building, or other school building for academic instruction**  
39 **that:**

- 40 (A) **is a controlled project;**
- 41 (B) **will be used for any combination of kindergarten through**
- 42 **grade 8; 12; and**

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- 1            ~~(C)~~ will not be used for any combination of grade 9 through
- 2            grade 12; and
- 3            ~~(D)~~ (C) will not cost more than ten million dollars
- 4            (\$10,000,000).
- 5            ~~(3)~~ A high school building or other school building for academic
- 6            instruction that:
- 7            (A) is a controlled project;
- 8            (B) will be used for any combination of grade 9 through grade
- 9            12;
- 10           ~~(C)~~ will not be used for any combination of kindergarten
- 11           through grade 8; and
- 12           ~~(D)~~ will not cost more than twenty million dollars
- 13           (\$20,000,000).
- 14           ~~(4)~~ (3) Any other controlled project that:
- 15           (A) is not a controlled project described in subdivision (1) or
- 16           (2); or ~~(3)~~; and
- 17           (B) will not cost the political subdivision more than the lesser
- 18           of the following:
- 19           (i) Twelve million dollars (\$12,000,000).
- 20           (ii) An amount equal to one percent (1%) of the total gross
- 21           assessed value of property within the political subdivision
- 22           on the last assessment date, if that amount is at least one
- 23           million dollars (\$1,000,000).
- 24           (b) A political subdivision may not impose property taxes to pay
- 25           debt service on bonds or lease rentals on a lease for a controlled project
- 26           without completing the following procedures:
- 27           (1) The proper officers of a political subdivision shall:
- 28           (A) publish notice in accordance with IC 5-3-1; and
- 29           (B) send notice by first class mail to the circuit court clerk and
- 30           to any organization that delivers to the officers, before January
- 31           1 of that year, an annual written request for such notices;
- 32           of any meeting to consider adoption of a resolution or an
- 33           ordinance making a preliminary determination to issue bonds or
- 34           enter into a lease and shall conduct a public hearing on a
- 35           preliminary determination before adoption of the resolution or
- 36           ordinance.
- 37           (2) When the proper officers of a political subdivision make a
- 38           preliminary determination to issue bonds or enter into a lease for
- 39           a controlled project, the officers shall give notice of the
- 40           preliminary determination by:
- 41           (A) publication in accordance with IC 5-3-1; and
- 42           (B) first class mail to the circuit court clerk and to the

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- 1 organizations described in subdivision (1)(B).
- 2 (3) A notice under subdivision (2) of the preliminary
- 3 determination of the political subdivision to issue bonds or enter
- 4 into a lease for a controlled project must include the following
- 5 information:
- 6 (A) The maximum term of the bonds or lease.
- 7 (B) The maximum principal amount of the bonds or the
- 8 maximum lease rental for the lease.
- 9 (C) The estimated interest rates that will be paid and the total
- 10 interest costs associated with the bonds or lease.
- 11 (D) The purpose of the bonds or lease.
- 12 (E) A statement that any owners of property within the
- 13 political subdivision or registered voters residing within the
- 14 political subdivision who want to initiate a petition and
- 15 remonstrance process against the proposed debt service or
- 16 lease payments must file a petition that complies with
- 17 subdivisions (4) and (5) not later than thirty (30) days after
- 18 publication in accordance with IC 5-3-1.
- 19 (F) With respect to bonds issued or a lease entered into to
- 20 open:
- 21 (i) a new school facility; or
- 22 (ii) an existing facility that has not been used for at least
- 23 three (3) years and that is being reopened to provide
- 24 additional classroom space;
- 25 the estimated costs the school corporation expects to incur
- 26 annually to operate the facility.
- 27 (G) A statement of whether the school corporation expects to
- 28 appeal for a new facility adjustment (as defined in
- 29 IC 20-45-1-16 (repealed) before January 1, 2009) for an
- 30 increased maximum permissible tuition support levy to pay the
- 31 estimated costs described in clause (F).
- 32 (H) The political subdivision's current debt service levy and
- 33 rate and the estimated increase to the political subdivision's
- 34 debt service levy and rate that will result if the political
- 35 subdivision issues the bonds or enters into the lease.
- 36 (4) After notice is given, a petition requesting the application of
- 37 a petition and remonstrance process may be filed by the lesser of:
- 38 (A) one hundred (100) persons who are either owners of
- 39 property within the political subdivision or registered voters
- 40 residing within the political subdivision; or
- 41 (B) five percent (5%) of the registered voters residing within
- 42 the political subdivision.

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1 (5) The state board of accounts shall design and, upon request by  
 2 the county voter registration office, deliver to the county voter  
 3 registration office or the county voter registration office's  
 4 designated printer the petition forms to be used solely in the  
 5 petition process described in this section. The county voter  
 6 registration office shall issue to an owner or owners of property  
 7 within the political subdivision or a registered voter residing  
 8 within the political subdivision the number of petition forms  
 9 requested by the owner or owners or the registered voter. Each  
 10 form must be accompanied by instructions detailing the  
 11 requirements that:

12 (A) the carrier and signers must be owners of property or  
 13 registered voters;

14 (B) the carrier must be a signatory on at least one (1) petition;

15 (C) after the signatures have been collected, the carrier must  
 16 swear or affirm before a notary public that the carrier  
 17 witnessed each signature; and

18 (D) govern the closing date for the petition period.

19 Persons requesting forms may be required to identify themselves  
 20 as owners of property or registered voters and may be allowed to  
 21 pick up additional copies to distribute to other owners of property  
 22 or registered voters. Each person signing a petition must indicate  
 23 whether the person is signing the petition as a registered voter  
 24 within the political subdivision or is signing the petition as the  
 25 owner of property within the political subdivision. A person who  
 26 signs a petition as a registered voter must indicate the address at  
 27 which the person is registered to vote. A person who signs a  
 28 petition as an owner of property must indicate the address of the  
 29 property owned by the person in the political subdivision.

30 (6) Each petition must be verified under oath by at least one (1)  
 31 qualified petitioner in a manner prescribed by the state board of  
 32 accounts before the petition is filed with the county voter  
 33 registration office under subdivision (7).

34 (7) Each petition must be filed with the county voter registration  
 35 office not more than thirty (30) days after publication under  
 36 subdivision (2) of the notice of the preliminary determination.

37 (8) The county voter registration office shall determine whether  
 38 each person who signed the petition is a registered voter. The  
 39 county voter registration office shall, not more than fifteen (15)  
 40 business days after receiving a petition, forward a copy of the  
 41 petition to the county auditor. Not more than ten (10) business  
 42 days after receiving the copy of the petition, the county auditor

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1 shall provide to the county voter registration office a statement  
 2 verifying:  
 3 (A) whether a person who signed the petition as a registered  
 4 voter but is not a registered voter, as determined by the county  
 5 voter registration office, is the owner of property in the  
 6 political subdivision; and  
 7 (B) whether a person who signed the petition as an owner of  
 8 property within the political subdivision does in fact own  
 9 property within the political subdivision.  
 10 (9) The county voter registration office shall, not more than ten  
 11 (10) business days after receiving the statement from the county  
 12 auditor under subdivision (8), make the final determination of the  
 13 number of petitioners that are registered voters in the political  
 14 subdivision and, based on the statement provided by the county  
 15 auditor, the number of petitioners that own property within the  
 16 political subdivision. Whenever the name of an individual who  
 17 signs a petition form as a registered voter contains a minor  
 18 variation from the name of the registered voter as set forth in the  
 19 records of the county voter registration office, the signature is  
 20 presumed to be valid, and there is a presumption that the  
 21 individual is entitled to sign the petition under this section. Except  
 22 as otherwise provided in this chapter, in determining whether an  
 23 individual is a registered voter, the county voter registration office  
 24 shall apply the requirements and procedures used under IC 3 to  
 25 determine whether a person is a registered voter for purposes of  
 26 voting in an election governed by IC 3. However, an individual is  
 27 not required to comply with the provisions concerning providing  
 28 proof of identification to be considered a registered voter for  
 29 purposes of this chapter. A person is entitled to sign a petition  
 30 only one (1) time in a particular petition and remonstrance  
 31 process under this chapter, regardless of whether the person owns  
 32 more than one (1) parcel of real property, mobile home assessed  
 33 as personal property, or manufactured home assessed as personal  
 34 property, or a combination of those types of property within the  
 35 subdivision and regardless of whether the person is both a  
 36 registered voter in the political subdivision and the owner of  
 37 property within the political subdivision. Notwithstanding any  
 38 other provision of this section, if a petition is presented to the  
 39 county voter registration office within forty-five (45) days before  
 40 an election, the county voter registration office may defer acting  
 41 on the petition, and the time requirements under this section for  
 42 action by the county voter registration office do not begin to run

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1 until five (5) days after the date of the election.  
 2 (10) The county voter registration office must file a certificate and  
 3 each petition with:  
 4 (A) the township trustee, if the political subdivision is a  
 5 township, who shall present the petition or petitions to the  
 6 township board; or  
 7 (B) the body that has the authority to authorize the issuance of  
 8 the bonds or the execution of a lease, if the political  
 9 subdivision is not a township;  
 10 within thirty-five (35) business days of the filing of the petition  
 11 requesting a petition and remonstrance process. The certificate  
 12 must state the number of petitioners that are owners of property  
 13 within the political subdivision and the number of petitioners who  
 14 are registered voters residing within the political subdivision.

15 If a sufficient petition requesting a petition and remonstrance process  
 16 is not filed by owners of property or registered voters as set forth in this  
 17 section, the political subdivision may issue bonds or enter into a lease  
 18 by following the provisions of law relating to the bonds to be issued or  
 19 lease to be entered into.

20 (c) This subsection applies only to a political subdivision that, after  
 21 April 30, 2011, adopts an ordinance or a resolution making a  
 22 preliminary determination to issue bonds or enter into a lease subject  
 23 to this section and section 3.2 of this chapter. A political subdivision  
 24 may not artificially divide a capital project into multiple capital  
 25 projects in order to avoid the requirements of this section and section  
 26 3.2 of this chapter.

27 SECTION 13. IC 6-1.1-20-3.5, AS AMENDED BY P.L.113-2010,  
 28 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2013]: Sec. 3.5. (a) This section applies only to a controlled  
 30 project that meets the following conditions:

- 31 (1) The controlled project is described in one (1) of the following  
 32 categories:  
 33 (A) An elementary school building, middle school building,  
 34 **high school building**, or other school building for academic  
 35 instruction that:  
 36 (i) will be used for any combination of kindergarten through  
 37 grade 8; **12; and**  
 38 (ii) ~~will not be used for any combination of grade 9 through~~  
 39 ~~grade 12; and~~  
 40 ~~(iii)~~ **(ii)** will cost more than ten million dollars  
 41 (\$10,000,000).  
 42 ~~(B) A high school building or other school building for~~

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academic instruction that:  
(i) will be used for any combination of grade 9 through grade 12;  
(ii) will not be used for any combination of kindergarten through grade 8; and  
(iii) will cost more than twenty million dollars (\$20,000,000).

~~(C)~~ (B) Any other controlled project that:  
(i) is not a controlled project described in clause (A); ~~or (B)~~;  
and  
(ii) will cost the political subdivision more than the lesser of twelve million dollars (\$12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least one million dollars (\$1,000,000)).

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must make the following information available to the public at the public hearing on the preliminary determination, in addition to any other information required by law:

- (A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.
- (B) The result of:
  - (i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing

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- 1 units that include any of the territory of the political
- 2 subdivision; divided by
- 3 (ii) the net assessed value of taxable property within the
- 4 political subdivision.
- 5 (C) The information specified in subdivision (3)(A) through
- 6 (3)(G).
- 7 (2) If the proper officers of a political subdivision make a
- 8 preliminary determination to issue bonds or enter into a lease, the
- 9 officers shall give notice of the preliminary determination by:
- 10 (A) publication in accordance with IC 5-3-1; and
- 11 (B) first class mail to the circuit court clerk and to the
- 12 organizations described in subdivision (1).
- 13 (3) A notice under subdivision (2) of the preliminary
- 14 determination of the political subdivision to issue bonds or enter
- 15 into a lease must include the following information:
- 16 (A) The maximum term of the bonds or lease.
- 17 (B) The maximum principal amount of the bonds or the
- 18 maximum lease rental for the lease.
- 19 (C) The estimated interest rates that will be paid and the total
- 20 interest costs associated with the bonds or lease.
- 21 (D) The purpose of the bonds or lease.
- 22 (E) A statement that the proposed debt service or lease
- 23 payments must be approved in an election on a local public
- 24 question held under section 3.6 of this chapter.
- 25 (F) With respect to bonds issued or a lease entered into to
- 26 open:
- 27 (i) a new school facility; or
- 28 (ii) an existing facility that has not been used for at least
- 29 three (3) years and that is being reopened to provide
- 30 additional classroom space;
- 31 the estimated costs the school corporation expects to annually
- 32 incur to operate the facility.
- 33 (G) The political subdivision's current debt service levy and
- 34 rate and the estimated increase to the political subdivision's
- 35 debt service levy and rate that will result if the political
- 36 subdivision issues the bonds or enters into the lease.
- 37 (H) The information specified in subdivision (1)(A) through
- 38 (1)(B).
- 39 (4) After notice is given, a petition requesting the application of
- 40 the local public question process under section 3.6 of this chapter
- 41 may be filed by the lesser of:
- 42 (A) one hundred (100) persons who are either owners of

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- 1 property within the political subdivision or registered voters  
 2 residing within the political subdivision; or  
 3 (B) five percent (5%) of the registered voters residing within  
 4 the political subdivision.
- 5 (5) The state board of accounts shall design and, upon request by  
 6 the county voter registration office, deliver to the county voter  
 7 registration office or the county voter registration office's  
 8 designated printer the petition forms to be used solely in the  
 9 petition process described in this section. The county voter  
 10 registration office shall issue to an owner or owners of property  
 11 within the political subdivision or a registered voter residing  
 12 within the political subdivision the number of petition forms  
 13 requested by the owner or owners or the registered voter. Each  
 14 form must be accompanied by instructions detailing the  
 15 requirements that:
- 16 (A) the carrier and signers must be owners of property or  
 17 registered voters;  
 18 (B) the carrier must be a signatory on at least one (1) petition;  
 19 (C) after the signatures have been collected, the carrier must  
 20 swear or affirm before a notary public that the carrier  
 21 witnessed each signature; and  
 22 (D) govern the closing date for the petition period.
- 23 Persons requesting forms may be required to identify themselves  
 24 as owners of property or registered voters and may be allowed to  
 25 pick up additional copies to distribute to other owners of property  
 26 or registered voters. Each person signing a petition must indicate  
 27 whether the person is signing the petition as a registered voter  
 28 within the political subdivision or is signing the petition as the  
 29 owner of property within the political subdivision. A person who  
 30 signs a petition as a registered voter must indicate the address at  
 31 which the person is registered to vote. A person who signs a  
 32 petition as an owner of property must indicate the address of the  
 33 property owned by the person in the political subdivision.
- 34 (6) Each petition must be verified under oath by at least one (1)  
 35 qualified petitioner in a manner prescribed by the state board of  
 36 accounts before the petition is filed with the county voter  
 37 registration office under subdivision (7).
- 38 (7) Each petition must be filed with the county voter registration  
 39 office not more than thirty (30) days after publication under  
 40 subdivision (2) of the notice of the preliminary determination.
- 41 (8) The county voter registration office shall determine whether  
 42 each person who signed the petition is a registered voter.

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1 However, after the county voter registration office has determined  
 2 that at least one hundred twenty-five (125) persons who signed  
 3 the petition are registered voters within the political subdivision,  
 4 the county voter registration office is not required to verify  
 5 whether the remaining persons who signed the petition are  
 6 registered voters. If the county voter registration office does not  
 7 determine that at least one hundred twenty-five (125) persons who  
 8 signed the petition are registered voters, the county voter  
 9 registration office, not more than fifteen (15) business days after  
 10 receiving a petition, shall forward a copy of the petition to the  
 11 county auditor. Not more than ten (10) business days after  
 12 receiving the copy of the petition, the county auditor shall provide  
 13 to the county voter registration office a statement verifying:

14 (A) whether a person who signed the petition as a registered  
 15 voter but is not a registered voter, as determined by the county  
 16 voter registration office, is the owner of property in the  
 17 political subdivision; and

18 (B) whether a person who signed the petition as an owner of  
 19 property within the political subdivision does in fact own  
 20 property within the political subdivision.

21 (9) The county voter registration office, not more than ten (10)  
 22 business days after determining that at least one hundred  
 23 twenty-five (125) persons who signed the petition are registered  
 24 voters or after receiving the statement from the county auditor  
 25 under subdivision (8) (as applicable), shall make the final  
 26 determination of whether a sufficient number of persons have  
 27 signed the petition. Whenever the name of an individual who  
 28 signs a petition form as a registered voter contains a minor  
 29 variation from the name of the registered voter as set forth in the  
 30 records of the county voter registration office, the signature is  
 31 presumed to be valid, and there is a presumption that the  
 32 individual is entitled to sign the petition under this section. Except  
 33 as otherwise provided in this chapter, in determining whether an  
 34 individual is a registered voter, the county voter registration office  
 35 shall apply the requirements and procedures used under IC 3 to  
 36 determine whether a person is a registered voter for purposes of  
 37 voting in an election governed by IC 3. However, an individual is  
 38 not required to comply with the provisions concerning providing  
 39 proof of identification to be considered a registered voter for  
 40 purposes of this chapter. A person is entitled to sign a petition  
 41 only one (1) time in a particular referendum process under this  
 42 chapter, regardless of whether the person owns more than one (1)

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1 parcel of real property, mobile home assessed as personal  
 2 property, or manufactured home assessed as personal property or  
 3 a combination of those types of property within the political  
 4 subdivision and regardless of whether the person is both a  
 5 registered voter in the political subdivision and the owner of  
 6 property within the political subdivision. Notwithstanding any  
 7 other provision of this section, if a petition is presented to the  
 8 county voter registration office within forty-five (45) days before  
 9 an election, the county voter registration office may defer acting  
 10 on the petition, and the time requirements under this section for  
 11 action by the county voter registration office do not begin to run  
 12 until five (5) days after the date of the election.

13 (10) The county voter registration office must file a certificate and  
 14 each petition with:

15 (A) the township trustee, if the political subdivision is a  
 16 township, who shall present the petition or petitions to the  
 17 township board; or

18 (B) the body that has the authority to authorize the issuance of  
 19 the bonds or the execution of a lease, if the political  
 20 subdivision is not a township;

21 within thirty-five (35) business days of the filing of the petition  
 22 requesting the referendum process. The certificate must state the  
 23 number of petitioners who are owners of property within the  
 24 political subdivision and the number of petitioners who are  
 25 registered voters residing within the political subdivision.

26 (11) If a sufficient petition requesting the local public question  
 27 process is not filed by owners of property or registered voters as  
 28 set forth in this section, the political subdivision may issue bonds  
 29 or enter into a lease by following the provisions of law relating to  
 30 the bonds to be issued or lease to be entered into.

31 (c) If the proper officers of a political subdivision make a  
 32 preliminary determination to issue bonds or enter into a lease, the  
 33 officers shall provide to the county auditor:

- 34 (1) a copy of the notice required by subsection (b)(2); and
- 35 (2) any other information the county auditor requires to fulfill the  
 36 county auditor's duties under section 3.6 of this chapter.

37 SECTION 14. IC 6-1.1-20.6-9.5, AS AMENDED BY P.L. 172-2011,  
 38 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2013]: Sec. 9.5. (a) This section applies only to credits under  
 40 this chapter against property taxes first due and payable after December  
 41 31, 2006.

42 (b) The application of the credit under this chapter results in a

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1 reduction of the property tax collections of each political subdivision  
 2 in which the credit is applied. Except as provided in IC 20-46-1, a  
 3 political subdivision may not increase its property tax levy to make up  
 4 for that reduction.

5 (e) The county auditor shall in each calendar year notify each  
 6 political subdivision in which the credit under this chapter is applied  
 7 of the reduction of property tax collections referred to in subsection (b)  
 8 for the political subdivision for that year.

9 (d) (c) A political subdivision may not borrow money to compensate  
 10 the political subdivision or any other political subdivision for the  
 11 reduction of property tax collections referred to in subsection (b).

12 SECTION 15. IC 6-1.1-22-9, AS AMENDED BY P.L.87-2009,  
 13 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2013]: Sec. 9. (a) Except as provided in subsection (b), the  
 15 property taxes assessed for a year under this article are due in two (2)  
 16 equal installments on May 10 and November 10 of the following year.

17 (b) Subsection (a) does not apply if any of the following apply to the  
 18 property taxes assessed for the year under this article:

- 19 (1) Subsection (c).
- 20 (2) Subsection (d).
- 21 (3) IC 6-1.1-7-7.
- 22 (4) Section 9.5 of this chapter.
- 23 (5) Section 9.7 of this chapter.

24 **(6) Section 9.9 of this chapter.**

25 (c) A county council may adopt an ordinance to require a person to  
 26 pay the person's property tax liability in one (1) installment, if the tax  
 27 liability for a particular year is less than twenty-five dollars (\$25). If the  
 28 county council has adopted such an ordinance, then whenever a tax  
 29 statement mailed under section 8.1 of this chapter shows that the  
 30 person's property tax liability for a year is less than twenty-five dollars  
 31 (\$25) for the property covered by that statement, the tax liability for  
 32 that year is due in one (1) installment on May 10 of that year.

33 (d) If the county treasurer receives a copy of an appeal petition  
 34 under IC 6-1.1-18.5-12(d) before the county treasurer mails or  
 35 transmits statements under section 8.1 of this chapter, the county  
 36 treasurer may:

- 37 (1) mail or transmit the statements without regard to the pendency  
 38 of the appeal and, if the resolution of the appeal by the department  
 39 of local government finance results in changes in levies, mail or  
 40 transmit reconciling statements under subsection (e); or
- 41 (2) delay the mailing or transmission of statements under section  
 42 8.1 of this chapter so that:

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- 1 (A) the due date of the first installment that would otherwise  
 2 be due under subsection (a) is delayed by not more than sixty  
 3 (60) days; and  
 4 (B) all statements reflect any changes in levies that result from  
 5 the resolution of the appeal by the department of local  
 6 government finance.
- 7 (e) A reconciling statement under subsection (d)(1) must indicate:  
 8 (1) the total amount due for the year;  
 9 (2) the total amount of the installments paid that did not reflect  
 10 the resolution of the appeal under IC 6-1.1-18.5-12(d) by the  
 11 department of local government finance;  
 12 (3) if the amount under subdivision (1) exceeds the amount under  
 13 subdivision (2), the adjusted amount that is payable by the  
 14 taxpayer:  
 15 (A) as a final reconciliation of all amounts due for the year;  
 16 and  
 17 (B) not later than:  
 18 (i) November 10; or  
 19 (ii) the date or dates established under section 9.5 of this  
 20 chapter; and  
 21 (4) if the amount under subdivision (2) exceeds the amount under  
 22 subdivision (1), that the taxpayer may claim a refund of the excess  
 23 under IC 6-1.1-26.
- 24 (f) If property taxes are not paid on or before the due date, the  
 25 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent  
 26 taxes.
- 27 (g) Notwithstanding any other law, a property tax liability of less  
 28 than five dollars (\$5) is increased to five dollars (\$5). The difference  
 29 between the actual liability and the five dollar (\$5) amount that appears  
 30 on the statement is a statement processing charge. The statement  
 31 processing charge is considered a part of the tax liability.
- 32 (h) This subsection applies only if a statement for payment of  
 33 property taxes and special assessments by electronic mail is transmitted  
 34 to a person under section 8.1(h) of this chapter. If a response to the  
 35 transmission of electronic mail to a person indicates that the electronic  
 36 mail was not received, the county treasurer shall mail to the person a  
 37 hard copy of the statement in the manner required by section 8.1(a) of  
 38 this chapter for persons who do not opt to receive statements by  
 39 electronic mail. The due date for the property taxes and special  
 40 assessments under a statement mailed to a person under this subsection  
 41 is the due date indicated in the statement transmitted to the person by  
 42 electronic mail.

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1 (i) In a county in which an authorizing ordinance is adopted under  
 2 section 8.1(h) of this chapter, a person may direct the county treasurer  
 3 to transmit a reconciling statement under subsection (d)(1) by  
 4 electronic mail under section 8.1(h) of this chapter.

5 SECTION 16. IC 6-1.1-22-9.9 IS ADDED TO THE INDIANA  
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2013]: **Sec. 9.9. If:**

8 **(1) the owner of the real property makes changes to the real**  
 9 **property described in IC 6-1.1-5-15(a);**

10 **(2) the owner of the real property complies with**  
 11 **IC 6-1.1-5-15(a) or IC 6-1.1-5-15(b), as applicable; and**

12 **(3) the assessing officials responsible for assessing the real**  
 13 **property subsequently fail to make a correct assessment of the**  
 14 **real property in one (1) or more years by failing to take the**  
 15 **changes described in subdivision (1) into account;**

16 **when the assessing officials responsible for assessing the real**  
 17 **property make a correct assessment of the real property after**  
 18 **taking the changes described in subdivision (1) into account, the**  
 19 **owner may pay the amount due for the property taxes attributable**  
 20 **to these changes in the assessment over the same number of years**  
 21 **that match the number of years that the assessing officials took to**  
 22 **make the correct assessment.**

23 SECTION 17. IC 36-1.5-4-18, AS AMENDED BY P.L.113-2010,  
 24 SECTION 110, IS AMENDED TO READ AS FOLLOWS  
 25 [EFFECTIVE JULY 1, 2013]: Sec. 18. (a) A reorganization committee  
 26 shall prepare a comprehensive plan of reorganization for the  
 27 reorganizing political subdivisions. The plan of reorganization governs  
 28 the actions, duties, and powers of the reorganized political subdivision  
 29 that are not specified by law.

30 (b) The plan of reorganization must include at least the following:

31 (1) The name and a description of the reorganized political  
 32 subdivision that will succeed the reorganizing political  
 33 subdivisions.

34 (2) A description of the boundaries of the reorganized political  
 35 subdivision.

36 (3) Subject to section 40 of this chapter, a description of the  
 37 taxing areas in which taxes to retire obligations of the  
 38 reorganizing political subdivisions will be imposed.

39 (4) A description of the membership of the legislative body, fiscal  
 40 body, and executive of the reorganized political subdivision, a  
 41 description of the election districts or appointment districts from  
 42 which officers will be elected or appointed, and the manner in

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1 which the membership of each elected or appointed office will be  
2 elected or appointed.  
3 (5) A description of the services to be offered by the reorganized  
4 political subdivision and the service areas in which the services  
5 will be offered.  
6 (6) The disposition of the personnel, the agreements, the assets,  
7 and, subject to section 40 of this chapter, the liabilities of the  
8 reorganizing political subdivisions, including the terms and  
9 conditions upon which the transfer of property and personnel will  
10 be achieved.  
11 (7) Any other matter that the:  
12 (A) reorganization committee determines to be necessary or  
13 appropriate; or  
14 (B) legislative bodies of the reorganizing political subdivisions  
15 require the reorganization committee;  
16 to include in the plan of reorganization.  
17 (8) In the case of a reorganization described in section 1(a)(9) of  
18 this chapter, if the legislative bodies of the reorganizing political  
19 subdivisions have specified that the vote on the public question  
20 regarding the reorganization shall be conducted on a countywide  
21 basis under section 30(b) of this chapter with a rejection  
22 threshold, the reorganization committee shall include in the  
23 reorganization plan a rejection threshold, specified as a  
24 percentage, that applies for purposes of section 32(b) of this  
25 chapter. The rejection threshold must be the same for each  
26 municipality that is a party to the proposed reorganization and to  
27 the county that is a party to the proposed reorganization.  
28 (9) In the case of a reorganization described in section 1(a)(9) of  
29 this chapter, the reorganization committee shall determine and  
30 include in the reorganization plan the percentage of voters voting  
31 on the public question regarding the proposed reorganization who  
32 must vote, on a countywide basis, in favor of the proposed  
33 reorganization for the public question to be approved. This  
34 percentage is referred to in this chapter as the "countywide vote  
35 approval percentage". The countywide vote approval percentage  
36 must be greater than fifty percent (50%).  
37 (10) The **statement fiscal impact analysis** required by subsection  
38 (e).  
39 (c) In the case of a reorganization described in section 1(a)(9) of this  
40 chapter, the reorganization committee may not change the decision of  
41 the legislative bodies of the reorganizing political subdivisions  
42 regarding whether the vote on the public question regarding the

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1 reorganization shall be conducted on a countywide basis without a  
2 rejection threshold or with a rejection threshold.

3 (d) Upon completion of the plan of reorganization, the  
4 reorganization committee shall present the plan of reorganization to the  
5 legislative body of each of the reorganizing political subdivisions for  
6 adoption. The initial plan of reorganization must be submitted to the  
7 legislative body of each of the reorganizing political subdivisions not  
8 later than one (1) year after the clerk of the last political subdivision  
9 that adopts a reorganization resolution under this chapter has certified  
10 the resolution to all of the political subdivisions named in the  
11 resolution. In the case of a plan of reorganization submitted to a  
12 political subdivision by a reorganization committee after June 30, 2010,  
13 the political subdivision shall post a copy of the plan of reorganization  
14 on an Internet web site maintained or authorized by the political  
15 subdivision not more than thirty (30) days after receiving the plan of  
16 reorganization from the reorganization committee.

17 (e) ~~A reorganization committee must include in the plan of~~  
18 ~~reorganization submitted to a political subdivision after June 30, 2010,~~  
19 ~~a statement of:~~

- 20 (1) whether a fiscal impact analysis concerning the proposed  
21 reorganization has been prepared or has not been prepared by or  
22 on behalf of the reorganization committee; and  
23 (2) whether a fiscal impact analysis concerning the proposed  
24 reorganization has been made available or has not been made  
25 available to the public by or on behalf of the reorganization  
26 committee.

27 (e) **In the case of a plan of reorganization submitted to a**  
28 **political subdivision by a reorganization committee after June 30,**  
29 **2013, the reorganization committee shall also prepare a fiscal**  
30 **impact analysis concerning the proposed reorganization. The fiscal**  
31 **impact analysis must include the following:**

- 32 (1) **The cost estimates of planned services to be provided in**  
33 **each taxing area of the reorganized political subdivision.**  
34 (2) **For each taxing area of the reorganized political**  
35 **subdivision, anticipated net assessed value and a list of each**  
36 **fund to which the taxing area would contribute.**  
37 (3) **The method or methods of financing the planned services.**  
38 **The plan must explain how specific and detailed expenses will**  
39 **be funded and must indicate the taxes, grants, and other**  
40 **funding used.**  
41 (4) **Estimates of maximum levies, budgets, and tax rates of the**  
42 **reorganized political subdivision by fund.**



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1           **(5) The plan for the reorganization and extension of services**  
2           **to portions of the reorganized political subdivision.**  
3           **(6) The plan for providing or continuing services to parts of**  
4           **the reorganizing political subdivision that will not be a part of**  
5           **the reorganized political subdivision.**  
6           **(f) The fiscal impact analysis required by subsection (e) must be**  
7           **submitted to the political subdivision at the same time the plan of**  
8           **reorganization is presented to the political subdivision under**  
9           **subsection (d). The political subdivision shall post a copy of the**  
10           **fiscal impact analysis on an Internet web site maintained or**  
11           **authorized by the political subdivision not more than thirty (30)**  
12           **days after receiving the fiscal impact analysis from the**  
13           **reorganization committee.**  
14           SECTION 18. IC 36-6-6-14, AS AMENDED BY P.L.146-2008,  
15           SECTION 715, IS AMENDED TO READ AS FOLLOWS  
16           [EFFECTIVE JULY 1, 2013]: Sec. 14. (a) At any special meeting, if  
17           two (2) or more members give their consent, the legislative body may  
18           determine whether there is a need for fire and emergency services or  
19           other emergency requiring the expenditure of money not included in  
20           the township's budget estimates and levy.  
21           (b) Subject to section 14.5 of this chapter, if the legislative body  
22           finds that a need for fire and emergency services or other emergency  
23           exists, it may issue a special order, entered and signed on the record,  
24           authorizing the executive to borrow a specified amount of money  
25           sufficient to meet the emergency. **However, the legislative body may**  
26           **not authorize the executive to borrow money under this subsection**  
27           **in more than three (3) calendar years during any five (5) year**  
28           **period. In addition, if a township is allowed an increase in its**  
29           **maximum permissible ad valorem property tax levy under**  
30           **IC 6-1.1-18.5-13(c) for property taxes first due and payable in**  
31           **2014, the following apply:**  
32           **(1) The legislative body may authorize the executive to**  
33           **borrow money under this section in 2014 through 2016, but**  
34           **not to exceed one-half (1/2) of the amount borrowed under**  
35           **this section for the immediately preceding year.**  
36           **(2) The legislative body may not authorize the executive to**  
37           **borrow money under this section after 2016.**  
38           (c) Notwithstanding IC 36-8-13-4(a), the legislative body may  
39           authorize the executive to borrow a specified sum from a township  
40           fund other than the township firefighting fund if the legislative body  
41           finds that the emergency requiring the expenditure of money is related  
42           to paying the operating expenses of a township fire department or a

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1 volunteer fire department. At its next annual session, the legislative  
2 body shall cover the debt created by making a levy to the credit of the  
3 fund for which the amount was borrowed under this subsection.

4 (d) In determining whether a fire and emergency services need  
5 exists requiring the expenditure of money not included in the  
6 township's budget estimates and levy, the legislative body and any  
7 reviewing authority considering the approval of the additional  
8 borrowing shall consider the following factors:

9 (1) The current and projected certified and noncertified public  
10 safety payroll needs of the township.

11 (2) The current and projected need for fire and emergency  
12 services within the jurisdiction served by the township.

13 (3) Any applicable national standards or recommendations for the  
14 provision of fire protection and emergency services.

15 (4) Current and projected growth in the number of residents and  
16 other citizens served by the township, emergency service runs,  
17 certified and noncertified personnel, and other appropriate  
18 measures of public safety needs in the jurisdiction served by the  
19 township.

20 (5) Salary comparisons for certified and noncertified public safety  
21 personnel in the township and other surrounding or comparable  
22 jurisdictions.

23 (6) Prior annual expenditures for fire and emergency services,  
24 including all amounts budgeted under this chapter.

25 (7) Current and projected growth in the assessed value of property  
26 requiring protection in the jurisdiction served by the township.

27 (8) Other factors directly related to the provision of public safety  
28 within the jurisdiction served by the township.

29 (e) In the event the township received additional funds under this  
30 chapter in the immediately preceding budget year for an approved  
31 expenditure, any reviewing authority shall take into consideration the  
32 use of the funds in the immediately preceding budget year and the  
33 continued need for funding the services and operations to be funded  
34 with the proceeds of the loan.

35 SECTION 19. IC 36-7-14-13, AS AMENDED BY P.L.112-2012,  
36 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
37 JULY 1, 2013]: Sec. 13. (a) Within thirty (30) days after the close of  
38 each calendar year, the redevelopment commissioners shall file with  
39 the unit's executive a report setting out their activities during the  
40 preceding calendar year.

41 (b) The report of the commissioners of a municipal redevelopment  
42 commission must show the names of the then qualified and acting

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1 commissioners, the names of the officers of that body, the number of  
2 regular employees and their fixed salaries or compensation, the amount  
3 of the expenditures made during the preceding year and their general  
4 purpose, an accounting of the tax increment revenues expended by any  
5 entity receiving the tax increment revenues as a grant or loan from the  
6 commission, the amount of funds on hand at the close of the calendar  
7 year, and other information necessary to disclose the activities of the  
8 commissioners and the results obtained.

9 (c) The report of the commissioners of a county redevelopment  
10 commission must show all the information required by subsection (b),  
11 plus the names of any commissioners appointed to or removed from  
12 office during the preceding calendar year.

13 (d) A copy of each report filed under this section must be submitted  
14 to the department of local government finance in an electronic format.  
15 ~~under IC 5-14-6.~~

16 (e) **Before August 1 each year, the redevelopment**  
17 **commissioners shall also submit a report to the fiscal body of the**  
18 **unit. The report must include the following information set forth**  
19 **for each tax increment financing district regarding the previous**  
20 **year:**

- 21 (1) **Revenues received.**
- 22 (2) **Expenses paid.**
- 23 (3) **Fund balances.**
- 24 (4) **The amount and maturity date for all outstanding**  
25 **obligations.**
- 26 (5) **The amount paid on outstanding obligations.**
- 27 (6) **A list of all the parcels included in each tax increment**  
28 **financing district allocation area and the base assessed value**  
29 **and incremental assessed value for each parcel in the list.**

30 **Before October 1 each year, the fiscal body shall compile the**  
31 **reports received for all the tax increment financing districts and**  
32 **submit a comprehensive report to the department of local**  
33 **government finance in the form required by the department of**  
34 **local government finance.**

35 SECTION 20. IC 36-7-15.1-36.3, AS ADDED BY P.L.112-2012,  
36 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
37 JULY 1, 2013]: Sec. 36.3. (a) Within thirty (30) days after the close of  
38 each calendar year, the commission shall file with the mayor a report  
39 setting out the commission's activities during the preceding calendar  
40 year.

41 (b) The report required by subsection (a) must show the names of  
42 the then qualified and acting commissioners, the names of the officers

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1 of that body, the number of regular employees and their fixed salaries  
 2 or compensation, the amount of the expenditures made during the  
 3 preceding year and their general purpose, an accounting of the tax  
 4 increment revenues expended by any entity receiving the tax increment  
 5 revenues as a grant or loan from the commission, the amount of funds  
 6 on hand at the close of the calendar year, and other information  
 7 necessary to disclose the activities of the commission and the results  
 8 obtained.

9 (c) A copy of each report filed under this section must be submitted  
 10 to the department of local government finance in an electronic format.  
 11 ~~under IC 5-14-6.~~

12 (d) **Before August 1 each year, the commission shall also submit**  
 13 **a report to the fiscal body. The report must include the following**  
 14 **information set forth for each tax increment financing district**  
 15 **regarding the previous year:**

16 (1) Revenues received.

17 (2) Expenses paid.

18 (3) Fund balances.

19 (4) The amount and maturity date for all outstanding  
 20 obligations.

21 (5) The amount paid on outstanding obligations.

22 (6) A list of all the parcels included in each tax increment  
 23 financing district allocation area and the base assessed value  
 24 and incremental assessed value for each parcel in the list.

25 **Before October 1 each year, the fiscal body shall compile the**  
 26 **reports received for all the tax increment financing districts and**  
 27 **submit a comprehensive report to the department of local**  
 28 **government finance in the form required by the department of**  
 29 **local government finance.**

30 SECTION 21. IC 36-12-1-14 IS ADDED TO THE INDIANA  
 31 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 32 [EFFECTIVE JULY 1, 2013]: **Sec. 14. A public library with a**  
 33 **governing body that is not comprised of a majority of officials who**  
 34 **are elected to serve on the governing body must have the public**  
 35 **library's proposed budget and property tax levy approved under**  
 36 **IC 6-1.1-17-20 or IC 36-3-6-9 (as appropriate) by the appropriate**  
 37 **fiscal or legislative body.**

38 SECTION 22. [EFFECTIVE JULY 1, 2013] (a) **IC 6-1.1-20-3.1**  
 39 **and IC 6-1.1-20-3.5, both as amended by this act, apply only to a**  
 40 **controlled project for which the proper officers of a political**  
 41 **subdivision make a preliminary determination under IC 6-1.1-20**  
 42 **after June 30, 2013.**



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1           **(b) This SECTION expires January 1, 2016.**  
2           **SECTION 23. An emergency is declared for this act.**

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1116, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete committee amendment AM111604 adopted February 12, 2013.

Page 2, delete lines 23 through 42.

Page 3, delete lines 1 through 36.

Page 7, line 33, reset in roman "a public library".

Page 7, line 34, reset in roman "or".

Page 8, line 4, strike "However, in the case of a public library that is subject to this".

Page 8, strike lines 5 through 10.

Page 8, delete lines 31 through 42.

Delete pages 9 through 10.

Page 11, delete lines 1 through 41.

Page 15, between lines 18 and 19, begin a new paragraph and insert: "SECTION 9. IC 6-1.1-18.5-13, AS AMENDED BY P.L. 112-2012, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) With respect to an appeal filed under section 12 of this chapter, the department may find that a civil taxing unit should receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the department the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons. With respect to annexation, consolidation, or other extensions of governmental services in a calendar year, if those increased costs are incurred by the civil taxing unit in that calendar year and more than one (1) immediately succeeding calendar year, the unit may appeal under section 12 of this chapter for permission to increase its levy under this subdivision based on those increased costs in any of the following:

(A) The first calendar year in which those costs are incurred.

(B) One (1) or more of the immediately succeeding four (4) calendar years.

(2) A levy increase may not be granted under this subdivision for

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property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

- (A) the cost of personal services (including fringe benefits);
  - (B) the cost of supplies; and
  - (C) any other cost directly related to the operation of the court.
- (3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the department finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property under IC 6-1.1-4-4 does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and:

- (i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or
- (ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-42 in 2006 plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;

divided by the sum determined under this STEP for the

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calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and:

- (i) for a particular calendar year before 2007, the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or
- (ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in all counties under IC 6-1.1-12-42 in 2006 plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in

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the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

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(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4. The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred seventy thousand (170,000) but less than one hundred seventy-five thousand (175,000);

(ii) a city having a population of more than sixty-five thousand (65,000) but less than seventy thousand (70,000);

(iii) a city having a population of more than twenty-nine thousand five hundred (29,500) but less than twenty-nine thousand six hundred (29,600);



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(iv) a city having a population of more than thirteen thousand four hundred fifty (13,450) but less than thirteen thousand five hundred (13,500); or

(v) a city having a population of more than eight thousand seven hundred (8,700) but less than nine thousand (9,000); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

- (i) was issued by a federal district court; and
- (ii) has not been terminated;

(C) that operates a county jail that fails to meet:

- (i) American Correctional Association Jail Construction Standards; and
- (ii) Indiana jail operation standards adopted by the

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department of correction; or  
 (D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

~~(11) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the~~

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township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

~~(12)~~ **(11)** Permission to a city having a population of more than thirty-one thousand five hundred (31,500) but less than thirty-one thousand seven hundred twenty-five (31,725) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

~~(13)~~ **(12)** A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter due to a natural disaster, an accident, or another unanticipated emergency.

~~(14)~~ **(13)** Permission to Jefferson County to increase its levy in excess of the limitations established under section 3 of this chapter if the department finds that the county experienced a property tax revenue shortfall that resulted from an erroneous estimate of the effect of the supplemental deduction under IC 6-1.1-12-37.5 on the county's assessed valuation. An appeal for a levy increase under this subdivision may not be denied because of the amount of cash balances in county funds. The maximum increase in the county's levy that may be approved under this subdivision is three hundred thousand dollars (\$300,000).

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(b) The department of local government finance shall increase the maximum permissible ad valorem property tax levy under section 3 of this chapter for the city of Goshen for 2012 and thereafter by an amount equal to the greater of zero (0) or the result of:

(1) the city's total pension costs in 2009 for the 1925 police pension fund (IC 36-8-6) and the 1937 firefighters' pension fund (IC 36-8-7); minus

(2) the sum of:

(A) the total amount of state funds received in 2009 by the city and used to pay benefits to members of the 1925 police pension fund (IC 36-8-6) or the 1937 firefighters' pension fund (IC 36-8-7); plus

(B) any previous permanent increases to the city's levy that were authorized to account for the transfer to the state of the responsibility to pay benefits to members of the 1925 police pension fund (IC 36-8-6) and the 1937 firefighters' pension fund (IC 36-8-7).

**(c) In calendar year 2013, the department of local government finance shall allow a township to increase its maximum permissible ad valorem property tax levy in excess of the limitations established under section 3 of this chapter, if the township:**

**(1) petitions the department for the levy increase on a form prescribed by the department; and**

**(2) submits proof of the amount borrowed in calendar year 2012 under IC 36-6-6-14 to furnish fire protection for the township or a part of the township.**

**The maximum increase in a township's levy that may be allowed under this subsection is the amount borrowed by the township under IC 36-6-6-14 in 2012. An increase allowed under this subsection applies to property taxes first due and payable after December 31, 2013."**

Page 15, delete lines 19 through 42, begin a new paragraph and insert:

"SECTION 10. IC 6-1.1-20-3.1, AS AMENDED BY P.L.198-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3.1. (a) This section applies only to the following:

(1) A controlled project (as defined in section 1.1 of this chapter as in effect June 30, 2008) for which the proper officers of a political subdivision make a preliminary determination in the manner described in subsection (b) before July 1, 2008.

(2) An elementary school building, middle school building, **high school building**, or other school building for academic instruction



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that:

- (A) is a controlled project;
- (B) will be used for any combination of kindergarten through grade 8; **12; and**
- ~~(C)~~ will not be used for any combination of grade 9 through grade 12; and
- ~~(D)~~ (C) will not cost more than ~~ten~~ **fifteen** million dollars (~~\$10,000,000~~): **(\$15,000,000)**.

~~(3)~~ A high school building or other school building for academic instruction that:

- ~~(A)~~ is a controlled project;
- ~~(B)~~ will be used for any combination of grade 9 through grade 12;
- ~~(C)~~ will not be used for any combination of kindergarten through grade 8; and
- ~~(D)~~ will not cost more than ~~twenty~~ million dollars (~~\$20,000,000~~):

~~(4)~~ **(3)** Any other controlled project that:

- (A) is not a controlled project described in subdivision (1) or (2); ~~or (3)~~; and
- (B) will not cost the political subdivision more than the lesser of the following:

- (i) Twelve million dollars (\$12,000,000).
- (ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that amount is at least one million dollars (\$1,000,000).

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

- (1) The proper officers of a political subdivision shall:
  - (A) publish notice in accordance with IC 5-3-1; and
  - (B) send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices; of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.
- (2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease for

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a controlled project, the officers shall give notice of the preliminary determination by:

- (A) publication in accordance with IC 5-3-1; and
- (B) first class mail to the circuit court clerk and to the organizations described in subdivision (1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease for a controlled project must include the following information:

- (A) The maximum term of the bonds or lease.
- (B) The maximum principal amount of the bonds or the maximum lease rental for the lease.
- (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
- (D) The purpose of the bonds or lease.
- (E) A statement that any owners of property within the political subdivision or registered voters residing within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

- (i) a new school facility; or
- (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal for a new facility adjustment (as defined in IC 20-45-1-16 (repealed) before January 1, 2009) for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).

(H) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

- (A) one hundred (100) persons who are either owners of

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property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of property or registered voters;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. The

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county voter registration office shall, not more than fifteen (15) business days after receiving a petition, forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

(9) The county voter registration office shall, not more than ten (10) business days after receiving the statement from the county auditor under subdivision (8), make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property, or a combination of those types of property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the

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county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) This subsection applies only to a political subdivision that, after April 30, 2011, adopts an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease subject to this section and section 3.2 of this chapter. A political subdivision may not artificially divide a capital project into multiple capital projects in order to avoid the requirements of this section and section 3.2 of this chapter.

SECTION 11. IC 6-1.1-20-3.5, AS AMENDED BY P.L.113-2010, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, **high school building**, or other school building for academic instruction that:

(i) will be used for any combination of kindergarten through grade 8; **12; and**

(ii) will not be used for any combination of grade 9 through

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grade 12; and

(iii) (ii) will cost more than ~~ten~~ **fifteen** million dollars (\$10,000,000): **(\$15,000,000)**.

(~~B~~) A high school building or other school building for academic instruction that:

(i) will be used for any combination of grade 9 through grade 12;

(ii) will not be used for any combination of kindergarten through grade 8; and

(iii) will cost more than twenty million dollars (\$20,000,000).

(~~C~~) (B) Any other controlled project that:

(i) is not a controlled project described in clause (A); ~~or (B)~~; and

(ii) will cost the political subdivision more than the lesser of twelve million dollars (\$12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least one million dollars (\$1,000,000)).

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must make the following information available to the public at the public hearing on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political

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subdivision.

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.

(C) The information specified in subdivision (3)(A) through (3)(G).

(2) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to annually incur to operate the facility.

(G) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

(H) The information specified in subdivision (1)(A) through (1)(B).

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(4) After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter may be filed by the lesser of:

(A) one hundred (100) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of property or registered voters;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration

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office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least one hundred twenty-five (125) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least one hundred twenty-five (125) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least one hundred twenty-five (125) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8) (as applicable), shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing

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proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property or a combination of those types of property within the political subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(11) If a sufficient petition requesting the local public question process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall provide to the county auditor:

(1) a copy of the notice required by subsection (b)(2); and

(2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter."

Delete pages 16 through 24.

Page 25, delete lines 1 through 33.

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Page 26, delete lines 9 through 35.

Page 30, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 17. IC 36-7-14-39, AS AMENDED BY P.L.112-2012, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

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the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after

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the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

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(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

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(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this

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subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

The allocation fund may not be used for operating expenses of the commission.

(4) Except as provided in subsection (g), before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the

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allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax

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proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

- (1) may not include the effect of **phasing in assessed value due to property tax abatements under IC 6-1.1-12.1;**
- (2) ~~and these adjustments~~ may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, the reassessment under the reassessment plan, or the annual adjustment had not occurred; **and**
- (3) **may decrease base assessed value only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan.**

**Assessed value increases attributable to the application of an abatement schedule under IC 6-1.1-12.1 may not be included in the base assessed value of an allocation area.** The department of local government finance may prescribe procedures for county and township



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officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline."

Delete pages 31 through 38.

Page 39, delete lines 1 through 12.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1116 as introduced and as amended by AM 111604 adopted February 12, 2013.)

MAHAN, Chair

Committee Vote: yeas 13, nays 0.

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#### HOUSE MOTION

Mr. Speaker: I move that House Bill 1116 be amended to read as follows:

Page 2, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]:

Sec. 4. (a) Real property may be assessed, or its assessed value increased, for a prior year under this chapter only if the notice required by section 1 of this chapter is given within three (3) years after the assessment date for that prior year.

(b) With respect to real property which is owned by a bona fide purchaser without knowledge, no lien attaches for any property taxes which result from an assessment, or an increase in assessed value,

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made under this chapter for any period before his purchase of the property.

**(c) Real property may not be assessed, and its assessed value may not be increased, for a prior year under this chapter if:**

- (1) the owner of the real property makes changes to the real property described in IC 6-1.1-5-15(a);**
- (2) the owner of the real property complies with IC 6-1.1-5-15(a) or IC 6-1.1-5-15(b), as applicable; and**
- (3) the assessing officials responsible for assessing the real property subsequently fail to make a correct assessment of the real property in one (1) or more years by failing to take the changes described in subdivision (1) into account."**

Page 42, after line 9, begin a new paragraph and insert:  
**"SECTION 15. An emergency is declared for this act."**  
 Renumber all SECTIONS consecutively.

(Reference is to HB 1116 as printed February 19, 2013.)

SMITH M

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#### HOUSE MOTION

Mr. Speaker: I move that House Bill 1116 be amended to read as follows:

Page 19, between lines 5 and 6, begin a new paragraph and insert:

**"SECTION 7. IC 6-1.1-20-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 0.5. (a) This section applies to a preliminary determination to issue bonds or enter into a lease made after June 30, 2013.**

**(b) In determining whether a project is a controlled project for purposes of this chapter and whether the petition and remonstrance process under sections 3.1 and 3.2 of this chapter or the referendum process under sections 3.5 and 3.6 of this chapter apply to the project, the cost of the project does not include expenditures for the project that will be paid from donations or other gifts:**

- (1) that are received by the political subdivision; and**



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**(2) for which the political subdivision adopts an ordinance or resolution pledging that the donations or other gifts will be used exclusively for expenditures on the project's costs."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1116 as printed February 19, 2013.)

THOMPSON

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Report of the President  
Pro Tempore

Madam President: Pursuant to Senate Rule 68(b), I hereby report that Engrossed House Bill 1116, currently assigned to the Committee on Appropriations, be reassigned to the Committee on Tax and Fiscal Policy.

LONG

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1116, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 23 through 42.

Page 3, delete line 1, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-17-3.5, AS AMENDED BY P.L.137-2012, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3.5. (a) This section does not apply to taxing units located in a county in which a county board of tax adjustment reviews budgets, tax rates, and tax levies. This section does not apply to a taxing unit that has its proposed budget and proposed property tax levy approved under section 20 or 20.3 of this chapter or IC 36-3-6-9.

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



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

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

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

(d) A taxing unit must file the information under subsection (b) before September 2 of a year.

(e) A county fiscal body shall complete the following in a manner prescribed by the department of local government finance before October 2 of a year:

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

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

(3) In the case of a taxing unit other than a school corporation, issue a nonbinding recommendation to a taxing unit regarding the taxing unit's proposed or estimated tax rate or tax levy or proposed budget.

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

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

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

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

(h) If a taxing unit fails to file the information required by subsection (b) with the fiscal body of the county in which the taxing unit is located by the time prescribed in subsection (d), the most recent annual appropriations and annual tax levy of that taxing unit are continued for the ensuing budget year.

(i) If a county fiscal body fails to complete the requirements of subsection (e) before the deadline in subsection (e) for any taxing unit

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subject to this section, the most recent annual appropriations and annual tax levy of the county are continued for the ensuing budget year."

Page 6, delete lines 30 through 42, begin a new paragraph and insert:

"SECTION 6. IC 6-1.1-17-20, AS AMENDED BY P.L.137-2012, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 20. (a) This section applies to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body. For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include a public library or an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

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

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year. However, in the case of a public library that is subject to this section and is described in subdivision (2), the public library shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(e) The fiscal body of the city, town, or county (whichever applies)

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shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

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

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

SECTION 7. IC 6-1.1-17-20.3 IS REPEALED [EFFECTIVE JULY 1, 2013]. Sec. 20.3: (a) This section applies only to the governing body of a public library that:

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

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

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

(B) one (1).

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

(b) This section does not apply to an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

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

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

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year. However, the governing body shall submit its proposed budget and

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

(d) If subsection (c) does not apply, the governing body of the public library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

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

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

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

SECTION 8. IC 6-1.1-18-5, AS AMENDED BY P.L.137-2012, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given once in accordance with IC 5-3-1-2(b).

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

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

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

the political subdivision must report the additional appropriation to the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f),

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(g), (h), and (i) apply to the political subdivision.

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

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

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

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

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

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

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

- (1) be filed with the department of local government finance within fifteen (15) days of the receipt of the determination by the political subdivision; and
- (2) state with reasonable specificity the reason for the request.

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

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

(k) This subsection applies to a public library that:

- (1) is required to submit the public library's budgets, tax rates, and tax levies for nonbinding review under IC 6-1.1-17-3.5; and
- (2) is not required to submit the public library's budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20.

If a public library subject to this subsection proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or IC 6-1.1-17-20(d), as appropriate."

Page 7, delete lines 1 through 37.

Page 11, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 9. IC 6-1.1-18.5-8.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 8.1. If a township is allowed an increase in its maximum permissible ad valorem property tax levy under section 13(c) of this chapter for property taxes first due and payable in 2014, this section and not section 8 of this chapter applies for purposes of permitting the township to impose an ad valorem property tax levy above the limits imposed under section 3 of this chapter to pay back an emergency loan incurred under IC 36-6-6-14. The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a township under IC 36-6-6-14, limited to the following:**

- (1) For 2014, three-fourths (3/4) of the amount borrowed under IC 36-6-6-14 during 2013.
- (2) For 2015, one-third (1/3) of the amount borrowed under



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**IC 36-6-6-14 during 2014.**

**(3) For 2016, one-third (1/3) of the amount borrowed under IC 36-6-6-14 during 2015.**

**For purposes of computing the ad valorem property tax levy limit imposed on such a township under section 3 of this chapter, the township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 36-6-6-14."**

Page 19, line 20, after "2012" insert "**or 2013, but not both,**".

Page 19, line 24, delete "2012." and insert "**the year for which proof was submitted under subdivision (2).**".

Page 20, line 16, reset in roman "ten".

Page 20, line 16, delete "fifteen".

Page 20, line 17, reset in roman "(\$10,000,000)".

Page 20, line 17, delete "(\$15,000,000)".

Page 25, line 11, reset in roman "ten".

Page 25, line 11, delete "fifteen".

Page 25, line 12, reset in roman "(\$10,000,000)".

Page 25, line 12, delete "(\$15,000,000)".

Page 30, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 22. IC 6-1.1-22-9, AS AMENDED BY P.L.87-2009, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) Except as provided in subsection (b), the property taxes assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

(1) Subsection (c).

(2) Subsection (d).

(3) IC 6-1.1-7-7.

(4) Section 9.5 of this chapter.

(5) Section 9.7 of this chapter.

**(6) Section 9.9 of this chapter.**

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8.1 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

(d) If the county treasurer receives a copy of an appeal petition

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under IC 6-1.1-18.5-12(d) before the county treasurer mails or transmits statements under section 8.1 of this chapter, the county treasurer may:

(1) mail or transmit the statements without regard to the pendency of the appeal and, if the resolution of the appeal by the department of local government finance results in changes in levies, mail or transmit reconciling statements under subsection (e); or

(2) delay the mailing or transmission of statements under section 8.1 of this chapter so that:

(A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and

(B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local government finance.

(e) A reconciling statement under subsection (d)(1) must indicate:

(1) the total amount due for the year;

(2) the total amount of the installments paid that did not reflect the resolution of the appeal under IC 6-1.1-18.5-12(d) by the department of local government finance;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount that is payable by the taxpayer:

(A) as a final reconciliation of all amounts due for the year; and

(B) not later than:

(i) November 10; or

(ii) the date or dates established under section 9.5 of this chapter; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(f) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

(g) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability.

(h) This subsection applies only if a statement for payment of property taxes and special assessments by electronic mail is transmitted

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to a person under section 8.1(h) of this chapter. If a response to the transmission of electronic mail to a person indicates that the electronic mail was not received, the county treasurer shall mail to the person a hard copy of the statement in the manner required by section 8.1(a) of this chapter for persons who do not opt to receive statements by electronic mail. The due date for the property taxes and special assessments under a statement mailed to a person under this subsection is the due date indicated in the statement transmitted to the person by electronic mail.

(i) In a county in which an authorizing ordinance is adopted under section 8.1(h) of this chapter, a person may direct the county treasurer to transmit a reconciling statement under subsection (d)(1) by electronic mail under section 8.1(h) of this chapter.

SECTION 23. IC 6-1.1-22-9.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 9.9. If:**

- (1) the owner of the real property makes changes to the real property described in IC 6-1.1-5-15(a);**
- (2) the owner of the real property complies with IC 6-1.1-5-15(a) or IC 6-1.1-5-15(b), as applicable; and**
- (3) the assessing officials responsible for assessing the real property subsequently fail to make a correct assessment of the real property in one (1) or more years by failing to take the changes described in subdivision (1) into account;**

**when the assessing officials responsible for assessing the real property make a correct assessment of the real property after taking the changes described in subdivision (1) into account, the owner may pay the amount due for the property taxes attributable to these changes in the assessment over the same number of years that match the number of years that the assessing officials took to make the correct assessment."**

Page 33, line 30, after "period." insert **"In addition, if a township is allowed an increase in its maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-13(c) for property taxes first due and payable in 2014, the following apply:**

- (1) The legislative body may authorize the executive to borrow money under this section in 2014 through 2016, but not to exceed one-half (1/2) of the amount borrowed under this section for the immediately preceding year.**
- (2) The legislative body may not authorize the executive to borrow money under this section after 2016."**

Page 34, delete lines 28 through 42, begin a new paragraph and

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insert:

"SECTION 24. IC 36-7-14-13, AS AMENDED BY P.L.112-2012, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) Within thirty (30) days after the close of each calendar year, the redevelopment commissioners shall file with the unit's executive a report setting out their activities during the preceding calendar year.

(b) The report of the commissioners of a municipal redevelopment commission must show the names of the then qualified and acting commissioners, the names of the officers of that body, the number of regular employees and their fixed salaries or compensation, the amount of the expenditures made during the preceding year and their general purpose, an accounting of the tax increment revenues expended by any entity receiving the tax increment revenues as a grant or loan from the commission, the amount of funds on hand at the close of the calendar year, and other information necessary to disclose the activities of the commissioners and the results obtained.

(c) The report of the commissioners of a county redevelopment commission must show all the information required by subsection (b), plus the names of any commissioners appointed to or removed from office during the preceding calendar year.

(d) A copy of each report filed under this section must be submitted to the department of local government finance in an electronic format. ~~under IC 5-14-6.~~

**(e) Before August 1 each year, the redevelopment commissioners shall also submit a report to the fiscal body of the unit. The report must include the following information set forth for each tax increment financing district regarding the previous year:**

- (1) Revenues received.**
- (2) Expenses paid.**
- (3) Fund balances.**
- (4) The amount and maturity date for all outstanding obligations.**
- (5) The amount paid on outstanding obligations.**
- (6) A list of all the parcels included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list.**

**Before October 1 each year, the fiscal body shall compile the reports received for all the tax increment financing districts and submit a comprehensive report to the department of local government finance in the form required by the department of**

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**local government finance.**

SECTION 25. IC 36-7-15.1-36.3, AS ADDED BY P.L.112-2012, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 36.3. (a) Within thirty (30) days after the close of each calendar year, the commission shall file with the mayor a report setting out the commission's activities during the preceding calendar year.

(b) The report required by subsection (a) must show the names of the then qualified and acting commissioners, the names of the officers of that body, the number of regular employees and their fixed salaries or compensation, the amount of the expenditures made during the preceding year and their general purpose, an accounting of the tax increment revenues expended by any entity receiving the tax increment revenues as a grant or loan from the commission, the amount of funds on hand at the close of the calendar year, and other information necessary to disclose the activities of the commission and the results obtained.

(c) A copy of each report filed under this section must be submitted to the department of local government finance in an electronic format. ~~under IC 5-14-6.~~

**(d) Before August 1 each year, the commission shall also submit a report to the fiscal body. The report must include the following information set forth for each tax increment financing district regarding the previous year:**

- (1) Revenues received.**
- (2) Expenses paid.**
- (3) Fund balances.**
- (4) The amount and maturity date for all outstanding obligations.**
- (5) The amount paid on outstanding obligations.**
- (6) A list of all the parcels included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list.**

**Before October 1 each year, the fiscal body shall compile the reports received for all the tax increment financing districts and submit a comprehensive report to the department of local government finance in the form required by the department of local government finance.**

SECTION 26. IC 36-12-1-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 14. A public library with a governing body that is not comprised of a majority of officials who**



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**are elected to serve on the governing body must have the public library's proposed budget and property tax levy approved under IC 6-1.1-17-20 or IC 36-3-6-9 (as appropriate) by the appropriate fiscal or legislative body."**

Delete pages 35 through 41.

Page 42, delete lines 1 through 40.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1116 as reprinted February 22, 2013.)

HERSHMAN, Chairperson

Committee Vote: Yeas 7, Nays 3.

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