Reprinted
April 11, 2013

ENGROSSED
SENATE BILL No. 585

DIGEST OF SB 585 (Updated April 10, 2013 5:02 pm - DI 113)

Citations Affected: IC 2-5; IC 6-1.1; IC 8-22; IC 36-7.5; noncode.

Synopsis: State and local administration. Requires the joint study committee on transportation and infrastructure assessment and solutions to study the feasibility and economic impact of adding a second port to serve Lake Michigan. Removes an exception in current law concerning how the assessed value growth quotient is calculated for civil taxing units in Lake County, which is a factor in the calculation of a civil taxing unit's maximum property tax levy. Requires the department of local government finance to increase the maximum property tax levy of the city of Gary. Provides that the adjustment to the maximum property tax levy of the city of Gary applies to property taxes first due and payable after December 31, 2013. Decreases the maximum property tax levy of the Gary Sanitary District to zero.
(Continued next page)

Effective: Upon passage; July 1, 2013; September 1, 2013.

Charbonneau, Kenley, Rogers,
Landske, Randolph
(HOUSE SPONSORS — SOLIDAY, BROWN C, SLAGER)

January 15, 2013, read first time and referred to Committee on Public Policy.
February 14, 2013, amended, reported favorably — Do Pass. Pursuant to Senate Rule 68(b), reassigned to Committee on Tax and Fiscal Policy.
February 21, 2013, amended, reported favorably — Do Pass.
February 25, 2013, read second time, ordered engrossed. Engrossed.
February 26, 2013, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION
March 5, 2013, read first time and referred to Committee on Ways and Means.
April 8, 2013, amended, reported — Do Pass.
April 10, 2013, read second time, amended, ordered engrossed.

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Digest Continued

Provides that beginning with property taxes first due and payable after December 31, 2013, the district may not impose a property tax levy for its general fund. Terminates on September 1, 2013, the term of each existing member serving on the board of the Gary airport authority (GAA). Provides that the governor's appointment to the GAA board serves as the president of the GAA board. Requires that each person appointed to the board must have knowledge of and at least five years professional work experience in aviation management at an executive level, regional economic development, or business or finance. Provides that an appointee to the GAA board may not have, or be affiliated with an entity that has a significant contractual or business relationship with the airport authority. Provides that the GAA board is responsible for contracting with a certified public accountant (CPA) to perform an annual audit of the GAA, subject to approval of the CPA by the state board of accounts. Provides that the state board of accounts may at any time conduct an audit of any phase of the operations of the GAA. Requires the GAA board to submit an annual report of the board's activities to the budget agency and the legislative council. Provides that indebtedness of an airport authority under a loan contract: (1) may be paid from an airport authority cumulative building fund; and (2) may not be paid from a general operating fund tax. Requires the northwest Indiana regional development authority to study the issues of: (1) whether the statistical profile of injuries annually sustained by the population of northwestern Indiana justifies the placement of one or more trauma centers in northwestern Indiana; and (2) the feasibility of developing an academic medical center in northwestern Indiana. Urges the legislative council to assign to an interim study committee the topic of the responsibility of local units for providing governmental services to the Indiana ports.

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Reprinted
April 11, 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.

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ENGROSSED
SENATE BILL No. 585

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

SECTION 1. IC 2-5-28.5-4.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4.6. (a) In calendar year 2013, the committee shall study the feasibility and economic impact of adding a second port to serve Lake Michigan, including channels that are ordinarily navigable to Lake Michigan.**

(b) The legislative services agency shall furnish the committee's final report for calendar year 2013 to the budget committee in an electronic format promptly after the final report becomes available.

(c) This section expires June 30, 2014.

SECTION 2. IC 6-1.1-18.5-2, AS AMENDED BY P.L.1-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any

estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) ~~Subject to subsection (c),~~ For purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

~~(c) This subsection applies only to civil taxing units in Lake County. Notwithstanding any other provision, for property taxes first due and payable after December 31, 2007, the assessed value growth quotient used to determine a civil taxing unit's maximum permissible ad valorem property tax levy under this chapter for a particular calendar year is one (1) unless a tax rate of one percent (1%) will be in effect under IC 6-3.5-1.1-26 or IC 6-3.5-6-32 in Lake County for that calendar year.~~

SECTION 3. IC 6-1.1-18.5-22.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 22.5. (a) The department of local government finance shall increase the maximum permissible ad valorem property tax levy of the city of Gary by four million nine hundred forty-four thousand nine hundred thirty dollars ($4,944,930). The adjustment made to the maximum permissible ad valorem property tax levy of the city of Gary under this subsection shall apply to property taxes first due and payable after December 31, 2013.**

(b) The department of local government finance shall decrease the maximum permissible ad valorem property tax levy for the general fund of the Gary Sanitary District to zero dollars ($0), and beginning with property taxes first due and payable after December 31, 2013, the Gary Sanitary District may not impose an

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ad valorem property tax levy for its general fund.

(c) Notwithstanding the deadlines specified in IC 6-1.1-17 or in any other law concerning the adoption of budgets, tax rates, and tax levies, the department of local government finance and the proper officers of the city of Gary and the Gary Sanitary District may adjust tax rates and tax levies as necessary to account for the changes to maximum permissible ad valorem property tax levies made by this section.

SECTION 4. IC 8-22-3-4.3, AS ADDED BY P.L.134-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 2013]: Sec. 4.3. (a) This section applies only to the board of an airport authority that:

(1) is not located in a county containing a consolidated city;

(2) is established by a city; and

(3) has entered into a federal interstate compact.

(b) The board of an airport authority described in subsection (a) consists of members appointed as follows:

(1) Four (4) members appointed by the executive of the city in which the airport is located. Not more than two (2) members appointed under this subdivision may be members of the same political party.

(2) One (1) member appointed by the executive of the county in which the airport is located.

(3) One (1) member appointed by the executive of the county (other than the county in which the airport is located) that is closest geographically to the airport.

(4) One (1) member appointed by the governor.

(c) A member of the board holds office for four (4) years and until the member's successor is appointed and qualified.

(d) If a vacancy occurs in the board, the authority that appointed the member that vacated the board shall appoint an individual to serve for the remainder of the unexpired term.

(e) A board member may be reappointed to successive terms.

(f) A board member may be impeached under the procedure provided for the impeachment of county officers.

(g) The board member appointed under subsection (b)(4) serves as the president of the board.

(h) On September 1, 2013, the term of each member serving on the board of the airport authority originally established by the city of Gary is terminated. The appointing authorities required to make appointments to the board under this section shall make new appointments to the board as soon as possible after August 31,

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2013.

(i) Each person appointed by an appointing authority under subsection (b) must have knowledge of and at least five (5) years professional work experience in at least one (1) of the following:

(1) Aviation management at an executive level.

(2) Regional economic development.

(3) Business or finance.

(j) A person appointed by an appointing authority under subsection (b) may not personally have, or be employed by or have an ownership interest in an entity that has, a significant contractual or business relationship with the airport authority.

(k) The board of an airport authority described in subsection (a) shall contract with a certified public accountant for an annual financial audit of the airport authority. The certified public accountant may not be selected without review of the accountant's proposal and approval of the accountant by the state board of accounts. The certified public accountant may not have a significant financial interest, as determined by the board of the airport authority, in a project, facility, or service owned by, funded by, or leased by or to the airport authority. The certified public accountant shall present the annual financial audit not later than four (4) months after the end of the airport authority's fiscal year. The certified public accountant shall also perform a study and evaluation of the airport authority's internal accounting controls and shall express an opinion on the controls that were in effect during the audit period. The board of the airport authority shall pay the cost of the annual financial audit. In addition, the state board of accounts may at any time conduct an audit of any phase of the operations of the airport authority. The airport authority shall pay the cost of any audit by the state board of accounts.

(l) The board of the airport authority shall, not later than four (4) months after the end of the airport authority's fiscal year, submit an annual report of the board's activities for the preceding fiscal year to:

(1) the budget agency, for review by the budget committee; and

(2) the legislative council.

An annual report submitted under this section to the legislative council must be in an electronic format under IC 5-14-6. The annual report must set forth a complete operating and financial statement of the airport authority for the airport authority's preceding fiscal year.

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SECTION 5. IC 8-22-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 2013]: Sec. 9. (a) **Except as provided in section 4.3(g) of this chapter,** the board shall elect, at its first regular meeting to be conducted on the first July 1 or January 1 after appointment of the board members, and annually thereafter, one (1) of its members president, and another of its members vice president, who performs the duties of the president during the absence of or disability of the president. The board shall keep a suitable office at the airport where its maps, plans, documents, records, and accounts shall be kept, subject to public inspection at all reasonable times.

(b) The board shall provide by rule for regular meetings to be held not less than at monthly intervals throughout the year.

(c) The board shall convene in a special meeting when one is called. The president or a majority of the members of the board may call a special meeting. The board shall establish by rule a procedure for calling special meetings.

(d) Regular or special meetings shall be held at the office of the board or at another public place in any county where the board owns or operates an airport. The board may adjourn any regular or special meeting to a specific day designated at the time of adjournment, and that meeting is a continuation of the meeting so adjourned. This subsection does not apply to an authority that was established under IC 19-6-3 (before its repeal on April 1, 1980).

(e) A majority of the members of the board constitutes a quorum for a meeting. The board may act officially by an affirmative vote of a majority of those present at the meeting at which the action is taken.

(f) The board shall keep a written record of its proceedings, which shall be available for public inspection in the office of the board. The board shall record the aye and nay tally of the vote for each ordinance or resolution.

(g) The board shall adopt a system of rules of procedure under which its meetings are to be held. The board may suspend the rules of procedure by unanimous vote of the members of the board who are present at the meeting. The board may not suspend the rules of procedure beyond the duration of the meeting at which the suspension of rules occurs.

(h) The board may supervise its internal affairs as do local legislative and administrative bodies.

SECTION 6. IC 8-22-3-19, AS AMENDED BY P.L.61-2012, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 19. (a) Temporary loans may be made by the board in anticipation of the collection of taxes of the authority actually

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levied and in course of collection for the fiscal year in which the loans are made. The loans must be authorized by ordinance and evidenced by warrants in the form provided by the authorizing ordinance. The warrants must state the total amount of the issue, the denomination of the warrant, the time and place payable, the rate of interest, the funds in anticipation of which they are issued and out of which they are payable, and a reference to the ordinance authorizing them and the date of its adoption. The ordinance authorizing temporary loans must appropriate and pledge a sufficient amount of the current revenue in anticipation of which they are issued and out of which they are payable. The warrants evidencing the temporary loans must be executed, sold, and delivered as are bonds of the authority.

(b) The board may negotiate terms and borrow money from any source under a loan contract, subject to the following requirements:

(1) The loan contract must be approved by resolution of the board.

(2) The loan contract must provide for the repayment of the loan in not more than forty (40) years.

(3) **This subdivision applies only to loan contracts entered into under this subsection before July 1, 2013.** The loan contract must state that the indebtedness:

(A) is that of the authority;

(B) is payable solely from revenues of the authority that are derived from either airport operations or from revenue bonds; and

(C) may not be paid by a tax levied on property located within the district.

(4) This subdivision applies only to loan contracts entered into under this subsection after June 30, 2013. The loan contract must state that the indebtedness:

(A) is that of the authority;

(B) is payable solely from:

(i) a cumulative building fund established under section 25 of this chapter;

(ii) revenues of the authority that are derived from either airport operations or from revenue bonds; or

(iii) both items (i) and (ii); and

(C) may not be paid by a general operating fund tax levied on property located within the district.

~~(4)~~ **(5)** The loan contract must be submitted to the department of local government finance, which may approve, disapprove, or reduce the amount of the proposed loan contract. The department of local government finance must make a decision on the loan

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contract within thirty (30) days after it is submitted for review. The action taken by the department of local government finance on the proposed loan contract is final.

(c) Any loan contract issued under this chapter is issued for essential public and governmental purposes. A loan contract, the interest on it, the proceeds received by a holder from the sale of a loan contract to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation as provided in IC 6-8-5.

(d) After the board of an authority enters into a loan contract, the board may use funds received from state or federal grants to satisfy the repayment of part or all of the loan contract.

SECTION 7. IC 36-7.5-5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 5. Miscellaneous

Sec. 1. (a) The development authority shall investigate and study the following:

(1) Whether the statistical profile of injuries annually sustained by the population of northwestern Indiana justifies the placement of one (1) or more trauma centers in northwestern Indiana and, if so, what the appropriate levels of the trauma centers should be to care for those injuries, in terms of the trauma center rating system of the American College of Surgeons.

(2) The feasibility of developing an academic medical center in northwestern Indiana.

(b) The development authority shall report its findings to the budget committee and the health finance commission not later than November 1, 2014.

(c) This section expires June 30, 2015.

SECTION 8. [EFFECTIVE JULY 1, 2013] **(a) The general assembly urges the legislative council to assign for interim study in 2013 the topic of the responsibility of local units for providing fire protection, police protection, and other governmental services to the Indiana ports.**

(b) This SECTION expires January 1, 2014.

SECTION 9. [EFFECTIVE UPON PASSAGE] **(a) IC 6-1.1-18.5-2, as amended by this act, applies to maximum permissible ad valorem property tax levy determinations made after 2013.**

(b) This SECTION expires January 1, 2017.

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1 SECTION 10. **An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 585, 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 1, delete lines 1 through 17.

Delete pages 2 through 25.

Page 26, delete lines 1 through 39.

Page 26, line 42, delete "JULY 1, 2013]:" and insert "JANUARY 1, 2013 (RETROACTIVE)]:".

Page 27, line 7, delete "2013." and insert "**2012.**".

Page 27, line 12, delete "2013," and insert "**2012,**".

Page 27, between lines 13 and 14, begin a new paragraph and insert:

"**(c) Notwithstanding the deadlines specified in IC 6-1.1-17 or in any other law concerning the adoption of budgets, tax rates, and tax levies, the department of local government finance and the proper officers of the city of Gary and the Gary Sanitary District may adjust tax rates and tax levies as necessary to account for the changes to maximum permissible ad valorem property tax levies made by this section.**".

Page 27, delete lines 23 through 42, begin a new paragraph and insert:

"SECTION 3. IC 8-22-3-4.3, AS ADDED BY P.L.134-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 2013]: Sec. 4.3. (a) This section applies only to the board of an airport authority that:

(1) is not located in a county containing a consolidated city;

(2) is established by a city; and

(3) has entered into a federal interstate compact.

(b) The board of an airport authority described in subsection (a) consists of members appointed as follows:

(1) Four (4) members:

(A) appointed by the executive of the city in which the airport is located; **and**

(B) approved by the governor.

Not more than two (2) members appointed under this subdivision may be members of the same political party.

(2) One (1) member:

(A) appointed by the executive of the county in which the airport is located; **and**

(B) approved by the governor.

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(3) One (1) member:

(A) appointed by the executive of the county (other than the county in which the airport is located) that is closest geographically to the airport; **and**

(B) approved by the governor.

(4) One (1) member appointed by the governor.

(c) A member of the board holds office for four (4) years and until the member's successor is appointed and qualified.

(d) If a vacancy occurs in the board, the authority that appointed the member that vacated the board shall appoint an individual to serve for the remainder of the unexpired term.

(e) A board member may be reappointed to successive terms.

(f) A board member may be impeached under the procedure provided for the impeachment of county officers.

(g) On September 1, 2013, the term of each member serving on the board of the airport authority originally established by the city of Gary is terminated. The appointing authorities required to make appointments to the board under this section shall make new appointments to the board as soon as possible after August 31, 2013.

(h) Each person appointed by an appointing authority under subsection (b)(1), (b)(2), or (b)(3) must be approved by the governor before the person may serve as a member of the board.

(i) Each person appointed by an appointing authority under subsection (b) must have knowledge of and at least five (5) years professional work experience in at least one (1) of the following:

(1) Aviation.

(2) Regional economic development.

(3) Business or finance.

(j) The Indiana finance authority shall contract with a certified public accountant for an annual financial audit of the airport authority. The certified public accountant may not have a significant financial interest, as determined by the Indiana finance authority, in a project, facility, or service owned by, funded by, or leased by or to the airport authority. The certified public accountant shall present the annual financial audit not later than four (4) months after the end of the airport authority's fiscal year. The certified public accountant shall also perform a study and evaluation of the airport authority's internal accounting controls and shall express an opinion on the controls that were in effect during the audit period. The board of the airport authority shall pay the cost of the annual financial audit. In addition, the state

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board of accounts may at any time conduct an audit of any phase of the operations of the airport authority. The airport authority shall pay the cost of any audit by the state board of accounts.

(k) The board of the airport authority shall, not later than four (4) months after the end of the airport authority's fiscal year, submit an annual report of the board's activities for the preceding fiscal year to:

(1) the budget agency, for review by the budget committee; and

(2) the legislative council.

An annual report submitted under this section to the legislative council must be in an electronic format under IC 5-14-6. The annual report must set forth a complete operating and financial statement of the airport authority for the airport authority's preceding fiscal year.".

Delete pages 28 through 29.

Page 30, delete lines 1 through 24.

Page 30, line 29, after "center" insert "**and academic medical center**".

Page 30, after line 32, begin a new paragraph and insert:

"SECTION 5. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 585 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 9, Nays 0.

Report of the President
Pro Tempore

Madam President: Pursuant to Senate Rule 68(b), I hereby report that, subsequent to the adoption of the Public Policy Committee Report on February 14, 2013, Senate Bill 585 was reassigned to the Committee on Tax and Fiscal Policy.

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 585, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-18.5-2, AS AMENDED BY P.L.1-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) Subject to subsection (c), for purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

(c) This subsection applies only to civil taxing units in Lake County. Notwithstanding any other provision, for property taxes first due and payable after December 31, ~~2007,~~ **2013,** the assessed value growth quotient used to determine a civil taxing unit's maximum permissible ad valorem property tax levy under this chapter for a particular calendar year is one (1) unless a **total aggregate** tax rate of one percent (1%) will be in effect under ~~IC 6-3.5-1.1-26 or IC 6-3.5-6-32~~ **any combination of IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7** in Lake County for that calendar year.".

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Page 2, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 3. IC 6-3.5-1.1-3.1, AS AMENDED BY P.L.137-2012, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3.1. (a) **Except as provided in section 27 of this chapter,** the county council may decrease the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To decrease the rate, the county council must adopt an ordinance. The ordinance must substantially state the following:

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

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

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

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

(e) This subsection applies only to LaPorte County. The county council may adopt or increase the county economic development income tax rate under IC 6-3.5-7 in the same year that the county council decreases the county adjusted gross income tax rate if the county economic development income tax rate plus the county adjusted gross income tax rate in effect after the county council decreases the county adjusted gross income tax rate is less than the county adjusted gross income tax rate in effect before the adoption of an ordinance under this section decreasing the rate of the county adjusted gross income tax.

SECTION 4. IC 6-3.5-1.1-4, AS AMENDED BY P.L.137-2012, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) The county adjusted gross income tax

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imposed by a county council under this chapter remains in effect until rescinded.

(b) Except as provided in subsection (d) **and section 27 of this chapter,** the county council may rescind the county adjusted gross income tax by adopting an ordinance to rescind the tax.

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

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

SECTION 5. IC 6-3.5-1.1-24, AS AMENDED BY P.L.137-2012, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 24. (a) **Except as provided in section 27 of this chapter,** in a county in which the county adjusted gross income tax is in effect, the county council may adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

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

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

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

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

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

(2) The tax rate that must be imposed in the county in the first year is equal to the result of:

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

(B) two (2).

However, notwithstanding clauses (A) and (B) or subdivision (3), if a tax rate is imposed in Lake County under this section, the tax rate that must be imposed is equal to the tax rate determined for the county under IC 6-3.5-1.5-1(a).

(3) The tax rate that must be imposed in the county in the second year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c), IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

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

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

(2) The tax rate that must be imposed in the county is equal to the result of:

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

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

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

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

(g) The department of local government finance shall determine the

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following property tax replacement distribution amounts:

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

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

(1) the quotient of:

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

(B) the STEP ONE amount; multiplied by

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

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

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

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

STEP FOUR: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county children's psychiatric residential treatment services fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

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

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

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

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Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 15 of this chapter.

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

(i) **Except as provided in section 27 of this chapter,** the tax rate under this section shall not be considered for purposes of computing:

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

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

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

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

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

(m) **This subsection does not apply to Lake County.** In the year following the year in a which a county first imposes a tax rate under this section, one-half (1/2) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o).

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

(o) **This subsection does not apply to Lake County.** A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section,

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

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

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

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

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

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

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

SECTION 6. IC 6-3.5-1.1-25, AS AMENDED BY P.L.132-2012, SECTION 3, AND AS AMENDED BY P.L.137-2012, SECTION 72, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 25. (a) As used in this section, "public safety" refers to the following:

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

(2) A firefighting and fire prevention system.

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

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

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

(6) A probation department of a court.

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

(A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person

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or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);

(B) convicted of a crime; or

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

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

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

(10) A county jail.

(11) A communications system (as defined in IC 36-8-15-3), ~~or~~ an enhanced emergency telephone system (as defined in IC 36-8-16-2 *(before its repeal on July 1, 2012)), or the statewide 911 system (as defined in IC 36-8-16.7-22).*

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

(13) Pension payments for any of the following:

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

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

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

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

(b) If a county council has imposed a tax rate of at least twenty-five hundredths of one percent (0.25%) under section 24 of this chapter, a tax rate of at least twenty-five hundredths of one percent (0.25%) under section 26 of this chapter, or a total combined tax rate of at least twenty-five hundredths of one percent (0.25%) under sections 24 and 26 of this chapter, the county council may also adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety.

(c) A tax rate under this section may not exceed twenty-five hundredths of one percent (0.25%).

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

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certified mail *or in an electronic format approved by the director of the budget agency.*

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

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

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

(2) a fraction equal to:

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

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

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

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

(h) **Except as provided in section 27 of this chapter,** the tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

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

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

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

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(i) **Except as provided in section 27 of this chapter,** the tax rate under this section may be imposed or rescinded at the same time and in the same manner that the county may impose or increase a tax rate under section 24 of this chapter.

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

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

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

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

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

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

SECTION 7. IC 6-3.5-1.1-26, AS AMENDED BY P.L.137-2012, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 26. (a) A county council may impose a tax rate under this section to provide property tax relief to taxpayers in the county. A county council is not required to impose any other tax before imposing a tax rate under this section.

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

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

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

(e) **Except as provided in section 27 of this chapter,** a tax rate under this section may be imposed, increased, decreased, or rescinded by a county council at the same time and in the same manner that the county council may impose or increase a tax rate under section 24 of this chapter.

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

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

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

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

(2) The tax revenue may be used to uniformly provide the homestead credit percentage in the county. The homestead credits

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shall be treated for all purposes as property tax levies. The homestead credits do not reduce the basis for determining any state homestead credit. The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The county auditor shall determine the homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide homestead credits in that year.

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

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

(A) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.

(B) To provide local property tax replacement credits in Lake County in the following manner:

(i) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality.

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

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county.

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

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

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

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

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

(g) **Except as provided in section 27 of this chapter,** the tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

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

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

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

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies. To the extent the county

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auditor determines that there is income tax revenue remaining from the tax under this section after providing the property tax replacement credits, the excess shall be credited to a dedicated county account and may be used only for property tax replacement credits under this section in subsequent years.

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

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

SECTION 8. IC 6-3.5-1.1-27 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 27. (a) Notwithstanding any other law, if the county adjusted gross income tax (including any county adjusted gross income tax rate imposed under section 24, 25, or 26 of this chapter) is imposed in Lake County, the initial total county adjusted gross income tax rate imposed under this chapter may not be increased, decreased, or rescinded.**

(b) Notwithstanding any other law, the total county adjusted gross income tax rate (including any county adjusted gross income tax rate imposed under section 24, 25, or 26 of this chapter) imposed in Lake County plus the total county economic development income tax rate imposed in Lake County under IC 6-3.5-7 may not exceed one percent (1%).

SECTION 9. IC 6-3.5-6-2, AS AMENDED BY P.L.77-2011, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) A county income tax council is established for each county in Indiana. The membership of each county's county income tax council consists of the fiscal body of the county and the fiscal body of each city or town that lies either partially or entirely within that county.

(b) Using procedures described in this chapter, a county income tax council may, **except as provided in section 34 of this chapter,** adopt ordinances to:

(1) impose the county option income tax in its county;

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(2) subject to section 12 of this chapter, rescind the county option income tax in its county;
(3) increase the county option income tax rate for the county;
(4) freeze the county option income tax rate for its county;
(5) increase the homestead credit in its county; or
(6) subject to section 12.5 of this chapter, decrease the county option income tax rate for the county.

SECTION 10. IC 6-3.5-6-8, AS AMENDED BY P.L.137-2012, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) The county income tax council of any county in which the county adjusted gross income tax will not be in effect on December 1 of a year under an ordinance adopted during a previous calendar year may impose the county option income tax on the adjusted gross income of county taxpayers of its county.

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

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

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

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

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

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under this section and, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner

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of the department, the director of the budget agency, and the commissioner of the department of local government finance by certified mail or in an electronic format approved by the director of the budget agency.

(g) If the county option income tax is imposed in Lake County, the total county option income tax rate (including any county option income tax rate imposed under section 30, 31, or 32 of this chapter) may initially be imposed at any rate that does not exceed seventy-five hundredths percent (0.75%). As provided in section 34 of this chapter, if the county option income tax (including any county option income tax rate imposed under section 30, 31, or 32 of this chapter) is imposed in Lake County, the initial total county option income tax rate imposed under this chapter may not be increased, decreased, or rescinded.

SECTION 11. IC 6-3.5-6-9, AS AMENDED BY P.L.137-2012, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) **This section does not apply to Lake County.** If on January 1 of a calendar year the county option income tax rate in effect for resident county taxpayers equals six tenths of one percent (0.6%), excluding a tax rate imposed under section 30, 31, or 32 of this chapter, the county income tax council of that county may pass an ordinance to increase its tax rate for resident county taxpayers. If a county income tax council passes an ordinance under this section, its county option income tax rate for resident county taxpayers increases by one-tenth of one percent (0.1%) in the year in which the ordinance is adopted, as provided in section 1.5 of this chapter, and on each succeeding October 1 until its rate reaches a maximum of one percent (1%), excluding a tax rate imposed under section 30, 31, or 32 of this chapter.

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

SECTION 12. IC 6-3.5-6-11, AS AMENDED BY P.L.137-2012, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. (a) This section does not apply to a tax rate imposed under section 30 of this chapter. **This section does not apply to Lake County.**

(b) The county income tax council of any county may adopt an

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ordinance to permanently freeze the county option income tax rates at the rate in effect for its county on December 1 of a year.

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

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

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

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

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

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

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

SECTION 13. IC 6-3.5-6-12, AS AMENDED BY P.L.137-2012, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. (a) The county option income tax imposed by a county income tax council under this chapter remains in effect until rescinded.

(b) Subject to subsection (c) **and except as provided in section 34 of this chapter,** the county income tax council of a county may rescind the county option income tax by passing an ordinance.

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

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

SECTION 14. IC 6-3.5-6-12.5, AS AMENDED BY P.L.137-2012, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12.5. (a) **Except as provided in section 34 of this chapter,** the county income tax council may adopt an ordinance to decrease the county option income tax rate in effect.

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

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

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

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

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

SECTION 15. IC 6-3.5-6-13, AS AMENDED BY P.L.77-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) A county income tax council of a county in which the county option income tax is in effect may adopt an ordinance to provide a homestead credit for homesteads in its county.

(b) A county income tax council may not provide a homestead credit percentage that exceeds the amount determined in the last STEP of the following formula:

STEP ONE: Determine the amount of the sum of all property tax

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levies for all taxing units in a county which are to be paid in the county in 2003 as reflected by the auditor's abstract for the 2002 assessment year, adjusted, however, for any postabstract adjustments which change the amount of the levies.

STEP TWO: Determine the amount of the county's estimated property tax replacement under IC 6-1.1-21-3(a) (before its repeal) for property taxes first due and payable in 2003.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the amount of the county's total county levy (as defined in IC 6-1.1-21-2(g) before its repeal) for property taxes first due and payable in 2003.

STEP FIVE: Subtract the STEP FOUR amount from the STEP ONE amount.

STEP SIX: Subtract the STEP FIVE result from the STEP THREE result.

STEP SEVEN: Divide the STEP THREE result by the STEP SIX result.

STEP EIGHT: Multiply the STEP SEVEN result by eight-hundredths (0.08).

STEP NINE: Round the STEP EIGHT product to the nearest one-thousandth (0.001) and express the result as a percentage.

(c) The homestead credit percentage must be uniform for all homesteads in a county.

(d) In the ordinance that establishes the homestead credit percentage, a county income tax council may, **except as provided in section 34 of this chapter,** provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) Any ordinance adopted under this section for a county is repealed for a year if on January 1 of that year the county option income tax is not in effect.

SECTION 16. IC 6-3.5-6-30, AS AMENDED BY P.L.137-2012, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 30. (a) **Except as provided in section 34 of this chapter,** in a county in which the county option income tax is in effect, the county income tax council may adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

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

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

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

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

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

(2) The tax rate that must be imposed in the county in the first year is equal to the result of:

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

(B) the following:

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

(ii) In a county other than a county containing a consolidated city, two (2).

However, notwithstanding clauses (A) and (B) or subdivision (3), if a tax rate is imposed in Lake County under this section, the tax rate that must be imposed is equal to the tax rate determined for the county under IC 6-3.5-1.5-1(a).

(3) The tax rate that must be imposed in the county in the second year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(b), IC 6-1.1-18.5-3(c), IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

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

(1) The county income tax council shall, in the ordinance

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increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county is equal to the result of:

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

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

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

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

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

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

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

(1) the quotient of:

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

(B) the STEP ONE amount; multiplied by

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

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

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

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

STEP FOUR: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county children's psychiatric residential treatment services fund before 2009, determine the result of:

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(1) the quotient of:
(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by
(B) the STEP ONE amount; multiplied by
(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:
(1) the quotient of:
(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by
(B) the STEP ONE amount; multiplied by
(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 18 of this chapter.

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

(i) **Except as provided in section 34 of this chapter,** the tax rate under this section shall not be considered for purposes of computing:
(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or
(2) the maximum permissible property tax levy under IC 6-1.1-18.5-3.

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

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

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

(m) **This subsection does not apply to Lake County.** In the year following the year in which a county first imposes a tax rate under this section:

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

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

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

(o) **This subsection does not apply to Lake County.** A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

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

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

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

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

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

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

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

SECTION 17. IC 6-3.5-6-31, AS AMENDED BY P.L.132-2012, SECTION 4, AND AS AMENDED BY P.L.137-2012, SECTION 86, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 31. (a) As used in this section, "public safety" refers to the following:

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

(2) A firefighting and fire prevention system.

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

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

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

(6) A probation department of a court.

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

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

(B) convicted of a crime; or

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

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

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

(10) A county jail.

(11) A communications system (as defined in IC 36-8-15-3), ~~or~~ an enhanced emergency telephone system (as defined in IC 36-8-16-2 *(before its repeal on July 1, 2012)), or the statewide 911 system (as defined in IC 36-8-16.7-22).*

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

(13) Pension payments for any of the following:

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

(B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under

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IC 36-8-4-6.5, or any other employee hired by a police department.

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

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

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

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

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

(c) A tax rate under this section may not exceed the following:

(1) Five-tenths of one percent (0.5%), in the case of a county containing a consolidated city.

(2) Twenty-five hundredths of one percent (0.25%), in the case of a county other than a county containing a consolidated city.

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

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

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

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

(2) a fraction equal to:

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

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

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

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

(h) **Except as provided in section 34 of this chapter,** the tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

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

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

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

(i) **Except as provided in section 34 of this chapter,** the tax rate under this section may be imposed or rescinded at the same time and in the same manner that the county may impose or increase a tax rate under section 30 of this chapter.

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

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

(l) Two (2) or more political subdivisions that are entitled to receive a distribution under this section may adopt resolutions providing that

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some part or all of those distributions shall instead be paid to one (1) political subdivision in the county to carry out specific public safety purposes specified in the resolutions.

(m) A fire department, volunteer fire department, or emergency medical services provider that:

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

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

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

SECTION 18. IC 6-3.5-6-32, AS AMENDED BY P.L.137-2012, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 32. (a) A county income tax council may impose a tax rate under this section to provide property tax relief to taxpayers in the county. A county income tax council is not required to impose any other tax before imposing a tax rate under this section.

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

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

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

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finance by certified mail or in an electronic format approved by the director of the budget agency.

(e) **Except as provided in section 34 of this chapter,** a tax rate under this section may be imposed, increased, decreased, or rescinded at the same time and in the same manner that the county income tax council may impose or increase a tax rate under section 30 of this chapter.

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

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

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

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

(2) The tax revenue may be used to uniformly increase (before January 1, 2011) or uniformly provide (after December 31, 2010) the homestead credit percentage in the county. The homestead credits shall be treated for all purposes as property tax levies. The homestead credits do not reduce the basis for determining any state homestead credit. The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The county auditor shall determine the homestead credit percentage

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for a particular year based on the amount of tax revenue that will be used under this subdivision to provide homestead credits in that year.

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

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

(A) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.

(B) To provide local property tax replacement credits in Lake County in the following manner:

(i) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality.

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

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

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

(ii) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax replacement credits against property tax levies of the county and each township

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and municipality in the county. The percentage of the tax revenue distributed under this item that shall be used as credits against the county's levies or against a particular township's or municipality's levies is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

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

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

(g) **Except as provided in section 34 of this chapter,** the tax rate under this section shall not be considered for purposes of computing:

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

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

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

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

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

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

SECTION 19. IC 6-3.5-6-34 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 34. (a) Notwithstanding any other law, if the county option income tax (including any county option income tax rate imposed under section 30, 31, or 32 of this chapter) is imposed in Lake County, the initial total county option income tax rate imposed under this chapter may not be increased, decreased, or rescinded.**

(b) Notwithstanding any other law, the total county option income tax rate (including any county option income tax rate imposed under section 30, 31, or 32 of this chapter) imposed in Lake County plus the total county economic development income tax rate imposed in Lake County under IC 6-3.5-7 may not exceed one percent (1%).

SECTION 20. IC 6-3.5-7-4.9, AS ADDED BY P.L.113-2010, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.9. (a) Notwithstanding any other provision of this chapter **(except as provided in section 29 of this chapter),** a power granted by this chapter to adopt an ordinance to:

(1) impose, increase, decrease, or rescind a tax or tax rate; or

(2) grant, increase, decrease, rescind, or change a homestead credit or property tax replacement credit authorized under this chapter;

may be exercised at any time in a year before November 1 of that year.

(b) Notwithstanding any other provision of this chapter, an ordinance authorized by this chapter that imposes or increases a tax or a tax rate takes effect as follows:

(1) An ordinance adopted after December 31 of the immediately preceding year and before October 1 of the current year takes effect October 1 of the current year.

(2) An ordinance adopted after September 30 and before October 16 of the current year takes effect November 1 of the current year.

(3) An ordinance adopted after October 15 and before November 1 of the current year takes effect December 1 of the current year.

(c) Notwithstanding any other provision of this chapter, an ordinance authorized by this chapter that decreases or rescinds a tax or a tax rate takes effect as follows:

(1) An ordinance adopted after December 31 of the immediately preceding year and before October 1 of the current year takes

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effect on the later of October 1 of the current year or the first day of the month in the current year as the month in which the last increase in the tax or tax rate occurred.

(2) An ordinance adopted after September 30 and before October 16 of the current year takes effect on the later of November 1 of the current year or the first day of the month in the current year as the month in which the last increase in the tax or tax rate occurred.

(3) An ordinance adopted after October 15 and before November 1 of the current year takes effect December 1 of the current year.

(d) Notwithstanding any other provision of this chapter, an ordinance authorized by this chapter that grants, increases, decreases, rescinds, or changes a homestead credit or property tax replacement credit authorized under this chapter takes effect for and applies to property taxes first due and payable in the year immediately following the year in which the ordinance is adopted.

SECTION 21. IC 6-3.5-7-5, AS AMENDED BY P.L.137-2012, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on October 1 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on October 1 of the year the county economic development tax is imposed; or

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

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

(b) Except as provided in this section and section 28 of this chapter, the county economic development income tax may be imposed at a rate of:

(1) one-tenth percent (0.1%);

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

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

(4) three-tenths percent (0.3%);

(5) thirty-five hundredths percent (0.35%);

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(6) four-tenths percent (0.4%);
(7) forty-five hundredths percent (0.45%); or
(8) five-tenths percent (0.5%);
on the adjusted gross income of county taxpayers.

(c) Except as provided in this section **and section 29 of this chapter,** the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in this section **and section 29 of this chapter,** the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) **Except as provided in section 29 of this chapter,** to impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must adopt an ordinance.

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

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

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

(g) For Jackson County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(h) For Pulaski County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(i) For Wayne County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not

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

(j) This subsection applies to Randolph County. Except as provided in subsection (o), in addition to the rates permitted under subsection (b):

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

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

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

(k) For Daviess County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(l) For:

(1) Elkhart County; or

(2) Marshall County;

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

(m) For Union County, except as provided in subsection (o), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) This subsection applies to Knox County. Except as provided in subsection (o), in addition to the rates permitted under subsection (b):

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

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

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

(o) **Except as provided in section 29 of this chapter,** in addition:

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(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

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

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

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(q) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (o) **and section 29 of this chapter,** in addition to the rates permitted by subsection (b), the:

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

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(r) Except as provided in subsection (o) **and section 29 of this chapter,** the county economic development income tax rate plus the

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county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

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

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

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

(v) **Except as provided in section 29 of this chapter,** an additional county economic development income tax rate imposed under section 28 of this chapter may not be considered in calculating any limit under this section on the sum of:

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

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

(w) **Except as provided in section 29 of this chapter,** the income tax rate limits imposed by subsection (c) or (x) or any other provision of this chapter do not apply to:

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

(2) a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

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

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

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

(z) This subsection applies to Starke County. Except as provided in subsection (o), if an ordinance is adopted under section 27.6 of this chapter, the county economic development income tax rate plus the county adjusted gross income tax rate that is in effect on January 1 of a year may not exceed two percent (2%).

SECTION 22. IC 6-3.5-7-6, AS AMENDED BY P.L.137-2012, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) **Except as provided in section 29 of this chapter,** the body imposing the tax may decrease or increase the county economic development income tax rate imposed upon the county taxpayers as long as the resulting rate does not exceed the rates specified in section 5(b) and 5(c) of this chapter. The rate imposed under this section must be adopted at one (1) of the rates specified in section 5(b) of this chapter. To decrease or increase the rate, the appropriate body must adopt an ordinance. The ordinance must substantially state the following:

> "The _____ County _____ increases (decreases) the county economic development income tax rate imposed upon the county taxpayers of the county from _____ percent (___%) to _____ percent (___%).".

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

SECTION 23. IC 6-3.5-7-7, AS AMENDED BY P.L.137-2012, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) **Except as provided in section 29 of this chapter,** the county economic development income tax imposed under this chapter remains in effect until rescinded.

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

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

SECTION 24. IC 6-3.5-7-29 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 29. (a) Notwithstanding any other law, if the county economic development income tax is imposed in Lake County, the initial total county economic development income tax rate imposed under this chapter may not be increased, decreased, or rescinded.**

(b) Notwithstanding any other law, the total county economic development income tax rate imposed in Lake County under this chapter plus:

(1) the total county adjusted gross income tax rate imposed in Lake County under IC 6-3.5-1.1 (including any county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26); or

(2) the total county option income tax rate imposed in Lake County under IC 6-3.5-6 (including any county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32);

may not exceed one percent (1%).".

Page 3, line 22, delete "Indiana finance authority" and insert "**office of management and budget**".

Page 3, line 25, delete "Indiana finance" and insert "**office of management and budget,**".

Page 3, line 26, delete "authority,".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 585 as printed February 15, 2013.)

HERSHMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

C o p y

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 585, 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:

Replace the effective date in SECTION 2 with "[EFFECTIVE JULY 1, 2013]".

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 2-5-28.5-4.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4.6. (a) In calendar year 2013, the committee shall study the feasibility and economic impact of adding a second port to serve Lake Michigan, including channels that are ordinarily navigable to Lake Michigan.**

(b) The legislative services agency shall furnish the committee's final report for calendar year 2013 to the budget committee in an electronic format promptly after the final report becomes available.

(c) This section expires June 30, 2014.".

Page 2, delete lines 1 through 17.

Page 2, line 27, delete "2012." and insert "**2013.**".

Page 2, line 32, delete "2012," and insert "**2013,**".

Page 2, delete lines 41 through 42.

Delete pages 3 through 38.

Page 39, delete lines 1 through 34.

Page 40, line 38, delete "Aviation." and insert "**Aviation management at an executive level.**".

Page 40, delete lines 41 through 42, begin a new paragraph and insert:

"**(j) A person appointed by an appointing authority under subsection (b) may not personally have, or be employed by or have an ownership interest in an entity that has, a significant contractual or business relationship with the airport authority.**

(k) The board of an airport authority described in subsection (a) shall contract with a certified public accountant for an annual financial audit of the airport authority. The certified public accountant may not be selected without review of the accountant's proposal and approval of the accountant by the state board of accounts. The certified public accountant may not have a significant financial interest, as determined by the board of the airport authority, in a project, facility, or service owned by, funded by, or leased by or to the airport authority. The certified public

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accountant shall present the annual financial audit not later than four (4) months after the end of the airport authority's fiscal year. The certified public accountant shall also perform a study and evaluation of the airport authority's internal accounting controls and shall express an opinion on the controls that were in effect during the audit period. The board of the airport authority shall pay the cost of the annual financial audit. In addition, the state board of accounts may at any time conduct an audit of any phase of the operations of the airport authority. The airport authority shall pay the cost of any audit by the state board of accounts.".

Page 41, delete lines 1 through 15.

Page 41, line 16, delete "(k)" and insert "**(l)**".

Page 41, delete lines 28 through 35, begin a new paragraph and insert:

"SECTION 4. IC 36-7.5-5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 5. Miscellaneous

Sec. 1. (a) The development authority shall investigate and study the following:

(1) Whether the statistical profile of injuries annually sustained by the population of northwestern Indiana justifies the placement of one (1) or more trauma centers in northwestern Indiana and, if so, what the appropriate levels of the trauma centers should be to care for those injuries, in terms of the trauma center rating system of the American College of Surgeons.

(2) The options for offering a medical school program for third and fourth year medical students in northwestern Indiana.

(b) The development authority shall report its findings to the budget committee not later than November 1, 2014.

(c) This section expires June 30, 2015.

SECTION 5. [EFFECTIVE JULY 1, 2013] **(a) The general assembly urges the legislative council to assign for interim study in 2013 the topic of the responsibility of local units for providing fire protection, police protection, and other governmental services to the Indiana ports.**

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(b) This SECTION expires January 1, 2014.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 585 as printed February 22, 2013.)

BROWN T, Chair

Committee Vote: yeas 20, nays 3.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 585 be amended to read as follows:

Page 2, delete lines 18 through 42, begin a new paragraph and insert:

"SECTION 3. IC 8-22-3-4.3, AS ADDED BY P.L.134-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 2013]: Sec. 4.3. (a) This section applies only to the board of an airport authority that:

(1) is not located in a county containing a consolidated city;

(2) is established by a city; and

(3) has entered into a federal interstate compact.

(b) The board of an airport authority described in subsection (a) consists of members appointed as follows:

(1) Four (4) members appointed by the executive of the city in which the airport is located. Not more than two (2) members appointed under this subdivision may be members of the same political party.

(2) One (1) member appointed by the executive of the county in which the airport is located.

(3) One (1) member appointed by the executive of the county (other than the county in which the airport is located) that is closest geographically to the airport.

(4) One (1) member appointed by the governor.

(c) A member of the board holds office for four (4) years and until the member's successor is appointed and qualified.

(d) If a vacancy occurs in the board, the authority that appointed the member that vacated the board shall appoint an individual to serve for the remainder of the unexpired term.

(e) A board member may be reappointed to successive terms.

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(f) A board member may be impeached under the procedure provided for the impeachment of county officers.

(g) On September 1, 2013, the term of each member serving on the board of the airport authority originally established by the city of Gary is terminated. The appointing authorities required to make appointments to the board under this section shall make new appointments to the board as soon as possible after August 31, 2013.

(h) Each person appointed by an appointing authority under subsection (b) must have knowledge of and at least five (5) years professional work experience in at least one (1) of the following:

(1) Aviation management at an executive level.

(2) Regional economic development.

(3) Business or finance.

(i) A person appointed by an appointing authority under subsection (b) may not personally have, or be employed by or have an ownership interest in an entity that has, a significant contractual or business relationship with the airport authority.

(j) The board of an airport authority described in subsection (a) shall contract with a certified public accountant for an annual financial audit of the airport authority. The certified public accountant may not be selected without review of the accountant's proposal and approval of the accountant by the state board of accounts. The certified public accountant may not have a significant financial interest, as determined by the board of the airport authority, in a project, facility, or service owned by, funded by, or leased by or to the airport authority. The certified public accountant shall present the annual financial audit not later than four (4) months after the end of the airport authority's fiscal year. The certified public accountant shall also perform a study and evaluation of the airport authority's internal accounting controls and shall express an opinion on the controls that were in effect during the audit period. The board of the airport authority shall pay the cost of the annual financial audit. In addition, the state board of accounts may at any time conduct an audit of any phase of the operations of the airport authority. The airport authority shall pay the cost of any audit by the state board of accounts.

(k) The board of the airport authority shall, not later than four (4) months after the end of the airport authority's fiscal year, submit an annual report of the board's activities for the preceding fiscal year to:

(1) the budget agency, for review by the budget committee;

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and

(2) the legislative council.

An annual report submitted under this section to the legislative council must be in an electronic format under IC 5-14-6. The annual report must set forth a complete operating and financial statement of the airport authority for the airport authority's preceding fiscal year.".

Delete page 3.

Page 4, delete lines 1 through 16.

Renumber all SECTIONS consecutively.

(Reference is to ESB 585 as printed April 8, 2013.)

SOLIDAY

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 585 be amended to read as follows:

Page 3, between lines 8 and 9, begin a new paragraph and insert:

"**(g) The board member appointed under subsection (b)(4) serves as the president of the board.**".

Page 3, line 9, delete "(g)" and insert "**(h)**".

Page 3, line 15, delete "(h)" and insert "**(i)**".

Page 3, line 18, delete "(i)" and insert "**(j)**".

Page 3, line 24, delete "(j)" and insert "**(k)**".

Page 3, line 28, delete "(k)" and insert "**(l)**".

Page 4, line 5, delete "(l)" and insert "**(m)**".

Page 4, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 4. IC 8-22-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 2013]: Sec. 9. (a) **Except as provided in section 4.3(g) of this chapter,** the board shall elect, at its first regular meeting to be conducted on the first July 1 or January 1 after appointment of the board members, and annually thereafter, one (1) of its members president, and another of its members vice president, who performs the duties of the president during the absence of or disability of the president. The board shall keep a suitable office at the airport where its maps, plans, documents, records, and accounts shall be kept, subject to public inspection at all reasonable times.

(b) The board shall provide by rule for regular meetings to be held not less than at monthly intervals throughout the year.

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(c) The board shall convene in a special meeting when one is called. The president or a majority of the members of the board may call a special meeting. The board shall establish by rule a procedure for calling special meetings.

(d) Regular or special meetings shall be held at the office of the board or at another public place in any county where the board owns or operates an airport. The board may adjourn any regular or special meeting to a specific day designated at the time of adjournment, and that meeting is a continuation of the meeting so adjourned. This subsection does not apply to an authority that was established under IC 19-6-3 (before its repeal on April 1, 1980).

(e) A majority of the members of the board constitutes a quorum for a meeting. The board may act officially by an affirmative vote of a majority of those present at the meeting at which the action is taken.

(f) The board shall keep a written record of its proceedings, which shall be available for public inspection in the office of the board. The board shall record the aye and nay tally of the vote for each ordinance or resolution.

(g) The board shall adopt a system of rules of procedure under which its meetings are to be held. The board may suspend the rules of procedure by unanimous vote of the members of the board who are present at the meeting. The board may not suspend the rules of procedure beyond the duration of the meeting at which the suspension of rules occurs.

(h) The board may supervise its internal affairs as do local legislative and administrative bodies.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 585 as printed April 8, 2013.)

SOLIDAY

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 585 be amended to read as follows:

Page 4, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 4. IC 8-22-3-19, AS AMENDED BY P.L.61-2012, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 19. (a) Temporary loans may be made by the board in anticipation of the collection of taxes of the authority actually

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levied and in course of collection for the fiscal year in which the loans are made. The loans must be authorized by ordinance and evidenced by warrants in the form provided by the authorizing ordinance. The warrants must state the total amount of the issue, the denomination of the warrant, the time and place payable, the rate of interest, the funds in anticipation of which they are issued and out of which they are payable, and a reference to the ordinance authorizing them and the date of its adoption. The ordinance authorizing temporary loans must appropriate and pledge a sufficient amount of the current revenue in anticipation of which they are issued and out of which they are payable. The warrants evidencing the temporary loans must be executed, sold, and delivered as are bonds of the authority.

(b) The board may negotiate terms and borrow money from any source under a loan contract, subject to the following requirements:

(1) The loan contract must be approved by resolution of the board.

(2) The loan contract must provide for the repayment of the loan in not more than forty (40) years.

(3) **This subdivision applies only to loan contracts entered into under this subsection before July 1, 2013.** The loan contract must state that the indebtedness:

(A) is that of the authority;

(B) is payable solely from revenues of the authority that are derived from either airport operations or from revenue bonds; and

(C) may not be paid by a tax levied on property located within the district.

(4) This subdivision applies only to loan contracts entered into under this subsection after June 30, 2013. The loan contract must state that the indebtedness:

(A) is that of the authority;

(B) is payable solely from:

(i) a cumulative building fund established under section 25 of this chapter;

(ii) revenues of the authority that are derived from either airport operations or from revenue bonds; or

(iii) both items (i) and (ii); and

(C) may not be paid by a general operating fund tax levied on property located within the district.

~~(4)~~ **(5)** The loan contract must be submitted to the department of local government finance, which may approve, disapprove, or reduce the amount of the proposed loan contract. The department of local government finance must make a decision on the loan

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contract within thirty (30) days after it is submitted for review. The action taken by the department of local government finance on the proposed loan contract is final.

(c) Any loan contract issued under this chapter is issued for essential public and governmental purposes. A loan contract, the interest on it, the proceeds received by a holder from the sale of a loan contract to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation as provided in IC 6-8-5.

(d) After the board of an authority enters into a loan contract, the board may use funds received from state or federal grants to satisfy the repayment of part or all of the loan contract.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 585 as printed April 8, 2013.)

SOLIDAY

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 585 be amended to read as follows:

Page 4, delete lines 30 through 32, begin a new line block indented and insert:

"**(2) The feasibility of developing an academic medical center in northwestern Indiana.**".

Page 4, line 34, after "committee" insert "**and the health finance commission**".

(Reference is to ESB 585 as printed April 8, 2013.)

BROWN C

C o p y

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 585 be amended to read as follows:

Page 1, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-18.5-2, AS AMENDED BY P.L.1-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) ~~Subject to subsection (c),~~ For purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

~~(c) This subsection applies only to civil taxing units in Lake County. Notwithstanding any other provision, for property taxes first due and payable after December 31, 2007, the assessed value growth quotient used to determine a civil taxing unit's maximum permissible ad valorem property tax levy under this chapter for a particular calendar year is one (1) unless a tax rate of one percent (1%) will be in effect under IC 6-3.5-1.1-26 or IC 6-3.5-6-32 in Lake County for that calendar year.~~".

Page 4, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 7. [EFFECTIVE UPON PASSAGE] **(a) IC 6-1.1-18.5-2, as amended by this act, applies to maximum permissible ad valorem property tax levy determinations made**

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after 2013.

(b) This SECTION expires January 1, 2017.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 585 as printed April 8, 2013.)

SLAGER

C o p y