



Reprinted
February 22, 2013

HOUSE BILL No. 1116

DIGEST OF HB 1116 (Updated February 21, 2013 4:51 pm - DI 73)

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

Synopsis: Property taxes. Makes numerous changes concerning the administration of property taxes. Authorizes townships to petition the department of local government finance (DLGF) in 2013 for permission to increase the township levy by the amount borrowed in 2012. Requires the DLGF to grant permission for the levy increase. Removes an obsolete provision under which the DLGF had discretion to approve similar levy increases. Specifies that an adjustment to the base assessed value of an allocation area: (1) may not include the effect of the phase in of assessed value due to property tax abatements; and (2) may decrease base assessed value only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under a reassessment plan. Specifies that assessed value increases attributable to the application of an abatement schedule may not be included in the base assessed value of an allocation area. Specifies that any school building for academic instruction is: (1) subject to the petition and remonstrance process if the cost of the project is less than or equal to \$15,000,000; or (2) subject to the referendum process if the cost of the project is more than \$15,000,000. (Under current law the threshold is \$10,000,000 for elementary and middle school buildings and \$20,000,000 for high school buildings.) Provides that in determining whether a local
(Continued next page)

Effective: January 1, 2013 (retroactive); July 1, 2013.

Leonard, Wesco

January 8, 2013, read first time and referred to Committee on Ways and Means.
January 10, 2013, reassigned to Committee on Government and Regulatory Reform.
February 19, 2013, amended, reported — Do Pass.
February 21, 2013, read second time, amended, ordered engrossed.

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government capital project is a controlled project and whether the petition and remonstrance process or the referendum process apply to the capital project, the cost of the capital project does not include expenditures for the capital project that will be paid from donations or other gifts. Specifies that real property may not be assessed, and its assessed value may not be increased, for a prior year, if: (1) the owner of the real property made certain changes to the real property; (2) the owner of the real property complied with applicable statutes concerning filing an assessment registration notice or obtaining permits for the changes; and (3) the assessing officials responsible for assessing the real property subsequently failed to make a correct assessment of the real property by failing to take into account the changes to the real property.

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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.

HOUSE BILL No. 1116

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

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

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

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1 determines it is appropriate because the estimated cost of:

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

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

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

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

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

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

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

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

21 (1) hear the appeal; and

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

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

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

29 (b) With respect to real property which is owned by a bona fide
30 purchaser without knowledge, no lien attaches for any property taxes
31 which result from an assessment, or an increase in assessed value,
32 made under this chapter for any period before his purchase of the
33 property.

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

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

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

40 (3) **the assessing officials responsible for assessing the real
41 property subsequently fail to make a correct assessment of the
42 real property in one (1) or more years by failing to take the**

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1 **changes described in subdivision (1) into account.**
 2 SECTION 3. IC 6-1.1-17-16, AS AMENDED BY P.L.137-2012,
 3 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2013]: Sec. 16. (a) Subject to the limitations and requirements
 5 prescribed in this section, the department of local government finance
 6 may revise, reduce, or increase a political subdivision's budget by fund,
 7 tax rate, or tax levy which the department reviews under section 8 or
 8 10 of this chapter.
 9 (b) Subject to the limitations and requirements prescribed in this
 10 section, the department of local government finance may review,
 11 revise, reduce, or increase the budget by fund, tax rate, or tax levy of
 12 any of the political subdivisions whose tax rates compose the aggregate
 13 tax rate within a political subdivision whose budget, tax rate, or tax
 14 levy is the subject of an appeal initiated under this chapter.
 15 (c) Except as provided in subsections (j) and (k), **section 16.1 of**
 16 **this chapter, the department of local government finance is not**
 17 **required to hold a public hearing** before the department of local
 18 government finance reviews, revises, reduces, or increases a political
 19 subdivision's budget by fund, tax rate, or tax levy under this section. ~~the~~
 20 ~~department must hold a public hearing on the budget, tax rate, and tax~~
 21 ~~levy. The department of local government finance shall hold the~~
 22 ~~hearing in the county in which the political subdivision is located. The~~
 23 ~~department of local government finance may consider the budgets by~~
 24 ~~fund, tax rates, and tax levies of several political subdivisions at the~~
 25 ~~same public hearing. At least five (5) days before the date fixed for a~~
 26 ~~public hearing, the department of local government finance shall give~~
 27 ~~notice of the time and place of the hearing and of the budgets by fund,~~
 28 ~~levies, and tax rates to be considered at the hearing. The department of~~
 29 ~~local government finance shall publish the notice in two (2)~~
 30 ~~newspapers of general circulation published in the county. However,~~
 31 ~~if only one (1) newspaper of general circulation is published in the~~
 32 ~~county, the department of local government finance shall publish the~~
 33 ~~notice in that newspaper.~~
 34 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,
 35 the department of local government finance may not increase a political
 36 subdivision's budget by fund, tax rate, or tax levy to an amount which
 37 exceeds the amount originally fixed by the political subdivision.
 38 However, if the department of local government finance determines
 39 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the
 40 political subdivision, the maximum amount by which the department
 41 may increase the tax rate, tax levy, or budget is the amount originally
 42 fixed by the political subdivision, and not the amount that was

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1 incorrectly published or omitted in the notice described in
 2 IC 5-3-1-2.3(b). The department of local government finance shall give
 3 the political subdivision notification electronically in the manner
 4 prescribed by the department of local government finance specifying
 5 any revision, reduction, or increase the department proposes in a
 6 political subdivision's tax levy or tax rate. The political subdivision has
 7 ten (10) calendar days from the date the political subdivision receives
 8 the notice to provide a response electronically in the manner prescribed
 9 by the department of local government finance. The response may
 10 include budget reductions, reallocation of levies, a revision in the
 11 amount of miscellaneous revenues, and further review of any other
 12 item about which, in the view of the political subdivision, the
 13 department is in error. The department of local government finance
 14 shall consider the adjustments as specified in the political subdivision's
 15 response if the response is provided as required by this subsection and
 16 shall deliver a final decision to the political subdivision.

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

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

25 (f) The department of local government finance shall certify its
 26 action to:

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

37 (g) The following may petition for judicial review of the final
 38 determination of the department of local government finance under
 39 subsection (f):

- 40 (1) If the department acts under an appeal initiated by a political
 41 subdivision, the political subdivision.
- 42 (2) If the department:

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

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2013]: Sec. 16.1. (a) If a taxpayer of a
 3 political subdivision requests a public hearing in the manner
 4 required by subsection (b) before the department of local
 5 government finance reviews, revises, reduces, or increases a
 6 political subdivision's budget by fund, tax rate, or tax levy under
 7 section 16 of this chapter, the department of local government
 8 finance shall hold the hearing in the county in which the political
 9 subdivision is located.

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

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

21 (d) At least five (5) days before the date fixed for a public
 22 hearing, the department of local government finance shall give
 23 notice of the time and place of the hearing and of the budgets by
 24 fund, levies, and tax rates to be considered at the hearing. The
 25 department of local government finance shall publish the notice in
 26 two (2) newspapers of general circulation published in the county.
 27 However, if only one (1) newspaper of general circulation is
 28 published in the county, the department of local government
 29 finance shall publish the notice in that newspaper.

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

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



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- 1 (c) If:
- 2 (1) the assessed valuation of a taxing unit is entirely contained
- 3 within a city or town; or
- 4 (2) the assessed valuation of a taxing unit is not entirely contained
- 5 within a city or town but the taxing unit was originally established
- 6 by the city or town;
- 7 the governing body shall submit its proposed budget and property tax
- 8 levy to the city or town fiscal body. The proposed budget and levy shall
- 9 be submitted to the city or town fiscal body in the manner prescribed
- 10 by the department of local government finance before September 2 of
- 11 a year. However, in the case of a public library that is subject to this
- 12 section and is described in subdivision (2), the public library shall
- 13 submit its proposed budget and property tax levy to the county fiscal
- 14 body in the manner provided in subsection (d); rather than to the city
- 15 or town fiscal body; if more than fifty percent (50%) of the parcels of
- 16 real property within the jurisdiction of the public library are located
- 17 outside the city or town.
- 18 (d) If subsection (c) does not apply, the governing body of the taxing
- 19 unit shall submit its proposed budget and property tax levy to the
- 20 county fiscal body in the county where the taxing unit has the most
- 21 assessed valuation. The proposed budget and levy shall be submitted
- 22 to the county fiscal body in the manner prescribed by the department
- 23 of local government finance before September 2 of a year.
- 24 (e) The fiscal body of the city, town, or county (whichever applies)
- 25 shall review each budget and proposed tax levy and adopt a final
- 26 budget and tax levy for the taxing unit. The fiscal body may reduce or
- 27 modify but not increase the proposed budget or tax levy.
- 28 (f) If a taxing unit fails to file the information required in subsection
- 29 (c) or (d), whichever applies, with the appropriate fiscal body by the
- 30 time prescribed by this section, the most recent annual appropriations
- 31 and annual tax levy of that taxing unit are continued for the ensuing
- 32 budget year.
- 33 (g) If the appropriate fiscal body fails to complete the requirements
- 34 of subsection (e) before the adoption deadline in section 5 of this
- 35 chapter for any taxing unit subject to this section, the most recent
- 36 annual appropriations and annual tax levy of the city, town, or county,
- 37 whichever applies, are continued for the ensuing budget year.
- 38 SECTION 6. IC 6-1.1-18-12, AS AMENDED BY P.L.112-2012,
- 39 SECTION 34, AND AS AMENDED BY P.L.137-2012, SECTION 30,
- 40 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
- 41 [EFFECTIVE JULY 1, 2013]: Sec. 12. (a) For purposes of this section,
- 42 "maximum rate" refers to the maximum:

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

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

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1 ~~general the reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2~~
 2 ~~takes effect.~~
 3 STEP TWO: ~~Except as provided in subsection (g),~~ Determine the
 4 actual percentage change (rounded to the nearest one-hundredth
 5 percent (0.01%)) in the assessed value ~~(before the adjustment, if~~
 6 ~~any, under IC 6-1.1-4-4.5)~~ of the taxable property from the
 7 **previous calendar year preceding the year the annual adjustment**
 8 ~~or general the reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2~~
 9 ~~takes effect to the year that the annual adjustment or general the~~
 10 ~~reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2 takes effect. in~~
 11 **which the affected property taxes will be imposed.**
 12 STEP THREE: Determine the three (3) calendar years that
 13 immediately precede the ~~ensuing calendar year and in which a~~
 14 ~~statewide general reassessment of real property under~~
 15 ~~IC 6-1.1-4-4 does not first take effect. year in which the affected~~
 16 **property taxes will be imposed.**
 17 STEP FOUR: ~~Except as provided in subsection (g),~~ Compute
 18 separately, for each of the calendar years determined in STEP
 19 THREE, the actual percentage change (rounded to the nearest
 20 one-hundredth percent (0.01%)) in the assessed value (before the
 21 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property
 22 from the preceding year.
 23 STEP FIVE: Divide the sum of the three (3) quotients computed
 24 in STEP FOUR by three (3).
 25 ~~STEP SIX: Determine the greater of the following:~~
 26 ~~(A) Zero (0).~~
 27 ~~(B) The STEP FIVE result.~~
 28 STEP ~~SIX~~ SEVEN: Determine the greater of the following:
 29 (A) Zero (0).
 30 (B) The result of the STEP TWO percentage minus the STEP
 31 ~~FIVE SIX~~ percentage.
 32 STEP ~~SEVEN~~ EIGHT: Determine the quotient of the STEP ONE
 33 tax rate divided by the sum of one (1) plus the STEP ~~SIX SEVEN~~
 34 ~~percentage. increase.~~
 35 (f) The department of local government finance shall compute the
 36 maximum rate allowed under subsection (e) and provide the rate to
 37 each political subdivision with authority to levy a tax under a statute
 38 listed in subsection (d).
 39 ~~(g) This subsection applies to STEP TWO and STEP FOUR of~~
 40 ~~subsection (e) for taxes first due and payable after 2011. If the~~
 41 ~~assessed value change used in the STEPS was not an increase, the~~
 42 ~~STEPS are applied using instead:~~

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

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

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

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

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

15 SECTION 7. IC 6-1.1-18.5-13, AS AMENDED BY P.L.112-2012,
16 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2013]: Sec. 13. (a) With respect to an appeal filed under
18 section 12 of this chapter, the department may find that a civil taxing
19 unit should receive any one (1) or more of the following types of relief:

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

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

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

37 (2) A levy increase may not be granted under this subdivision for
38 property taxes first due and payable after December 31, 2008.
39 Permission to the civil taxing unit to increase its levy in excess of
40 the limitations established under section 3 of this chapter, if the
41 local government tax control board finds that the civil taxing unit
42 needs the increase to meet the civil taxing unit's share of the costs

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1 of operating a court established by statute enacted after December
 2 31, 1973. Before recommending such an increase, the local
 3 government tax control board shall consider all other revenues
 4 available to the civil taxing unit that could be applied for that
 5 purpose. The maximum aggregate levy increases that the local
 6 government tax control board may recommend for a particular
 7 court equals the civil taxing unit's estimate of the unit's share of
 8 the costs of operating a court for the first full calendar year in
 9 which it is in existence. For purposes of this subdivision, costs of
 10 operating a court include:

11 (A) the cost of personal services (including fringe benefits);

12 (B) the cost of supplies; and

13 (C) any other cost directly related to the operation of the court.

14 (3) Permission to the civil taxing unit to increase its levy in excess
 15 of the limitations established under section 3 of this chapter, if the
 16 department finds that the quotient determined under STEP SIX of
 17 the following formula is equal to or greater than one and
 18 two-hundredths (1.02):

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

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

27 (i) for a particular calendar year before 2007, the total
 28 assessed value of property tax deductions in the unit under
 29 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar
 30 year; or

31 (ii) for a particular calendar year after 2006, the total
 32 assessed value of property tax deductions that applied in the
 33 unit under IC 6-1.1-12-42 in 2006 plus for a particular
 34 calendar year after 2009, the total assessed value of property
 35 tax deductions that applied in the unit under
 36 IC 6-1.1-12-37.5 in 2008;

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

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

42 STEP FOUR: Compute separately, for each of the calendar

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

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

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

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

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

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

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

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

- (A) ten thousand dollars (\$10,000); or
- (B) twenty percent (20%) of:

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1 (i) the amount authorized for operating expenses of a
 2 volunteer fire department in the budget of the civil taxing
 3 unit for the immediately preceding calendar year; plus
 4 (ii) the amount of any additional appropriations authorized
 5 during that calendar year for the civil taxing unit's use in
 6 paying operating expenses of a volunteer fire department
 7 under this chapter; minus
 8 (iii) the amount of money borrowed under IC 36-6-6-14
 9 during that calendar year for the civil taxing unit's use in
 10 paying operating expenses of a volunteer fire department.

11 (5) A levy increase may not be granted under this subdivision for
 12 property taxes first due and payable after December 31, 2008.
 13 Permission to a civil taxing unit to increase its levy in excess of
 14 the limitations established under section 3 of this chapter in order
 15 to raise revenues for pension payments and contributions the civil
 16 taxing unit is required to make under IC 36-8. The maximum
 17 increase in a civil taxing unit's levy that may be recommended
 18 under this subdivision for an ensuing calendar year equals the
 19 amount, if any, by which the pension payments and contributions
 20 the civil taxing unit is required to make under IC 36-8 during the
 21 ensuing calendar year exceeds the product of one and one-tenth
 22 (1.1) multiplied by the pension payments and contributions made
 23 by the civil taxing unit under IC 36-8 during the calendar year that
 24 immediately precedes the ensuing calendar year. For purposes of
 25 this subdivision, "pension payments and contributions made by a
 26 civil taxing unit" does not include that part of the payments or
 27 contributions that are funded by distributions made to a civil
 28 taxing unit by the state.

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

34 (A) the township's township assistance ad valorem property
 35 tax rate is less than one and sixty-seven hundredths cents
 36 (\$0.0167) per one hundred dollars (\$100) of assessed
 37 valuation; and
 38 (B) the township needs the increase to meet the costs of
 39 providing township assistance under IC 12-20 and IC 12-30-4.
 40 The maximum increase that the board may recommend for a
 41 township is the levy that would result from an increase in the
 42 township's township assistance ad valorem property tax rate of

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1 one and sixty-seven hundredths cents (\$0.0167) per one hundred
2 dollars (\$100) of assessed valuation minus the township's ad
3 valorem property tax rate per one hundred dollars (\$100) of
4 assessed valuation before the increase.

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

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

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

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

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

29 (A) the civil taxing unit is:

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

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

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

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

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

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

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

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

Permission for a county:

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

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

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

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

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

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

Before recommending an increase, the local government tax

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

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

30 ~~(11) A levy increase may not be granted under this subdivision for~~
 31 ~~property taxes first due and payable after December 31, 2008.~~
 32 ~~Permission for a township to increase its levy in excess of the~~
 33 ~~limitations established under section 3 of this chapter; if the local~~
 34 ~~government tax control board finds that the township has been~~
 35 ~~required; for the three (3) consecutive years preceding the year for~~
 36 ~~which the appeal under this subdivision is to become effective; to~~
 37 ~~borrow funds under IC 36-6-6-14 to furnish fire protection for the~~
 38 ~~township or a part of the township. However, the maximum~~
 39 ~~increase in a township's levy that may be allowed under this~~
 40 ~~subdivision is the least of the amounts borrowed under~~
 41 ~~IC 36-6-6-14 during the preceding three (3) calendar years. A~~
 42 ~~township may elect to phase in an approved increase in its levy~~

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1 under this subdivision over a period not to exceed three (3) years.
 2 A particular township may appeal to increase its levy under this
 3 section not more frequently than every fourth calendar year.
 4 ~~(12)~~ **(11)** Permission to a city having a population of more than
 5 thirty-one thousand five hundred (31,500) but less than thirty-one
 6 thousand seven hundred twenty-five (31,725) to increase its levy
 7 in excess of the limitations established under section 3 of this
 8 chapter if:
 9 (A) an appeal was granted to the city under this section to
 10 reallocate property tax replacement credits under IC 6-3.5-1.1
 11 in 1998, 1999, and 2000; and
 12 (B) the increase has been approved by the legislative body of
 13 the city, and the legislative body of the city has by resolution
 14 determined that the increase is necessary to pay normal
 15 operating expenses.
 16 The maximum amount of the increase is equal to the amount of
 17 property tax replacement credits under IC 6-3.5-1.1 that the city
 18 petitioned under this section to have reallocated in 2001 for a
 19 purpose other than property tax relief.
 20 ~~(13)~~ **(12)** A levy increase may be granted under this subdivision
 21 only for property taxes first due and payable after December 31,
 22 2008. Permission to a civil taxing unit to increase its levy in
 23 excess of the limitations established under section 3 of this
 24 chapter if the civil taxing unit cannot carry out its governmental
 25 functions for an ensuing calendar year under the levy limitations
 26 imposed by section 3 of this chapter due to a natural disaster, an
 27 accident, or another unanticipated emergency.
 28 ~~(14)~~ **(13)** Permission to Jefferson County to increase its levy in
 29 excess of the limitations established under section 3 of this
 30 chapter if the department finds that the county experienced a
 31 property tax revenue shortfall that resulted from an erroneous
 32 estimate of the effect of the supplemental deduction under
 33 IC 6-1.1-12-37.5 on the county's assessed valuation. An appeal for
 34 a levy increase under this subdivision may not be denied because
 35 of the amount of cash balances in county funds. The maximum
 36 increase in the county's levy that may be approved under this
 37 subdivision is three hundred thousand dollars (\$300,000).
 38 (b) The department of local government finance shall increase the
 39 maximum permissible ad valorem property tax levy under section 3 of
 40 this chapter for the city of Goshen for 2012 and thereafter by an
 41 amount equal to the greater of zero (0) or the result of:
 42 (1) the city's total pension costs in 2009 for the 1925 police

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1 pension fund (IC 36-8-6) and the 1937 firefighters' pension fund
 2 (IC 36-8-7); minus
 3 (2) the sum of:
 4 (A) the total amount of state funds received in 2009 by the city
 5 and used to pay benefits to members of the 1925 police
 6 pension fund (IC 36-8-6) or the 1937 firefighters' pension fund
 7 (IC 36-8-7); plus
 8 (B) any previous permanent increases to the city's levy that
 9 were authorized to account for the transfer to the state of the
 10 responsibility to pay benefits to members of the 1925 police
 11 pension fund (IC 36-8-6) and the 1937 firefighters' pension
 12 fund (IC 36-8-7).

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

- 17 (1) petitions the department for the levy increase on a form
- 18 prescribed by the department; and
- 19 (2) submits proof of the amount borrowed in calendar year
- 20 2012 under IC 36-6-6-14 to furnish fire protection for the
- 21 township or a part of the township.

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

27 SECTION 8. IC 6-1.1-20-0.5 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2013]: **Sec. 0.5. (a) This section applies to a**
 30 **preliminary determination to issue bonds or enter into a lease**
 31 **made after June 30, 2013.**

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

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

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1 SECTION 9. IC 6-1.1-20-3.1, AS AMENDED BY P.L.198-2011,
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2013]: Sec. 3.1. (a) This section applies only to the following:

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

8 (2) An elementary school building, middle school building, **high**
 9 **school building**, or other school building for academic instruction
 10 that:

11 (A) is a controlled project;

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

14 ~~(C) will not be used for any combination of grade 9 through~~
 15 ~~grade 12; and~~

16 ~~(D) (C) will not cost more than ten fifteen million dollars~~
 17 ~~(\$10,000,000); (\$15,000,000).~~

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

20 ~~(A) is a controlled project;~~

21 ~~(B) will be used for any combination of grade 9 through grade~~
 22 ~~12;~~

23 ~~(C) will not be used for any combination of kindergarten~~
 24 ~~through grade 8; and~~

25 ~~(D) will not cost more than twenty million dollars~~
 26 ~~(\$20,000,000);~~

27 ~~(4) (3) Any other controlled project that:~~

28 ~~(A) is not a controlled project described in subdivision (1) or~~
 29 ~~(2); or (3); and~~

30 ~~(B) will not cost the political subdivision more than the lesser~~
 31 ~~of the following:~~

32 ~~(i) Twelve million dollars (\$12,000,000).~~

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

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

40 (1) The proper officers of a political subdivision shall:

41 (A) publish notice in accordance with IC 5-3-1; and

42 (B) send notice by first class mail to the circuit court clerk and

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1 to any organization that delivers to the officers, before January
 2 1 of that year, an annual written request for such notices;
 3 of any meeting to consider adoption of a resolution or an
 4 ordinance making a preliminary determination to issue bonds or
 5 enter into a lease and shall conduct a public hearing on a
 6 preliminary determination before adoption of the resolution or
 7 ordinance.

8 (2) When the proper officers of a political subdivision make a
 9 preliminary determination to issue bonds or enter into a lease for
 10 a controlled project, the officers shall give notice of the
 11 preliminary determination by:

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

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

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

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

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

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

24 (D) The purpose of the bonds or lease.

25 (E) A statement that any owners of property within the
 26 political subdivision or registered voters residing within the
 27 political subdivision who want to initiate a petition and
 28 remonstrance process against the proposed debt service or
 29 lease payments must file a petition that complies with
 30 subdivisions (4) and (5) not later than thirty (30) days after
 31 publication in accordance with IC 5-3-1.

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

34 (i) a new school facility; or

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

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

40 (G) A statement of whether the school corporation expects to
 41 appeal for a new facility adjustment (as defined in
 42 IC 20-45-1-16 (repealed) before January 1, 2009) for an

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- 1 increased maximum permissible tuition support levy to pay the
 2 estimated costs described in clause (F).
 3 (H) The political subdivision's current debt service levy and
 4 rate and the estimated increase to the political subdivision's
 5 debt service levy and rate that will result if the political
 6 subdivision issues the bonds or enters into the lease.
- 7 (4) After notice is given, a petition requesting the application of
 8 a petition and remonstrance process may be filed by the lesser of:
 9 (A) one hundred (100) persons who are either owners of
 10 property within the political subdivision or registered voters
 11 residing within the political subdivision; or
 12 (B) five percent (5%) of the registered voters residing within
 13 the political subdivision.
- 14 (5) The state board of accounts shall design and, upon request by
 15 the county voter registration office, deliver to the county voter
 16 registration office or the county voter registration office's
 17 designated printer the petition forms to be used solely in the
 18 petition process described in this section. The county voter
 19 registration office shall issue to an owner or owners of property
 20 within the political subdivision or a registered voter residing
 21 within the political subdivision the number of petition forms
 22 requested by the owner or owners or the registered voter. Each
 23 form must be accompanied by instructions detailing the
 24 requirements that:
 25 (A) the carrier and signers must be owners of property or
 26 registered voters;
 27 (B) the carrier must be a signatory on at least one (1) petition;
 28 (C) after the signatures have been collected, the carrier must
 29 swear or affirm before a notary public that the carrier
 30 witnessed each signature; and
 31 (D) govern the closing date for the petition period.
- 32 Persons requesting forms may be required to identify themselves
 33 as owners of property or registered voters and may be allowed to
 34 pick up additional copies to distribute to other owners of property
 35 or registered voters. Each person signing a petition must indicate
 36 whether the person is signing the petition as a registered voter
 37 within the political subdivision or is signing the petition as the
 38 owner of property within the political subdivision. A person who
 39 signs a petition as a registered voter must indicate the address at
 40 which the person is registered to vote. A person who signs a
 41 petition as an owner of property must indicate the address of the
 42 property owned by the person in the political subdivision.

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1 (6) Each petition must be verified under oath by at least one (1)
 2 qualified petitioner in a manner prescribed by the state board of
 3 accounts before the petition is filed with the county voter
 4 registration office under subdivision (7).
 5 (7) Each petition must be filed with the county voter registration
 6 office not more than thirty (30) days after publication under
 7 subdivision (2) of the notice of the preliminary determination.
 8 (8) The county voter registration office shall determine whether
 9 each person who signed the petition is a registered voter. The
 10 county voter registration office shall, not more than fifteen (15)
 11 business days after receiving a petition, forward a copy of the
 12 petition to the county auditor. Not more than ten (10) business
 13 days after receiving the copy of the petition, the county auditor
 14 shall provide to the county voter registration office a statement
 15 verifying:
 16 (A) whether a person who signed the petition as a registered
 17 voter but is not a registered voter, as determined by the county
 18 voter registration office, is the owner of property in the
 19 political subdivision; and
 20 (B) whether a person who signed the petition as an owner of
 21 property within the political subdivision does in fact own
 22 property within the political subdivision.
 23 (9) The county voter registration office shall, not more than ten
 24 (10) business days after receiving the statement from the county
 25 auditor under subdivision (8), make the final determination of the
 26 number of petitioners that are registered voters in the political
 27 subdivision and, based on the statement provided by the county
 28 auditor, the number of petitioners that own property within the
 29 political subdivision. Whenever the name of an individual who
 30 signs a petition form as a registered voter contains a minor
 31 variation from the name of the registered voter as set forth in the
 32 records of the county voter registration office, the signature is
 33 presumed to be valid, and there is a presumption that the
 34 individual is entitled to sign the petition under this section. Except
 35 as otherwise provided in this chapter, in determining whether an
 36 individual is a registered voter, the county voter registration office
 37 shall apply the requirements and procedures used under IC 3 to
 38 determine whether a person is a registered voter for purposes of
 39 voting in an election governed by IC 3. However, an individual is
 40 not required to comply with the provisions concerning providing
 41 proof of identification to be considered a registered voter for
 42 purposes of this chapter. A person is entitled to sign a petition

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

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

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

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

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

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

33 (c) This subsection applies only to a political subdivision that, after
 34 April 30, 2011, adopts an ordinance or a resolution making a
 35 preliminary determination to issue bonds or enter into a lease subject
 36 to this section and section 3.2 of this chapter. A political subdivision
 37 may not artificially divide a capital project into multiple capital
 38 projects in order to avoid the requirements of this section and section
 39 3.2 of this chapter.

40 SECTION 10. IC 6-1.1-20-3.5, AS AMENDED BY P.L.113-2010,
 41 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2013]: Sec. 3.5. (a) This section applies only to a controlled

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- project that meets the following conditions:
 - (1) The controlled project is described in one (1) of the following categories:
 - (A) An elementary school building, middle school building, **high school building**, or other school building for academic instruction that:
 - (i) will be used for any combination of kindergarten through grade 8; **12; and**
 - (ii) ~~will not be used for any combination of grade 9 through grade 12; and~~
 - (iii) ~~(ii) will cost more than ten fifteen million dollars (\$10,000,000); (\$15,000,000).~~
 - ~~(B)~~ **(B)** A high school building or other school building for academic instruction that:
 - (i) will be used for any combination of grade 9 through grade 12;
 - (ii) ~~will not be used for any combination of kindergarten through grade 8; and~~
 - (iii) ~~will cost more than twenty million dollars (\$20,000,000).~~
 - ~~(C)~~ **(B)** Any other controlled project that:
 - (i) is not a controlled project described in clause (A); ~~or (B);~~ and
 - (ii) will cost the political subdivision more than the lesser of twelve million dollars (\$12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least one million dollars (\$1,000,000)).
 - (2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.
 - (b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:
 - (1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to

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1 issue bonds or enter into a lease and shall conduct a public
 2 hearing on the preliminary determination before adoption of the
 3 ordinance or resolution. The political subdivision must make the
 4 following information available to the public at the public hearing
 5 on the preliminary determination, in addition to any other
 6 information required by law:

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

11 (B) The result of:

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

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

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

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

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

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

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

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

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

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

34 (D) The purpose of the bonds or lease.

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

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

40 (i) a new school facility; or

41 (ii) an existing facility that has not been used for at least
 42 three (3) years and that is being reopened to provide

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1 additional classroom space;
 2 the estimated costs the school corporation expects to annually
 3 incur to operate the facility.
 4 (G) The political subdivision's current debt service levy and
 5 rate and the estimated increase to the political subdivision's
 6 debt service levy and rate that will result if the political
 7 subdivision issues the bonds or enters into the lease.
 8 (H) The information specified in subdivision (1)(A) through
 9 (1)(B).
 10 (4) After notice is given, a petition requesting the application of
 11 the local public question process under section 3.6 of this chapter
 12 may be filed by the lesser of:
 13 (A) one hundred (100) persons who are either owners of
 14 property within the political subdivision or registered voters
 15 residing within the political subdivision; or
 16 (B) five percent (5%) of the registered voters residing within
 17 the political subdivision.
 18 (5) The state board of accounts shall design and, upon request by
 19 the county voter registration office, deliver to the county voter
 20 registration office or the county voter registration office's
 21 designated printer the petition forms to be used solely in the
 22 petition process described in this section. The county voter
 23 registration office shall issue to an owner or owners of property
 24 within the political subdivision or a registered voter residing
 25 within the political subdivision the number of petition forms
 26 requested by the owner or owners or the registered voter. Each
 27 form must be accompanied by instructions detailing the
 28 requirements that:
 29 (A) the carrier and signers must be owners of property or
 30 registered voters;
 31 (B) the carrier must be a signatory on at least one (1) petition;
 32 (C) after the signatures have been collected, the carrier must
 33 swear or affirm before a notary public that the carrier
 34 witnessed each signature; and
 35 (D) govern the closing date for the petition period.
 36 Persons requesting forms may be required to identify themselves
 37 as owners of property or registered voters and may be allowed to
 38 pick up additional copies to distribute to other owners of property
 39 or registered voters. Each person signing a petition must indicate
 40 whether the person is signing the petition as a registered voter
 41 within the political subdivision or is signing the petition as the
 42 owner of property within the political subdivision. A person who

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1 signs a petition as a registered voter must indicate the address at
 2 which the person is registered to vote. A person who signs a
 3 petition as an owner of property must indicate the address of the
 4 property owned by the person in the political subdivision.
 5 (6) Each petition must be verified under oath by at least one (1)
 6 qualified petitioner in a manner prescribed by the state board of
 7 accounts before the petition is filed with the county voter
 8 registration office under subdivision (7).
 9 (7) Each petition must be filed with the county voter registration
 10 office not more than thirty (30) days after publication under
 11 subdivision (2) of the notice of the preliminary determination.
 12 (8) The county voter registration office shall determine whether
 13 each person who signed the petition is a registered voter.
 14 However, after the county voter registration office has determined
 15 that at least one hundred twenty-five (125) persons who signed
 16 the petition are registered voters within the political subdivision,
 17 the county voter registration office is not required to verify
 18 whether the remaining persons who signed the petition are
 19 registered voters. If the county voter registration office does not
 20 determine that at least one hundred twenty-five (125) persons who
 21 signed the petition are registered voters, the county voter
 22 registration office, not more than fifteen (15) business days after
 23 receiving a petition, shall forward a copy of the petition to the
 24 county auditor. Not more than ten (10) business days after
 25 receiving the copy of the petition, the county auditor shall provide
 26 to the county voter registration office a statement verifying:
 27 (A) whether a person who signed the petition as a registered
 28 voter but is not a registered voter, as determined by the county
 29 voter registration office, is the owner of property in the
 30 political subdivision; and
 31 (B) whether a person who signed the petition as an owner of
 32 property within the political subdivision does in fact own
 33 property within the political subdivision.
 34 (9) The county voter registration office, not more than ten (10)
 35 business days after determining that at least one hundred
 36 twenty-five (125) persons who signed the petition are registered
 37 voters or after receiving the statement from the county auditor
 38 under subdivision (8) (as applicable), shall make the final
 39 determination of whether a sufficient number of persons have
 40 signed the petition. Whenever the name of an individual who
 41 signs a petition form as a registered voter contains a minor
 42 variation from the name of the registered voter as set forth in the

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1 records of the county voter registration office, the signature is
 2 presumed to be valid, and there is a presumption that the
 3 individual is entitled to sign the petition under this section. Except
 4 as otherwise provided in this chapter, in determining whether an
 5 individual is a registered voter, the county voter registration office
 6 shall apply the requirements and procedures used under IC 3 to
 7 determine whether a person is a registered voter for purposes of
 8 voting in an election governed by IC 3. However, an individual is
 9 not required to comply with the provisions concerning providing
 10 proof of identification to be considered a registered voter for
 11 purposes of this chapter. A person is entitled to sign a petition
 12 only one (1) time in a particular referendum process under this
 13 chapter, regardless of whether the person owns more than one (1)
 14 parcel of real property, mobile home assessed as personal
 15 property, or manufactured home assessed as personal property or
 16 a combination of those types of property within the political
 17 subdivision and regardless of whether the person is both a
 18 registered voter in the political subdivision and the owner of
 19 property within the political subdivision. Notwithstanding any
 20 other provision of this section, if a petition is presented to the
 21 county voter registration office within forty-five (45) days before
 22 an election, the county voter registration office may defer acting
 23 on the petition, and the time requirements under this section for
 24 action by the county voter registration office do not begin to run
 25 until five (5) days after the date of the election.

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

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

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

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

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

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1 the bonds to be issued or lease to be entered into.

2 (c) If the proper officers of a political subdivision make a

3 preliminary determination to issue bonds or enter into a lease, the

4 officers shall provide to the county auditor:

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

6 (2) any other information the county auditor requires to fulfill the

7 county auditor's duties under section 3.6 of this chapter.

8 SECTION 11. IC 6-1.1-20.6-9.5, AS AMENDED BY P.L.172-2011,

9 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

10 JULY 1, 2013]: Sec. 9.5. (a) This section applies only to credits under

11 this chapter against property taxes first due and payable after December

12 31, 2006.

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

14 reduction of the property tax collections of each political subdivision

15 in which the credit is applied. Except as provided in IC 20-46-1, a

16 political subdivision may not increase its property tax levy to make up

17 for that reduction.

18 ~~(c) The county auditor shall in each calendar year notify each~~

19 ~~political subdivision in which the credit under this chapter is applied~~

20 ~~of the reduction of property tax collections referred to in subsection (b)~~

21 ~~for the political subdivision for that year.~~

22 ~~(c)~~ (e) A political subdivision may not borrow money to compensate

23 the political subdivision or any other political subdivision for the

24 reduction of property tax collections referred to in subsection (b).

25 SECTION 12. IC 36-1.5-4-18, AS AMENDED BY P.L.113-2010,

26 SECTION 110, IS AMENDED TO READ AS FOLLOWS

27 [EFFECTIVE JULY 1, 2013]: Sec. 18. (a) A reorganization committee

28 shall prepare a comprehensive plan of reorganization for the

29 reorganizing political subdivisions. The plan of reorganization governs

30 the actions, duties, and powers of the reorganized political subdivision

31 that are not specified by law.

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

33 (1) The name and a description of the reorganized political

34 subdivision that will succeed the reorganizing political

35 subdivisions.

36 (2) A description of the boundaries of the reorganized political

37 subdivision.

38 (3) Subject to section 40 of this chapter, a description of the

39 taxing areas in which taxes to retire obligations of the

40 reorganizing political subdivisions will be imposed.

41 (4) A description of the membership of the legislative body, fiscal

42 body, and executive of the reorganized political subdivision, a

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1 description of the election districts or appointment districts from
 2 which officers will be elected or appointed, and the manner in
 3 which the membership of each elected or appointed office will be
 4 elected or appointed.

5 (5) A description of the services to be offered by the reorganized
 6 political subdivision and the service areas in which the services
 7 will be offered.

8 (6) The disposition of the personnel, the agreements, the assets,
 9 and, subject to section 40 of this chapter, the liabilities of the
 10 reorganizing political subdivisions, including the terms and
 11 conditions upon which the transfer of property and personnel will
 12 be achieved.

13 (7) Any other matter that the:

14 (A) reorganization committee determines to be necessary or
 15 appropriate; or

16 (B) legislative bodies of the reorganizing political subdivisions
 17 require the reorganization committee;

18 to include in the plan of reorganization.

19 (8) In the case of a reorganization described in section 1(a)(9) of
 20 this chapter, if the legislative bodies of the reorganizing political
 21 subdivisions have specified that the vote on the public question
 22 regarding the reorganization shall be conducted on a countywide
 23 basis under section 30(b) of this chapter with a rejection
 24 threshold, the reorganization committee shall include in the
 25 reorganization plan a rejection threshold, specified as a
 26 percentage, that applies for purposes of section 32(b) of this
 27 chapter. The rejection threshold must be the same for each
 28 municipality that is a party to the proposed reorganization and to
 29 the county that is a party to the proposed reorganization.

30 (9) In the case of a reorganization described in section 1(a)(9) of
 31 this chapter, the reorganization committee shall determine and
 32 include in the reorganization plan the percentage of voters voting
 33 on the public question regarding the proposed reorganization who
 34 must vote, on a countywide basis, in favor of the proposed
 35 reorganization for the public question to be approved. This
 36 percentage is referred to in this chapter as the "countywide vote
 37 approval percentage". The countywide vote approval percentage
 38 must be greater than fifty percent (50%).

39 (10) The **statement fiscal impact analysis** required by subsection
 40 (e).

41 (c) In the case of a reorganization described in section 1(a)(9) of this
 42 chapter, the reorganization committee may not change the decision of

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1 the legislative bodies of the reorganizing political subdivisions
 2 regarding whether the vote on the public question regarding the
 3 reorganization shall be conducted on a countywide basis without a
 4 rejection threshold or with a rejection threshold.

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

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

22 (1) ~~whether a fiscal impact analysis concerning the proposed~~
 23 ~~reorganization has been prepared or has not been prepared by or~~
 24 ~~on behalf of the reorganization committee; and~~

25 (2) ~~whether a fiscal impact analysis concerning the proposed~~
 26 ~~reorganization has been made available or has not been made~~
 27 ~~available to the public by or on behalf of the reorganization~~
 28 ~~committee.~~

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

34 (1) **The cost estimates of planned services to be provided in**
 35 **each taxing area of the reorganized political subdivision.**

36 (2) **For each taxing area of the reorganized political**
 37 **subdivision, anticipated net assessed value and a list of each**
 38 **fund to which the taxing area would contribute.**

39 (3) **The method or methods of financing the planned services.**
 40 **The plan must explain how specific and detailed expenses will**
 41 **be funded and must indicate the taxes, grants, and other**
 42 **funding used.**

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1 **(4) Estimates of maximum levies, budgets, and tax rates of the**
 2 **reorganized political subdivision by fund.**

3 **(5) The plan for the reorganization and extension of services**
 4 **to portions of the reorganized political subdivision.**

5 **(6) The plan for providing or continuing services to parts of**
 6 **the reorganizing political subdivision that will not be a part of**
 7 **the reorganized political subdivision.**

8 **(f) The fiscal impact analysis required by subsection (e) must be**
 9 **submitted to the political subdivision at the same time the plan of**
 10 **reorganization is presented to the political subdivision under**
 11 **subsection (d). The political subdivision shall post a copy of the**
 12 **fiscal impact analysis on an Internet web site maintained or**
 13 **authorized by the political subdivision not more than thirty (30)**
 14 **days after receiving the fiscal impact analysis from the**
 15 **reorganization committee.**

16 SECTION 13. IC 36-6-6-14, AS AMENDED BY P.L.146-2008,
 17 SECTION 715, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2013]: Sec. 14. (a) At any special meeting, if
 19 two (2) or more members give their consent, the legislative body may
 20 determine whether there is a need for fire and emergency services or
 21 other emergency requiring the expenditure of money not included in
 22 the township's budget estimates and levy.

23 (b) Subject to section 14.5 of this chapter, if the legislative body
 24 finds that a need for fire and emergency services or other emergency
 25 exists, it may issue a special order, entered and signed on the record,
 26 authorizing the executive to borrow a specified amount of money
 27 sufficient to meet the emergency. **However, the legislative body may**
 28 **not authorize the executive to borrow money under this subsection**
 29 **in more than three (3) calendar years during any five (5) year**
 30 **period.**

31 (c) Notwithstanding IC 36-8-13-4(a), the legislative body may
 32 authorize the executive to borrow a specified sum from a township
 33 fund other than the township firefighting fund if the legislative body
 34 finds that the emergency requiring the expenditure of money is related
 35 to paying the operating expenses of a township fire department or a
 36 volunteer fire department. At its next annual session, the legislative
 37 body shall cover the debt created by making a levy to the credit of the
 38 fund for which the amount was borrowed under this subsection.

39 (d) In determining whether a fire and emergency services need
 40 exists requiring the expenditure of money not included in the
 41 township's budget estimates and levy, the legislative body and any
 42 reviewing authority considering the approval of the additional

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1 borrowing shall consider the following factors:
 2 (1) The current and projected certified and noncertified public
 3 safety payroll needs of the township.
 4 (2) The current and projected need for fire and emergency
 5 services within the jurisdiction served by the township.
 6 (3) Any applicable national standards or recommendations for the
 7 provision of fire protection and emergency services.
 8 (4) Current and projected growth in the number of residents and
 9 other citizens served by the township, emergency service runs,
 10 certified and noncertified personnel, and other appropriate
 11 measures of public safety needs in the jurisdiction served by the
 12 township.
 13 (5) Salary comparisons for certified and noncertified public safety
 14 personnel in the township and other surrounding or comparable
 15 jurisdictions.
 16 (6) Prior annual expenditures for fire and emergency services,
 17 including all amounts budgeted under this chapter.
 18 (7) Current and projected growth in the assessed value of property
 19 requiring protection in the jurisdiction served by the township.
 20 (8) Other factors directly related to the provision of public safety
 21 within the jurisdiction served by the township.
 22 (e) In the event the township received additional funds under this
 23 chapter in the immediately preceding budget year for an approved
 24 expenditure, any reviewing authority shall take into consideration the
 25 use of the funds in the immediately preceding budget year and the
 26 continued need for funding the services and operations to be funded
 27 with the proceeds of the loan.
 28 SECTION 14. IC 36-7-14-39, AS AMENDED BY P.L.112-2012,
 29 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2013]: Sec. 39. (a) As used in this section:
 31 "Allocation area" means that part of a redevelopment project area
 32 to which an allocation provision of a declaratory resolution adopted
 33 under section 15 of this chapter refers for purposes of distribution and
 34 allocation of property taxes.
 35 "Base assessed value" means the following:
 36 (1) If an allocation provision is adopted after June 30, 1995, in a
 37 declaratory resolution or an amendment to a declaratory
 38 resolution establishing an economic development area:
 39 (A) the net assessed value of all the property as finally
 40 determined for the assessment date immediately preceding the
 41 effective date of the allocation provision of the declaratory
 42 resolution, as adjusted under subsection (h); plus

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- 1 (B) to the extent that it is not included in clause (A), the net
- 2 assessed value of property that is assessed as residential
- 3 property under the rules of the department of local government
- 4 finance, as finally determined for any assessment date after the
- 5 effective date of the allocation provision.
- 6 (2) If an allocation provision is adopted after June 30, 1997, in a
- 7 declaratory resolution or an amendment to a declaratory
- 8 resolution establishing a redevelopment project area:
- 9 (A) the net assessed value of all the property as finally
- 10 determined for the assessment date immediately preceding the
- 11 effective date of the allocation provision of the declaratory
- 12 resolution, as adjusted under subsection (h); plus
- 13 (B) to the extent that it is not included in clause (A), the net
- 14 assessed value of property that is assessed as residential
- 15 property under the rules of the department of local government
- 16 finance, as finally determined for any assessment date after the
- 17 effective date of the allocation provision.
- 18 (3) If:
- 19 (A) an allocation provision adopted before June 30, 1995, in
- 20 a declaratory resolution or an amendment to a declaratory
- 21 resolution establishing a redevelopment project area expires
- 22 after June 30, 1997; and
- 23 (B) after June 30, 1997, a new allocation provision is included
- 24 in an amendment to the declaratory resolution;
- 25 the net assessed value of all the property as finally determined for
- 26 the assessment date immediately preceding the effective date of
- 27 the allocation provision adopted after June 30, 1997, as adjusted
- 28 under subsection (h).
- 29 (4) Except as provided in subdivision (5), for all other allocation
- 30 areas, the net assessed value of all the property as finally
- 31 determined for the assessment date immediately preceding the
- 32 effective date of the allocation provision of the declaratory
- 33 resolution, as adjusted under subsection (h).
- 34 (5) If an allocation area established in an economic development
- 35 area before July 1, 1995, is expanded after June 30, 1995, the
- 36 definition in subdivision (1) applies to the expanded part of the
- 37 area added after June 30, 1995.
- 38 (6) If an allocation area established in a redevelopment project
- 39 area before July 1, 1997, is expanded after June 30, 1997, the
- 40 definition in subdivision (2) applies to the expanded part of the
- 41 area added after June 30, 1997.
- 42 Except as provided in section 39.3 of this chapter, "property taxes"

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

13 (b) A declaratory resolution adopted under section 15 of this chapter
 14 on or before the allocation deadline determined under subsection (i)
 15 may include a provision with respect to the allocation and distribution
 16 of property taxes for the purposes and in the manner provided in this
 17 section. A declaratory resolution previously adopted may include an
 18 allocation provision by the amendment of that declaratory resolution on
 19 or before the allocation deadline determined under subsection (i) in
 20 accordance with the procedures required for its original adoption. A
 21 declaratory resolution or an amendment that establishes an allocation
 22 provision after June 30, 1995, must specify an expiration date for the
 23 allocation provision. For an allocation area established before July 1,
 24 2008, the expiration date may not be more than thirty (30) years after
 25 the date on which the allocation provision is established. For an
 26 allocation area established after June 30, 2008, the expiration date may
 27 not be more than twenty-five (25) years after the date on which the first
 28 obligation was incurred to pay principal and interest on bonds or lease
 29 rentals on leases payable from tax increment revenues. However, with
 30 respect to bonds or other obligations that were issued before July 1,
 31 2008, if any of the bonds or other obligations that were scheduled when
 32 issued to mature before the specified expiration date and that are
 33 payable only from allocated tax proceeds with respect to the allocation
 34 area remain outstanding as of the expiration date, the allocation
 35 provision does not expire until all of the bonds or other obligations are
 36 no longer outstanding. The allocation provision may apply to all or part
 37 of the redevelopment project area. The allocation provision must
 38 require that any property taxes subsequently levied by or for the benefit
 39 of any public body entitled to a distribution of property taxes on taxable
 40 property in the allocation area be allocated and distributed as follows:

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



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1 (A) the assessed value of the property for the assessment date
 2 with respect to which the allocation and distribution is made;
 3 or
 4 (B) the base assessed value;
 5 shall be allocated to and, when collected, paid into the funds of
 6 the respective taxing units.
 7 (2) The excess of the proceeds of the property taxes imposed for
 8 the assessment date with respect to which the allocation and
 9 distribution is made that are attributable to taxes imposed after
 10 being approved by the voters in a referendum or local public
 11 question conducted after April 30, 2010, not otherwise included
 12 in subdivision (1) shall be allocated to and, when collected, paid
 13 into the funds of the taxing unit for which the referendum or local
 14 public question was conducted.
 15 (3) Except as otherwise provided in this section, property tax
 16 proceeds in excess of those described in subdivisions (1) and (2)
 17 shall be allocated to the redevelopment district and, when
 18 collected, paid into an allocation fund for that allocation area that
 19 may be used by the redevelopment district only to do one (1) or
 20 more of the following:
 21 (A) Pay the principal of and interest on any obligations
 22 payable solely from allocated tax proceeds which are incurred
 23 by the redevelopment district for the purpose of financing or
 24 refinancing the redevelopment of that allocation area.
 25 (B) Establish, augment, or restore the debt service reserve for
 26 bonds payable solely or in part from allocated tax proceeds in
 27 that allocation area.
 28 (C) Pay the principal of and interest on bonds payable from
 29 allocated tax proceeds in that allocation area and from the
 30 special tax levied under section 27 of this chapter.
 31 (D) Pay the principal of and interest on bonds issued by the
 32 unit to pay for local public improvements that are physically
 33 located in or physically connected to that allocation area.
 34 (E) Pay premiums on the redemption before maturity of bonds
 35 payable solely or in part from allocated tax proceeds in that
 36 allocation area.
 37 (F) Make payments on leases payable from allocated tax
 38 proceeds in that allocation area under section 25.2 of this
 39 chapter.
 40 (G) Reimburse the unit for expenditures made by it for local
 41 public improvements (which include buildings, parking
 42 facilities, and other items described in section 25.1(a) of this

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chapter) that are physically located in or physically connected to that allocation area.

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

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

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

STEP TWO: Divide:

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

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

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

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

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

(K) Reimburse public and private entities for expenses

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incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

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

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

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

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

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

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

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1 the amount necessary for other purposes described in
 2 subdivision (3).
 3 (B) Provide a written notice to the county auditor, the fiscal
 4 body of the county or municipality that established the
 5 department of redevelopment, and the officers who are
 6 authorized to fix budgets, tax rates, and tax levies under
 7 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 8 or partly located within the allocation area. The notice must:
 9 (i) state the amount, if any, of excess assessed value that the
 10 commission has determined may be allocated to the
 11 respective taxing units in the manner prescribed in
 12 subdivision (1); or
 13 (ii) state that the commission has determined that there is no
 14 excess assessed value that may be allocated to the respective
 15 taxing units in the manner prescribed in subdivision (1).
 16 The county auditor shall allocate to the respective taxing units
 17 the amount, if any, of excess assessed value determined by the
 18 commission. The commission may not authorize an allocation
 19 of assessed value to the respective taxing units under this
 20 subdivision if to do so would endanger the interests of the
 21 holders of bonds described in subdivision (3) or lessors under
 22 section 25.3 of this chapter.
 23 (c) For the purpose of allocating taxes levied by or for any taxing
 24 unit or units, the assessed value of taxable property in a territory in the
 25 allocation area that is annexed by any taxing unit after the effective
 26 date of the allocation provision of the declaratory resolution is the
 27 lesser of:
 28 (1) the assessed value of the property for the assessment date with
 29 respect to which the allocation and distribution is made; or
 30 (2) the base assessed value.
 31 (d) Property tax proceeds allocable to the redevelopment district
 32 under subsection (b)(3) may, subject to subsection (b)(4), be
 33 irrevocably pledged by the redevelopment district for payment as set
 34 forth in subsection (b)(3).
 35 (e) Notwithstanding any other law, each assessor shall, upon
 36 petition of the redevelopment commission, reassess the taxable
 37 property situated upon or in, or added to, the allocation area, effective
 38 on the next assessment date after the petition.
 39 (f) Notwithstanding any other law, the assessed value of all taxable
 40 property in the allocation area, for purposes of tax limitation, property
 41 tax replacement, and formulation of the budget, tax rate, and tax levy
 42 for each political subdivision in which the property is located is the

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1 lesser of:

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

5 (g) If any part of the allocation area is located in an enterprise zone
 6 created under IC 5-28-15, the unit that designated the allocation area
 7 shall create funds as specified in this subsection. A unit that has
 8 obligations, bonds, or leases payable from allocated tax proceeds under
 9 subsection (b)(3) shall establish an allocation fund for the purposes
 10 specified in subsection (b)(3) and a special zone fund. Such a unit
 11 shall, until the end of the enterprise zone phase out period, deposit each
 12 year in the special zone fund any amount in the allocation fund derived
 13 from property tax proceeds in excess of those described in subsection
 14 (b)(1) and (b)(2) from property located in the enterprise zone that
 15 exceeds the amount sufficient for the purposes specified in subsection
 16 (b)(3) for the year. The amount sufficient for purposes specified in
 17 subsection (b)(3) for the year shall be determined based on the pro rata
 18 portion of such current property tax proceeds from the part of the
 19 enterprise zone that is within the allocation area as compared to all
 20 such current property tax proceeds derived from the allocation area. A
 21 unit that has no obligations, bonds, or leases payable from allocated tax
 22 proceeds under subsection (b)(3) shall establish a special zone fund
 23 and deposit all the property tax proceeds in excess of those described
 24 in subsection (b)(1) and (b)(2) in the fund derived from property tax
 25 proceeds in excess of those described in subsection (b)(1) and (b)(2)
 26 from property located in the enterprise zone. The unit that creates the
 27 special zone fund shall use the fund (based on the recommendations of
 28 the urban enterprise association) for programs in job training, job
 29 enrichment, and basic skill development that are designed to benefit
 30 residents and employers in the enterprise zone or other purposes
 31 specified in subsection (b)(3), except that where reference is made in
 32 subsection (b)(3) to allocation area it shall refer for purposes of
 33 payments from the special zone fund only to that part of the allocation
 34 area that is also located in the enterprise zone. Those programs shall
 35 reserve at least one-half (1/2) of their enrollment in any session for
 36 residents of the enterprise zone.

37 (h) The state board of accounts and department of local government
 38 finance shall make the rules and prescribe the forms and procedures
 39 that they consider expedient for the implementation of this chapter.
 40 After each general reassessment of real property in an area under
 41 IC 6-1.1-4-4 and after each reassessment in an area under a
 42 reassessment plan prepared under IC 6-1.1-4-4.2, the department of



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1 local government finance shall adjust the base assessed value one (1)
 2 time to neutralize any effect of the reassessment of the real property in
 3 the area on the property tax proceeds allocated to the redevelopment
 4 district under this section. After each annual adjustment under
 5 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 6 the base assessed value one (1) time to neutralize any effect of the
 7 annual adjustment on the property tax proceeds allocated to the
 8 redevelopment district under this section. However, the adjustments
 9 under this subsection:

10 (1) may not include the effect of **phasing in assessed value due**
 11 **to property tax abatements under IC 6-1.1-12.1;**

12 (2) ~~and these adjustments~~ may not produce less property tax
 13 proceeds allocable to the redevelopment district under subsection
 14 (b)(3) than would otherwise have been received if the general
 15 reassessment, the reassessment under the reassessment plan, or
 16 the annual adjustment had not occurred; **and**

17 (3) **may decrease base assessed value only to the extent that**
 18 **assessed values in the allocation area have been decreased due**
 19 **to annual adjustments or the reassessment under the**
 20 **reassessment plan.**

21 **Assessed value increases attributable to the application of an**
 22 **abatement schedule under IC 6-1.1-12.1 may not be included in the**
 23 **base assessed value of an allocation area.** The department of local
 24 government finance may prescribe procedures for county and township
 25 officials to follow to assist the department in making the adjustments.

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

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

29 (2) Subject to subdivision (3), the initial allocation deadline and
 30 subsequent allocation deadlines are automatically extended in
 31 increments of five (5) years, so that allocation deadlines
 32 subsequent to the initial allocation deadline fall on December 31,
 33 2016, and December 31 of each fifth year thereafter.

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

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

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

41 SECTION 15. [EFFECTIVE JULY 1, 2013] (a) **IC 6-1.1-20-3.1**
 42 **and IC 6-1.1-20-3.5, both as amended by this act, apply only to a**

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1 **controlled project for which the proper officers of a political**
2 **subdivision make a preliminary determination under IC 6-1.1-20**
3 **after June 30, 2013.**

4 **(b) This SECTION expires January 1, 2016.**
5 **SECTION 16. An emergency is declared for this act.**

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COMMITTEE REPORT

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

Delete committee amendment AM111604 adopted February 12, 2013.

Page 2, delete lines 23 through 42.

Page 3, delete lines 1 through 36.

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

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

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

Page 8, strike lines 5 through 10.

Page 8, delete lines 31 through 42.

Delete pages 9 through 10.

Page 11, delete lines 1 through 41.

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

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

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

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

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

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

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

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

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

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

divided by the sum determined under this STEP for the

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calendar year immediately preceding the particular calendar year.

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

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

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

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

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

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

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

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

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

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

(B) twenty percent (20%) of:

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

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

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

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

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

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

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

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

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

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

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

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

(A) the civil taxing unit is:

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

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

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



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- (iv) a city having a population of more than thirteen thousand four hundred fifty (13,450) but less than thirteen thousand five hundred (13,500); or
- (v) a city having a population of more than eight thousand seven hundred (8,700) but less than nine thousand (9,000); and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) the sum of:

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

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

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

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

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

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

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

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

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

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



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that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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grade 12; and

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

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

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

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

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

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

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

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

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

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

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

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

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subdivision.

(B) The result of:

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

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

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

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

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

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

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

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

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

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

(D) The purpose of the bonds or lease.

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

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

(i) a new school facility; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Delete pages 16 through 24.

Page 25, delete lines 1 through 33.

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Page 26, delete lines 9 through 35.

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

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

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

"Base assessed value" means the following:

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

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

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

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

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

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

(3) If:

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

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

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

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

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

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

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

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

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

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

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

(B) the base assessed value;

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

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

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

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

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

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

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

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

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

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

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

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

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

STEP TWO: Divide:

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

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(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

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

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

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

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

(i) in the allocation area; and

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

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

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

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

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

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

Delete pages 31 through 38.

Page 39, delete lines 1 through 12.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

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

MAHAN, Chair

Committee Vote: yeas 13, nays 0.

HOUSE MOTION

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

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

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

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

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

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

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

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

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

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

SMITH M

HOUSE MOTION

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

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

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

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

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



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

Renumber all SECTIONS consecutively.

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

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