

CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 517

Citations Affected: IC 5-1-5-2.5; IC 6-1.1; IC 8-22-3-24; IC 13-21-3-13.5; IC 20-40; IC 20-46-1-10.5; IC 36-1-11.

Synopsis: Local government finance. Specifies that an eligible school corporation may adopt a resolution before January 1, 2014, to use certain debt restructuring statutes. Extends the assessment schedule for outdoor advertising through the 2016 assessment date. Provides that real property leased wholly or in part to a state agency is exempt to the extent that the real property is leased to the state agency from property taxes if the lease requires the state agency to reimburse the owner for property taxes. Provides a property tax exemption for signs manufactured for the Indiana department of transportation to comply with federal highway funding requirements under federal law. Creates a five year pilot program to require the department of local government finance (DLGF) to review and analyze certain improved residential property data submitted for North Township in Lake County and for Center, Wayne, and Washington townships in Marion County. Requires the DLGF to separate the parcels in these townships into four comparable groups and separately review and analyze data for each of the four groups and to prepare a coefficient of dispersion study and a property sales assessment ratio study for each group. Provides that the \$50 penalty that may be imposed against a taxpayer in certain property tax appeal circumstances may not be added as an amount owed on the property tax statement. Authorizes the DLGF to establish a three year pilot program concerning nonbinding review of budgets, property tax rates, and property tax levies. Provides that for a county to be eligible for designation as a pilot county, the county fiscal body must adopt a resolution and submit an application to the DLGF. Allows the DLGF to designate not more than three counties as pilot counties. Specifies that the following apply in 2014 and thereafter in a pilot county: (1) Each taxing unit in the pilot county must file with the DLGF the taxing unit's proposed budgets, property tax rates, and property tax levies. (2) When formulating the taxing unit's estimated budget, property tax rate, and property tax levy, each taxing unit shall consider estimated consequences of the circuit breaker property tax credits. (3) The DLGF shall prepare an analysis of the proposed budgets, property tax rates, and property tax levies submitted by taxing units in the pilot county and provide the analysis to the county fiscal body and to the fiscal body of each taxing unit in the pilot county. (4) Upon request by the county fiscal body, representatives of the DLGF shall appear before the county fiscal body to review the analysis.

(5) The county fiscal body shall review the proposed budgets, property tax rates, and property tax levies of each taxing unit in the pilot county and the total tax rate of each taxing district in the county, and shall issue a nonbinding recommendation to each taxing unit. Provides that if the majority of the individuals serving on a governing body of a taxing unit are not elected officials and the assessed valuation of the taxing unit is not entirely contained within a city or town but the majority of the individuals serving on the governing body are appointed by the city or town, the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body rather than the county fiscal body. Provides for a school corporation whose voters adopted a referendum after November 1, 2009, and before May 1, 2010, that the property tax revenue from the referendum is to be distributed to the school corporation instead of the redevelopment commission having taxable property within the school corporation (applies to revenue received after 2013). Specifies that a homestead is eligible for the 1% circuit breaker cap if the homestead has actually been granted a standard deduction. Specifies, for purposes of protecting debt service funds under the property tax circuit breaker credit, that the political subdivision may determine the allocation of property tax reductions from the circuit breaker credit to funds receiving only unprotected taxes using only the funds of the political subdivision that incurred the debt and not other political subdivisions. Specifies that the allocation is to be made using only the taxing districts for which there was an impact from granting the circuit breaker credit. Specifies that the revenue for a fund receiving protected taxes is also reduced if the revenue reallocation from funds receiving only unprotected taxes is insufficient to offset the amount of the circuit breaker. Permits a political subdivision to transfer money to meet debt service obligations from any other available source if a fund receiving protected taxes also has to be reduced. Limits the amount of the transfer to the shortfall, and requires that the transfer must be specifically identified as a debt service obligation transfer for each affected fund. Permits losses to be allocated proportionately among protected and unprotected taxes in 2013. Requires the DLGF to annually (instead of biennially) review each coefficient of dispersion study for each township and county and annually (instead of quadrennially) review each sales assessment ratio study for each township and county. Provides that if a county auditor in a county other than Marion County determines that property is not eligible for the standard deduction and the property taxes, interest, and penalties are collected within 30 days after a notice is issued to the taxpayer, the amount of the increased property taxes, interest, and penalties deposited in the county auditor's nonreverting fund may not exceed \$100,000 per year, and any amount exceeding \$100,000 must be deposited in the county general fund. Permits an airport authority to transfer up to 5% of its budget each year to its cumulative building fund. Changes the deadline for solid waste management districts to submit certain information to the DLGF from February 1 to March 1. Permits a school corporation to make a transfer from its general fund to its transportation fund or school bus replacement fund if more than 75% of its transportation fund levy or bus replacement fund levy is lost due to: (1) the application of the circuit breaker credit; plus (2) the tax allocations made to protect taxes that are protected from the circuit breaker credit. Limits the general fund transfer to 50% of the revenue lost by the impacted fund. Provides that in the case of a school corporation designated after June 30, 2013, as distressed by the distressed unit appeal board (board) upon submission of a petition by the school corporation requesting the designation, the board shall appoint an emergency manager for the school corporation. (Under current law, the board is required to appoint an emergency manager for each political subdivision, other than a school corporation, that is designated as distressed.) Allows the board to approve a petition submitted jointly by the governing body and the superintendent of a school corporation requesting authority to transfer before July 1, 2015, excess funds in the school corporation's debt service fund to the school corporation's transportation fund. Allows a school corporation in LaPorte County to exchange real property for services provided by another governmental agency. Urges the legislative council to assign to an interim study committee the study of the budgeting process for political subdivisions. Allows various taxing units to adjust levies and borrow money to offset a levy reduction. Authorizes a taxpayer to claim a property tax exemption for the March 1, 2009, assessment date for property leased to the bureau of motor vehicles or bureau of motor

vehicles commission. Forgives property taxes, penalties, or interest for various properties owned by nonprofit organizations. **(This conference committee report adds the following from SB 494: Extends the assessment schedule for outdoor advertising through the 2016 assessment date. Provides that real property leased wholly or in part to a state agency is exempt to the extent that the real property is leased to the state agency from property taxes if the lease requires the state agency to reimburse the owner for property taxes. Provides a property tax exemption for signs manufactured for the Indiana department of transportation to comply with federal highway funding requirements under federal law. Creates a five year pilot program to require the DLGF to review and analyze certain improved residential property data submitted for North Township in Lake County and for Center, Wayne, and Washington townships in Marion County. Requires the DLGF to separate the parcels in these townships into four comparable groups and separately review and analyze data for each of the four groups and to prepare a coefficient of dispersion study and a property sales assessment ratio study for each group. Provides that the \$50 penalty that may be imposed against a taxpayer in certain property tax appeal circumstances may not be added as an amount owed on the property tax statement. Provides that if the majority of the individuals serving on a governing body of a taxing unit are not elected officials and the assessed valuation of the taxing unit is not entirely contained within a city or town but the majority of the individuals serving on the governing body are appointed by the city or town, the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body rather than the county fiscal body. Requires the DLGF to annually (instead of biennially) review each coefficient of dispersion study for each township and county and annually (instead of quadrennially) review each sales assessment ratio study for each township and county. Provides that if a county auditor in a county other than Marion County determines that property is not eligible for the standard deduction and the property taxes, interest, and penalties are collected within 30 days after a notice is issued to the taxpayer, the amount of the increased property taxes, interest, and penalties are to be deposited in the county auditor's nonreverting fund (not to exceed \$100,000 per year after deducting expenses and any amount exceeding \$100,000 must be deposited in the county general fund). Permits an airport authority to transfer up to 5% of its budget each year to its cumulative building fund. Changes the house passed bill by providing that the pro rata allocation of circuit breaker credits among protected and unprotected taxes applies only to property taxes due and payable in 2013. Removes from the house passed bill the debt service fund reserve reduction from 50% to 25% and the school corporation pension neutralization provisions.)**

Effective: Upon passage; January 1, 2007 (retroactive); January 1, 2009 (retroactive); January 1, 2011 (retroactive); January 1, 2013 (retroactive); July 1, 2013; January 1, 2014.

Adopted Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 517 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

1 Delete everything after the enacting clause and insert the following:
2 SECTION 1. IC 5-1-5-2.5, AS AMENDED BY P.L.145-2012,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 2.5. (a) As used in this section, "eligible
5 school corporation" means a school corporation (as defined in
6 IC 36-1-2-17) that satisfies all the conditions required by this section.
7 (b) As used in this section, "increment" means the annual difference
8 between:
9 (1) the annual debt service payment for the bonds proposed to be
10 retired or refunded; and
11 (2) the annual debt service payment for the proposed refunding
12 bonds;
13 for each year that the bonds that are being retired or refunded would
14 have been outstanding.
15 (c) In order for a school corporation to be an eligible school
16 corporation under this section, the school corporation must determine
17 that the percentage computed under this subsection for the school
18 corporation is at least twenty percent (20%), ~~before January 1, 2014, or~~
19 ~~at least thirty percent (30%) after December 31, 2013,~~ regarding the
20 year for which the latest certified levies have been determined. A
21 school corporation shall compute its percentage as follows:

- 1 (1) Compute the amount of credits granted under IC 6-1.1-20.6
 2 against the school corporation's combined levy for the school
 3 corporation's:
 4 (A) debt service fund, as described in IC 20-46-7-15;
 5 (B) capital projects fund;
 6 (C) transportation fund;
 7 (D) school bus replacement fund; and
 8 (E) racial balance fund.
- 9 (2) Compute the school corporation's combined levy for the
 10 school corporation's:
 11 (A) capital projects fund;
 12 (B) transportation fund;
 13 (C) school bus replacement fund; and
 14 (D) racial balance fund.
- 15 (3) Divide the amount computed under subdivision (1) by the
 16 amount computed under subdivision (2) and express it as a
 17 percentage.
- 18 A school corporation that desires to be an eligible school corporation
 19 under this section must submit a written request for a certification by
 20 the department of local government finance that the computation of the
 21 school corporation's percentage computed under this subsection is
 22 correct. The department of local government finance shall, not later
 23 than ten (10) working days after the date the department receives the
 24 school corporation's request, certify the percentage computed under
 25 this subsection for the school corporation.
- 26 (d) A school corporation that desires to be an eligible school
 27 corporation under this section must satisfy the following conditions:
- 28 (1) The school corporation shall conduct a public hearing and
 29 provide notice of the time, date, and place of the hearing,
 30 published as required by IC 5-3-1, before the school corporation
 31 may adopt a resolution under this section. At the public hearing,
 32 the governing body must provide the following information:
- 33 (A) The annual debt service payments, applicable debt service
 34 tax rate, and total debt service payments for the bonds
 35 proposed to be retired or refunded.
- 36 (B) The annual debt service payments, applicable debt service
 37 fund tax rate, and total debt service payments for the proposed
 38 refunding bonds.
- 39 (C) The annual increment for each year that the bonds that are
 40 being retired or refunded would have been outstanding and
 41 any other benefits to be derived from issuing the refunding
 42 bonds.
- 43 (2) The requirements of this subdivision do not apply to a school
 44 corporation that adopts a resolution under subsection (g) before
 45 January 1, 2014, and that has a percentage computed under
 46 subsection (c) that is at least twenty percent (20%), as certified by
 47 the department of local government finance. If the amount
 48 determined under subsection (c)(3) is:
- 49 (A) more than forty-five percent (45%), notwithstanding
 50 IC 6-1.1-20-3.1(a) and IC 6-1.1-20-3.2(a), the school

1 corporation shall use the petition and remonstrance process
 2 prescribed by IC 6-1.1-20-3.1(b) and IC 6-1.1-20-3.2(b) and
 3 more individuals must sign the petition for the bond refunding
 4 under this section than the number of individuals signing a
 5 remonstrance against the bond refunding; or

6 (B) at least thirty percent (30%) but not more than forty-five
 7 percent (45%), the school corporation shall conduct a
 8 referendum on a public question regarding the bond refunding
 9 using the process for a referendum tax levy under IC 20-46-1
 10 and the bond refunding must be approved by the eligible
 11 voters of the school corporation. The question to be submitted
 12 to the voters in the referendum must read as follows:

13 "Shall _____ (insert the name of the school corporation)
 14 issue refunding bonds to refund not more than fifty percent
 15 (50%) of its outstanding bonds to provide an annual savings
 16 to the school's debt service fund that can be transferred from
 17 the school's debt service fund to the school's capital projects
 18 fund, transportation fund, or school bus replacement fund?".

19 (3) The requirements of this subdivision apply to a school
 20 corporation that adopts a resolution under subsection (g) before
 21 January 1, 2014, and that has a percentage computed under
 22 subsection (c) that is at least twenty percent (20%), as certified by
 23 the department of local government finance. The school
 24 corporation must either:

25 (A) have the distressed unit appeal board approve the school
 26 corporation's financial plan for paying any refunding bonds
 27 issued under this section, as provided in subsection (e); or

28 (B) meet all of the following conditions:

29 (i) The ratio that the amount of the school corporation's debt
 30 (as determined in December 2010) bears to the school
 31 corporation's 2011 ADM ranks in the ten (10) highest
 32 among all school corporations.

33 (ii) The ratio that the amount of the school corporation's debt
 34 (as determined in December 2010) bears to the school
 35 corporation's total assessed valuation for calendar year 2011
 36 ranks in the ten (10) highest among all school corporations.

37 (iii) The amount of homestead assessed valuation in the
 38 school corporation for calendar year 2011 was at least sixty
 39 percent (60%) of the total amount of assessed valuation in
 40 the school corporation for calendar year 2011.

41 (e) A school corporation meets the requirement of subsection
 42 (d)(3)(A) if:

43 (1) the school corporation submits to the distressed unit appeal
 44 board the school corporation's financial plan for paying any
 45 refunding bonds issued under this section; and

46 (2) the distressed unit appeal board approves the plan after
 47 making a determination that the financial plan is feasible.

48 The distressed unit appeal board must either approve or disapprove the
 49 financial plan not more than sixty (60) days after the later of the date
 50 the school corporation submits the financial plan under this subsection

1 or the date on which the department of local government finance
 2 certifies the percentage computed for the school corporation under
 3 subsection (c). The distressed unit appeal board may not unreasonably
 4 deny approval of a school corporation's financial plan under this
 5 subsection.

6 (f) Except as provided in subsection (d)(2)(A), IC 6-1.1-20 does not
 7 apply to bonds issued under this section.

8 (g) A school corporation that desires to be an eligible school
 9 corporation under this section must, before ~~July 1, 2013~~, **January 1,**
 10 **2014**, and notwithstanding any other law, adopt a resolution that sets
 11 forth the following:

12 (1) The determinations made under subsection (c), including the
 13 department of local government finance's certification of the
 14 percentage computed under subsection (c).

15 (2) The requirements of this subdivision do not apply to a
 16 resolution adopted under this subsection before January 1, 2014,
 17 if the school corporation has a percentage computed under
 18 subsection (c) that is at least twenty percent (20%), as certified by
 19 the department of local government finance. The result of the
 20 petition remonstrance process under subsection (d)(2)(A) or the
 21 result of the vote on the public question under subsection
 22 (d)(2)(B), whichever applies.

23 (3) A determination providing for the:

24 (A) issuance of bonds to refund not more than fifty percent
 25 (50%) of outstanding bonds or leases issued by or on behalf of
 26 the school corporation; and

27 (B) payment of redemption premiums and the costs of the
 28 refunding.

29 (4) With respect to the refunding bonds, the following:

30 (A) The maximum principal amount.

31 (B) The maximum interest rate.

32 (C) The annual lease or debt service payment.

33 (D) The final maturity date.

34 (E) The estimated amount of the increment that will occur for
 35 each year that the bonds that are being retired or refunded by
 36 the issuance of refunding bonds would have been outstanding.

37 (F) A finding that the annual debt service or lease payment on
 38 the refunding bonds will not increase the annual debt service
 39 or lease payment above the annual debt service or lease
 40 payment approved by the school corporation for the original
 41 project.

42 If the governing body adopts a resolution under this section, the
 43 governing body must publish notice of the adoption of the resolution
 44 as required by IC 5-3-1.

45 (h) An eligible school corporation may issue refunding bonds as
 46 permitted by this section. In addition, an eligible school corporation
 47 may extend the repayment period beyond the repayment period for the
 48 bonds that are being retired or refunded by the issuance of refunding
 49 bonds. However, the repayment period may be extended only once for
 50 a particular bond, and the extension may not exceed ten (10) years after

1 the latest maturity date for any of the bonds being retired or refunded
 2 by the eligible school corporation under this section.

3 (i) Property taxes imposed by an eligible school corporation to pay
 4 debt service for bonds permitted by this section shall be considered for
 5 purposes of calculating the limits to property tax liability under Article
 6 10, Section 1 of the Constitution of the State of Indiana and for
 7 calculating a person's credit under IC 6-1.1-20.6-7.5. However,
 8 property taxes imposed by an eligible school corporation through
 9 December 31, 2019, to pay debt service for bonds permitted by this
 10 section may not be considered in an eligible county, as used in Article
 11 10, Section 1(h) of the Constitution of the State of Indiana, for purposes
 12 of calculating the limits to property tax liability under Article 10,
 13 Section 1 of the Constitution of the State of Indiana or for calculating
 14 a person's credit under IC 6-1.1-20.6-7.5.

15 (j) If a school corporation described in subsection (d)(3)(B) issues
 16 refunding bonds as permitted by this section, the school corporation
 17 must, not more than sixty (60) days after the department of local
 18 government finance certifies the school corporation's percentage under
 19 subsection (c), report information concerning the refunding to the
 20 distressed unit appeal board. The distressed unit appeal board shall
 21 make a non-binding review with recommendations regarding the
 22 school's financial condition and operating practices.

23 SECTION 2. IC 6-1.1-3-24, AS ADDED BY P.L.137-2012,
 24 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2013]: Sec. 24. (a) In determining the assessed value of
 26 various sizes of outdoor advertising signs for the 2011 through ~~2014~~
 27 **2016** assessment dates, a taxpayer and assessing official shall use the
 28 following table without any adjustments:

29 Single Pole Structure

| 30 Type of Sign | Value Per Structure |
|----------------------------------------------------|---------------------|
| 31 At least 48 feet, illuminated | \$5,000 |
| 32 At least 48 feet, non-illuminated | \$4,000 |
| 33 At least 26 feet and under 48 feet, illuminated | \$4,000 |
| 34 At least 26 feet and under 48 feet, | |
| 35 non-illuminated | \$3,300 |
| 36 Under 26 feet, illuminated | \$3,200 |
| 37 Under 26 feet, non-illuminated | \$2,600 |
| 38 Other Types of Outdoor Signs | |
| 39 At least 50 feet, illuminated | \$2,500 |
| 40 At least 50 feet, non-illuminated | \$1,500 |
| 41 At least 40 feet and under 50 feet, illuminated | \$2,000 |
| 42 At least 40 feet and under 50 feet, | |
| 43 non-illuminated | \$1,300 |
| 44 At least 30 feet and under 40 feet, illuminated | \$2,000 |
| 45 At least 30 feet and under 40 feet, | |
| 46 non-illuminated | \$1,300 |
| 47 At least 20 feet and under 30 feet, illuminated | \$1,600 |
| 48 At least 20 feet and under 30 feet, | |
| 49 non-illuminated | \$1,000 |
| 50 Under 20 feet, illuminated | \$1,600 |

Under 20 feet, non-illuminated \$1,000

~~(b) During the 2012 legislative interim, the commission on state tax and financing policy shall study the assessment of outdoor signs. Before January 1, 2013, the commission shall report to the general assembly on any suggested changes in the law with regard to assessing outdoor signs.~~

~~(c) (b) This section expires July 1, 2015: 2017.~~

SECTION 3. IC 6-1.1-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 2. (a) Except as otherwise provided by law, the property owned by this state, a state agency, or the bureau of motor vehicles commission is exempt from property taxation.

(b) Real property leased to a state agency is exempt from property taxes if the lease, regardless of the commencement date, requires the state agency to reimburse the owner for property taxes. If a state agency leases less than all of a parcel of real property, the exemption provided by this subsection is a partial exemption that is equal to the part of the gross assessed value of the real property attributable to the part of the real property leased by the state agency.

SECTION 4. IC 6-1.1-10-45 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 45. (a) **Tangible personal property consisting of a sign that is manufactured for the Indiana department of transportation in order for the department to comply with 23 U.S.C. 131 is exempt from personal property taxation.**

(b) The owner of personal property that wishes to obtain the exemption provided by this section must file an exemption claim along with the owner's annual personal property tax return. The claim must describe and state the assessed value of the personal property for which an exemption is claimed.

(c) The township or county assessor shall:

- (1) review the exemption claim; and**
- (2) allow or deny the exemption claim in whole or in part.**

The assessor's action is subject to all the provisions of this article pertaining to notice, review, or appeal of personal property assessments.

(d) The township or county assessor shall reduce the assessed value of the owner's personal property for the year for which the exemption is claimed by the amount of exemption allowed.

SECTION 5. IC 6-1.1-14-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 12. (a) **As part of the review under IC 6-1.1-33.5-3(4) and IC 6-1.1-33.5-3(5) of the coefficient of dispersion study and property sales assessment ratio study submitted by a county under 50 IAC 27-4-4, the department of local government finance shall conduct the review and analysis described in this section.**

(b) The department shall:

- (1) conduct its review and analysis for studies submitted in 2013 through 2017; and**

1 **(2) review and analyze only data and studies for property that**
 2 **is classified as improved residential property in townships**
 3 **having a population of more than one hundred thirty**
 4 **thousand (130,000).**

5 **(c) The department shall separate each township described in**
 6 **subsection (b) into four (4) comparable groups of parcels as**
 7 **determined by the department. The department shall:**

8 **(1) separately review and analyze for each group of parcels**
 9 **data used for the coefficient of dispersion study and the**
 10 **property sales assessment ratio study submitted by the**
 11 **county; and**

12 **(2) prepare a coefficient of dispersion study and a property**
 13 **sales assessment ratio study for each group of parcels.**

14 SECTION 6. IC 6-1.1-15-1, AS AMENDED BY P.L.146-2012,
 15 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2013]: Sec. 1. (a) A taxpayer may obtain a review by the
 17 county board of a county or township official's action with respect to
 18 either or both of the following:

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

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

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

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

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

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

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

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

28 (b) At the time that notice of an action referred to in subsection (a)
 29 is given to the taxpayer, the taxpayer shall also be informed in writing
 30 of:

31 (1) the opportunity for a review under this section, including a
 32 preliminary informal meeting under subsection (h)(2) with the
 33 county or township official referred to in this subsection; and

34 (2) the procedures the taxpayer must follow in order to obtain a
 35 review under this section.

36 (c) In order to obtain a review of an assessment or deduction
 37 effective for the assessment date to which the notice referred to in
 38 subsection (b) applies, the taxpayer must file a notice in writing with
 39 the county or township official referred to in subsection (a) not later
 40 than forty-five (45) days after the date of the notice referred to in
 41 subsection (b).

42 (d) A taxpayer may obtain a review by the county board of the
 43 assessment of the taxpayer's tangible property effective for an
 44 assessment date for which a notice of assessment is not given as
 45 described in subsection (b). To obtain the review, the taxpayer must file
 46 a notice in writing with the township assessor, or the county assessor
 47 if the township is not served by a township assessor. The right of a
 48 taxpayer to obtain a review under this subsection for an assessment
 49 date for which a notice of assessment is not given does not relieve an
 50 assessing official of the duty to provide the taxpayer with the notice of
 51 assessment as otherwise required by this article. The notice to obtain

1 a review must be filed not later than the later of: Adopted 4/26/2013

2 (1) May 10 of the year; or

3 (2) forty-five (45) days after the date of the tax statement mailed
4 by the county treasurer, regardless of whether the assessing
5 official changes the taxpayer's assessment.

6 (e) A change in an assessment made as a result of a notice for
7 review filed by a taxpayer under subsection (d) after the time
8 prescribed in subsection (d) becomes effective for the next assessment
9 date. A change in an assessment made as a result of a notice for review
10 filed by a taxpayer under subsection (c) or (d) remains in effect from
11 the assessment date for which the change is made until the next
12 assessment date for which the assessment is changed under this article.

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

15 (1) The name of the taxpayer.

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

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

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

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

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

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

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

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

27 (A) discussing the specifics of the taxpayer's assessment or
28 deduction;

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

30 (C) explaining to the taxpayer how the assessment or
31 deduction was determined;

32 (D) providing to the taxpayer information about the statutes,
33 rules, and guidelines that govern the determination of the
34 assessment or deduction;

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

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

37 (G) otherwise educating the taxpayer about:

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

39 (ii) the assessment or deduction process; and

40 (iii) the assessment or deduction appeal process.

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

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

49 (A) those issues; and

50 (B) the assessed value of the tangible property or the amount

- 1 of the deduction that results from the resolution of those issues
 2 in the manner agreed to by the taxpayer and the official.
- 3 (2) If the taxpayer and the official do not agree on the resolution
 4 of all assessment or deduction issues in the review:
- 5 (A) a statement of those issues; and
 6 (B) the identification of:
- 7 (i) the issues on which the taxpayer and the official agree;
 8 and
 9 (ii) the issues on which the taxpayer and the official
 10 disagree.
- 11 (j) If the county board receives a form referred to in subsection
 12 (i)(1) before the hearing scheduled under subsection (k):
- 13 (1) the county board shall cancel the hearing;
 14 (2) the county official referred to in subsection (a) shall give
 15 notice to the taxpayer, the county board, the county assessor, and
 16 the county auditor of the assessment or deduction in the amount
 17 referred to in subsection (i)(1)(B); and
 18 (3) if the matter in issue is the assessment of tangible property,
 19 the county board may reserve the right to change the assessment
 20 under IC 6-1.1-13.
- 21 (k) If:
- 22 (1) subsection (i)(2) applies; or
 23 (2) the county board does not receive a form referred to in
 24 subsection (i) not later than one hundred twenty (120) days after
 25 the date of the notice for review filed by the taxpayer under
 26 subsection (c) or (d);
- 27 the county board shall hold a hearing on a review under this subsection
 28 not later than one hundred eighty (180) days after the date of that
 29 notice. The county board shall, by mail, give at least thirty (30) days
 30 notice of the date, time, and place fixed for the hearing to the taxpayer
 31 and the county or township official with whom the taxpayer filed the
 32 notice for review. The taxpayer and the county or township official
 33 with whom the taxpayer filed the notice for review are parties to the
 34 proceeding before the county board. A taxpayer may request a
 35 continuance of the hearing by filing, at least twenty (20) days before
 36 the hearing date, a request for continuance with the board and the
 37 county or township official with evidence supporting a just cause for
 38 the continuance. The board shall, not later than ten (10) days after the
 39 date the request for a continuance is filed, either find that the taxpayer
 40 has demonstrated a just cause for a continuance and grant the taxpayer
 41 the continuance, or deny the continuance. A taxpayer may request that
 42 the board take action without the taxpayer being present and that the
 43 board make a decision based on the evidence already submitted to the
 44 board by filing, at least eight (8) days before the hearing date, a request
 45 with the board and the county or township official. A taxpayer may
 46 withdraw a petition by filing, at least eight (8) days before the hearing
 47 date, a notice of withdrawal with the board and the county or township
 48 official.
- 49 (l) At the hearing required under subsection (k):
- 50 (1) the taxpayer may present the taxpayer's reasons for

1 disagreement with the assessment or deduction; and
 2 (2) the county or township official with whom the taxpayer filed
 3 the notice for review must present:

- 4 (A) the basis for the assessment or deduction decision; and
 5 (B) the reasons the taxpayer's contentions should be denied.

6 A penalty of fifty dollars (\$50) shall be assessed against the taxpayer
 7 if the taxpayer or representative fails to appear at the hearing and,
 8 under subsection (k), the taxpayer's request for continuance is denied,
 9 or the taxpayer's request for continuance, request for the board to take
 10 action without the taxpayer being present, or withdrawal is not timely
 11 filed. A taxpayer may appeal the assessment of the penalty to the
 12 Indiana board or directly to the tax court. **The penalty may not be**
 13 **added as an amount owed on the property tax statement under**
 14 **IC 6-1.1-22 or IC 6-1.1-22.5.**

15 (m) The official referred to in subsection (a) may not require the
 16 taxpayer to provide documentary evidence at the preliminary informal
 17 meeting under subsection (h). The county board may not require a
 18 taxpayer to file documentary evidence or summaries of statements of
 19 testimonial evidence before the hearing required under subsection (k).
 20 If the action for which a taxpayer seeks review under this section is the
 21 assessment of tangible property, the taxpayer is not required to have an
 22 appraisal of the property in order to do the following:

- 23 (1) Initiate the review.
 24 (2) Prosecute the review.

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

30 (o) If the maximum time elapses:

- 31 (1) under subsection (k) for the county board to hold a hearing; or
 32 (2) under subsection (n) for the county board to give notice of its
 33 determination;

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

37 SECTION 7. IC 6-1.1-17-3.5, AS AMENDED BY P.L.137-2012,
 38 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2013]: Sec. 3.5. (a) This section does not apply to taxing units
 40 located in a county in which a county board of tax adjustment reviews
 41 budgets, tax rates, and tax levies. This section does not apply to a
 42 taxing unit that has its proposed budget and proposed property tax levy
 43 approved under section 20 or 20.3 of this chapter or IC 36-3-6-9.

44 (b) This section applies to a taxing unit other than a county. **Except**
 45 **as provided in section 3.7 of this chapter**, if a taxing unit will impose
 46 property taxes due and payable in the ensuing calendar year, the taxing
 47 unit shall file the following information in the manner prescribed by the
 48 department of local government finance with the fiscal body of the
 49 county in which the taxing unit is located:

- 50 (1) A statement of the proposed or estimated tax rate and tax levy

- 1 for the taxing unit for the ensuing budget year.
- 2 (2) In the case of a taxing unit other than a school corporation, a
3 copy of the taxing unit's proposed budget for the ensuing budget
4 year.
- 5 (c) In the case of a taxing unit located in more than one (1) county,
6 the taxing unit shall file the information under subsection (b) with the
7 fiscal body of the county in which the greatest part of the taxing unit's
8 net assessed valuation is located.
- 9 (d) A taxing unit must file the information under subsection (b)
10 before September 2 of a year.
- 11 (e) A county fiscal body shall complete the following in a manner
12 prescribed by the department of local government finance before
13 October 2 of a year:
- 14 (1) Review any proposed or estimated tax rate or tax levy filed by
15 a taxing unit with the county fiscal body under this section.
- 16 (2) In the case of a taxing unit other than a school corporation,
17 review any proposed or estimated budget filed by a taxing unit
18 with the county fiscal body under this section.
- 19 (3) In the case of a taxing unit other than a school corporation,
20 issue a nonbinding recommendation to a taxing unit regarding the
21 taxing unit's proposed or estimated tax rate or tax levy or
22 proposed budget.
- 23 (f) The recommendation under subsection (e) must include a
24 comparison of any increase in the taxing unit's budget or tax levy to:
- 25 (1) the average increase in Indiana nonfarm personal income for
26 the preceding six (6) calendar years and the average increase in
27 nonfarm personal income for the county for the preceding six (6)
28 calendar years; and
- 29 (2) increases in the budgets and tax levies of other taxing units in
30 the county.
- 31 (g) The department of local government finance must provide each
32 county fiscal body with the most recent available information
33 concerning increases in Indiana nonfarm personal income and
34 increases in county nonfarm personal income.
- 35 (h) If a taxing unit fails to file the information required by
36 subsection (b) with the fiscal body of the county in which the taxing
37 unit is located by the time prescribed in subsection (d), the most recent
38 annual appropriations and annual tax levy of that taxing unit are
39 continued for the ensuing budget year.
- 40 (i) If a county fiscal body fails to complete the requirements of
41 subsection (e) before the deadline in subsection (e) for any taxing unit
42 subject to this section, the most recent annual appropriations and
43 annual tax levy of the county are continued for the ensuing budget year.
- 44 SECTION 8. IC 6-1.1-17-3.7 IS ADDED TO THE INDIANA
45 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
46 [EFFECTIVE JULY 1, 2013]: **Sec. 3.7. (a) This section authorizes a**
47 **three (3) year pilot program to allow county fiscal bodies of**
48 **designated counties to carry out a more thorough nonbinding**
49 **review of the proposed budgets, property tax rates, and property**
50 **tax levies of all taxing units in those counties. The general assembly**
51 **finds that, because of the enactment of property tax credits under**

1 IC 6-1.1-20.6, there is an even greater need for taxing units to
 2 cooperate in the adoption of their budgets, property tax rates, and
 3 property tax levies.

4 (b) The department of local government finance may establish
 5 a pilot program concerning nonbinding review of budgets,
 6 property tax rates, and property tax levies as provided in this
 7 section. The role of the department of local government finance in
 8 the pilot program is to develop the framework for the continuation
 9 of a more thorough nonbinding review in all counties without the
 10 direct involvement of the department of local government finance.

11 (c) For a county to be eligible for designation as a pilot county
 12 participating in the pilot program:

13 (1) the county fiscal body must adopt a resolution approving
 14 the submission of an application to be designated as a pilot
 15 county; and

16 (2) the county fiscal body must submit to the department of
 17 local government finance before the date specified by the
 18 department:

19 (A) an application in the form and containing the
 20 information prescribed by the department; and

21 (B) a copy of the resolution adopted under subdivision (1).

22 (d) After reviewing applications submitted under subsection (c),
 23 the department of local government finance may designate not
 24 more than three (3) counties that submit an application under
 25 subsection (c) as pilot counties under this section. In determining
 26 which counties are designated as pilot counties, the department of
 27 local government finance shall attempt to achieve diversity among
 28 designated counties based on:

29 (1) the geographical location of the counties;

30 (2) the population of the counties; and

31 (3) whether the counties are primarily rural or urban.

32 (e) The department of local government finance shall notify
 33 each taxing unit in a pilot county of:

34 (1) the designation of the county as a pilot county; and

35 (2) the duties of the taxing unit under this section.

36 (f) The following apply in 2014 and thereafter:

37 (1) Each taxing unit in a pilot county shall, before September
 38 2 of each year, file with the department of local government
 39 finance and with the county fiscal body:

40 (A) the taxing unit's proposed budgets, property tax rates,
 41 and property tax levies for the following calendar year;

42 (B) a statement of whether:

43 (i) a petition and remonstrance process has been initiated
 44 under IC 6-1.1-20 concerning a controlled project of the
 45 taxing unit;

46 (ii) a public question under IC 6-1.1-20 concerning a
 47 controlled project of the taxing unit has been certified
 48 and will be on the election ballot;

49 (iii) a referendum tax levy question under IC 20-46-1 has
 50 been certified and will be on the election ballot; or

51 (iv) the taxing unit anticipates that it will during the

1 following eighteen (18) months either adopt a resolution
 2 or ordinance under IC 6-1.1-20 making a preliminary
 3 determination to issue bonds or enter into a lease
 4 concerning a controlled project of the taxing unit, or
 5 adopt a resolution under IC 20-46-1 to place a
 6 referendum tax levy question on the election ballot; and
 7 (C) any additional information required by the department
 8 to prepare the analysis required under subdivision (4).

9 A school corporation providing information to the
 10 department of local government finance shall provide the
 11 information through the department's interactive and
 12 searchable Internet web site containing local government
 13 information (the Indiana gateway for governmental units).
 14 When formulating the taxing unit's estimated budget,
 15 property tax rate, and property tax levy under section 3 of
 16 this chapter, the proper officers of the taxing unit shall
 17 consider the estimated consequences of the property tax
 18 credits under IC 6-1.1-20.6 on the property taxes that will be
 19 collected by the taxing unit and the calculation of fund
 20 balances.

21 (2) A taxing unit in a pilot county that would otherwise be
 22 required to submit its proposed budgets, property tax rates,
 23 and property tax levies for nonbinding review under section
 24 3.5 of this chapter is not required to do so, but the taxing unit
 25 must instead submit the information required by subdivision
 26 (1) to the department of local government finance.

27 (3) A taxing unit that is located in a pilot county and that is
 28 subject to binding review and approval of the taxing unit's
 29 budgets, property tax rates, and property tax levies under
 30 section 20 of this chapter or IC 36-3-6-9:

31 (A) remains subject to binding review and approval under
 32 those statutes and must submit the information required
 33 under those statutes to the appropriate fiscal body; and

34 (B) must also submit the information required by
 35 subdivision (1) to the department of local government
 36 finance.

37 (4) The department shall prepare an analysis of the proposed
 38 budgets, property tax rates, and property tax levies submitted
 39 by taxing units in each pilot county. The department of local
 40 government finance may establish appropriate procedures
 41 and conduct the appropriate analysis that meets the
 42 department's requirements for the review of a unit's budget
 43 under this chapter. The analysis prepared by the department
 44 must include at least the following:

45 (A) The estimated total property tax rate for each taxing
 46 district in the pilot county.

47 (B) The estimated total amount of property taxes to be
 48 levied in the pilot county.

49 (C) The estimated consequences of the property tax credits
 50 under IC 6-1.1-20.6 on:

51 (i) the property tax rates of each taxing unit and taxing

- 1 district in the pilot county;
- 2 (ii) the expected total tax rate of each taxing district in
- 3 the county; and
- 4 (iii) the property taxes that will be collected by each
- 5 taxing unit in the pilot county.
- 6 (5) The department of local government finance shall, before
- 7 October 2 of each year, provide the analysis prepared under
- 8 subdivision (4) for a pilot county to the county fiscal body of
- 9 the pilot county and to the fiscal body of each taxing unit in
- 10 the pilot county. Upon request by the county fiscal body,
- 11 representatives of the department of local government finance
- 12 shall appear before the county fiscal body to review the
- 13 analysis.
- 14 (6) The county fiscal body of a pilot county shall, on or before
- 15 October 15 of each year:
- 16 (A) review the proposed budgets, property tax rates, and
- 17 property tax levies of each taxing unit in the pilot county;
- 18 (B) review the expected total tax rate of each taxing district
- 19 in the county; and
- 20 (C) issue a nonbinding recommendation to each taxing unit
- 21 in the pilot county regarding the taxing unit's proposed
- 22 budgets, property tax rates, and property tax levies.
- 23 The review and recommendation required to be carried out
- 24 under this subdivision may be carried out by the full county
- 25 fiscal body or by a committee appointed by the county fiscal
- 26 body for that purpose.
- 27 (7) A recommendation by a county fiscal body must include a
- 28 comparison of any increase in a taxing unit's budgets,
- 29 property tax rates, and property tax levies to:
- 30 (A) the average increase in Indiana nonfarm personal
- 31 income for the preceding six (6) calendar years and the
- 32 average increase in nonfarm personal income for the
- 33 county for the preceding six (6) calendar years; and
- 34 (B) increases in the budgets, property tax rates, and
- 35 property tax levies of other taxing units in the county.
- 36 (8) After review under this section, a taxing unit must adopt
- 37 its budget, property tax rates, and property tax levies by the
- 38 date required under section 5 of this chapter.
- 39 (g) The county fiscal body of a pilot county may, before July 1
- 40 of a year, adopt a resolution discontinuing the county's
- 41 participation in the pilot program. If a county fiscal body adopts
- 42 such a resolution:
- 43 (1) the county fiscal body shall certify a copy of the resolution
- 44 to the department of local government finance;
- 45 (2) the county's participation in the pilot program is
- 46 terminated; and
- 47 (3) the department of local government finance shall attempt
- 48 to replace the pilot county with another county that has
- 49 applied to be designated as a pilot county.
- 50 (h) The department of local government finance shall, before
- 51 November 1, 2014, and each year thereafter, report to the

1 **commission on state tax and financing policy concerning the pilot**
 2 **program and whether the nonbinding review under the pilot**
 3 **program is fostering cooperation among taxing units in the**
 4 **adoption of their budgets, property tax rates, and property tax**
 5 **levies.**

6 **(i) This section expires January 1, 2017.**

7 SECTION 9. IC 6-1.1-17-20, AS AMENDED BY P.L.137-2012,
 8 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2013]: Sec. 20. (a) This section applies to each governing
 10 body of a taxing unit that is not comprised of a majority of officials
 11 who are elected to serve on the governing body. For purposes of this
 12 section, an individual who qualifies to be appointed to a governing
 13 body or serves on a governing body because of the individual's status
 14 as an elected official of another taxing unit shall be treated as an
 15 official who was not elected to serve on the governing body.

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

20 (c) If:

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

23 (2) the assessed valuation of a taxing unit is not entirely contained
 24 within a city or town but:

25 **(A) the taxing unit was originally established by the city or**
 26 **town; or**

27 **(B) the majority of the individuals serving on the**
 28 **governing body of the taxing unit are appointed by the city**
 29 **or town;**

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

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

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

51 (f) If a taxing unit fails to file the information required in subsection

1 (c) or (d), whichever applies, with the appropriate fiscal body by the
 2 time prescribed by this section, the most recent annual appropriations
 3 and annual tax levy of that taxing unit are continued for the ensuing
 4 budget year.

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

10 SECTION 10. IC 6-1.1-18-12, AS AMENDED BY SEA 85-2013,
 11 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2013]: Sec. 12. (a) For purposes of this section, "maximum
 13 rate" refers to the maximum:

14 (1) property tax rate or rates; or

15 (2) special benefits tax rate or rates;

16 referred to in the statutes listed in subsection (d).

17 (b) The maximum rate for taxes first due and payable after 2003 is
 18 the maximum rate that would have been determined under subsection
 19 (e) for taxes first due and payable in 2003 if subsection (e) had applied
 20 for taxes first due and payable in 2003.

21 (c) The maximum rate must be adjusted each year to account for the
 22 change in assessed value of real property that results from:

23 (1) an annual adjustment of the assessed value of real property
 24 under IC 6-1.1-4-4.5;

25 (2) a general reassessment of real property under IC 6-1.1-4-4; or

26 (3) a reassessment under a county's reassessment plan prepared
 27 under IC 6-1.1-4-4.2.

28 (d) The statutes to which subsection (a) refers are:

29 (1) IC 8-10-5-17;

30 (2) IC 8-22-3-11;

31 (3) IC 8-22-3-25;

32 (4) IC 12-29-1-1;

33 (5) IC 12-29-1-2;

34 (6) IC 12-29-1-3;

35 (7) IC 12-29-3-6;

36 (8) IC 13-21-3-12;

37 (9) IC 13-21-3-15;

38 (10) IC 14-27-6-30;

39 (11) IC 14-33-7-3;

40 (12) IC 14-33-21-5;

41 (13) IC 15-14-7-4;

42 (14) IC 15-14-9-1;

43 (15) IC 15-14-9-2;

44 (16) IC 16-20-2-18;

45 (17) IC 16-20-4-27;

46 (18) IC 16-20-7-2;

47 (19) IC 16-22-14;

48 (20) IC 16-23-1-29;

49 (21) IC 16-23-3-6;

50 (22) IC 16-23-4-2;

- 1 (23) IC 16-23-5-6;
 2 (24) IC 16-23-7-2;
 3 (25) IC 16-23-8-2;
 4 (26) IC 16-23-9-2;
 5 (27) IC 16-41-15-5;
 6 (28) IC 16-41-33-4;
 7 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
 8 (30) IC 20-46-6-5;
 9 (31) IC 20-49-2-10;
 10 (32) IC 36-1-19-1;
 11 (33) IC 23-14-66-2;
 12 (34) IC 23-14-67-3;
 13 (35) IC 36-7-13-4;
 14 (36) IC 36-7-14-28;
 15 (37) IC 36-7-15.1-16;
 16 (38) IC 36-8-19-8.5;
 17 (39) IC 36-9-6.1-2;
 18 (40) IC 36-9-17.5-4;
 19 (41) IC 36-9-27-73;
 20 (42) IC 36-9-29-31;
 21 (43) IC 36-9-29.1-15;
 22 (44) IC 36-10-6-2;
 23 (45) IC 36-10-7-7;
 24 (46) IC 36-10-7-8;
 25 (47) IC 36-10-7.5-19;
 26 (48) IC 36-10-13-5;
 27 (49) IC 36-10-13-7;
 28 (50) IC 36-10-14-4;
 29 (51) IC 36-12-7-7;
 30 (52) IC 36-12-7-8;
 31 (53) IC 36-12-12-10;
 32 (54) a statute listed in IC 6-1.1-18.5-9.8; and
 33 (55) any statute enacted after December 31, 2003, that:
 34 (A) establishes a maximum rate for any part of the:
 35 (i) property taxes; or
 36 (ii) special benefits taxes;
 37 imposed by a political subdivision; and
 38 (B) does not exempt the maximum rate from the adjustment
 39 under this section.
 40 (e) For property tax rates imposed for property taxes first due and
 41 payable after December 31, 2012, the new maximum rate under a
 42 statute listed in subsection (d) is the tax rate determined under STEP
 43 EIGHT of the following STEPS:
 44 STEP ONE: Except as provided in subsection (g), determine the
 45 maximum rate for the political subdivision levying a property tax
 46 or special benefits tax under the statute for the year preceding the
 47 year in which the annual adjustment or the reassessment under
 48 IC 6-1.1-4-4 or IC 6-1.1-4-4.2 takes effect.
 49 STEP TWO: Determine the actual percentage change (rounded to
 50 the nearest one-hundredth percent (0.01%)) in the assessed value

1 (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable
 2 property from the year preceding the year the annual adjustment
 3 or the reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2 takes
 4 effect to the year that the annual adjustment or the reassessment
 5 under IC 6-1.1-4-4 or IC 6-1.1-4-4.2 takes effect.

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

10 STEP FOUR: Compute separately, for each of the calendar years
 11 determined in STEP THREE, the actual percentage change
 12 (rounded to the nearest one-hundredth percent (0.01%)) in the
 13 assessed value (before the adjustment, if any, under
 14 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

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

17 STEP SIX: Determine the greater of the following:

18 (A) Zero (0).

19 (B) The STEP FIVE result.

20 STEP SEVEN: Determine the greater of the following:

21 (A) Zero (0).

22 (B) The result of the STEP TWO percentage minus the STEP
 23 SIX percentage.

24 STEP EIGHT: Determine the quotient of the STEP ONE tax rate
 25 divided by the sum of one (1) plus the STEP SEVEN percentage.

26 (f) The department of local government finance shall compute the
 27 maximum rate allowed under subsection (e) and provide the rate to
 28 each political subdivision with authority to levy a tax under a statute
 29 listed in subsection (d).

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

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

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

39 **(h) This subsection applies only when calculating the maximum**
 40 **rate allowed under subsection (e) for the Vincennes Community**
 41 **School Corporation with respect to property taxes first due and**
 42 **payable in 2014. The subsection (e) STEP ONE result for the school**
 43 **corporation's capital projects fund is nineteen and forty-two**
 44 **hundredths cents (\$0.1942).**

45 SECTION 11. IC 6-1.1-18-14 IS ADDED TO THE INDIANA
 46 CODE AS A NEW SECTION TO READ AS FOLLOWS
 47 [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) As used in this section,**
 48 **"qualified town" means the town of Goodland in Newton County.**

49 **(b) Before July 1, 2013, the department shall calculate and**
 50 **certify to the fiscal body of a qualified town the result of:**

51 **(1) the amount of the property tax levy that could have been**

1 imposed for property taxes first due and payable in 2013, if
 2 the qualified town had imposed the maximum property tax
 3 levy that would have been permitted by law if the qualified
 4 town had properly submitted its budget and property tax levy
 5 information to the department; minus

6 (2) the amount of the property tax levy approved by the
 7 department under IC 6-1.1-17 for property taxes first due and
 8 payable in calendar year 2013, after reducing the qualified
 9 town's budget and property tax levy because the qualified
 10 town's budget and property tax levy information were
 11 improperly submitted to the department.

12 (c) After receiving the certifications required under subsection
 13 (b), the fiscal body of the qualified town may adopt an ordinance
 14 authorizing the town to borrow money from a financial institution
 15 to replace part or all of the amount certified under subsection (b).

16 (d) If a qualified town receives a loan under this section, the
 17 fiscal officer of the qualified town shall deposit the loan in each
 18 fund affected by the reduction of the qualified town's budget and
 19 property tax levy. The amount deposited may be used for any of
 20 the lawful purposes of that fund.

21 (e) If a qualified town borrows money under subsection (c), the
 22 qualified town shall impose a property tax levy in calendar year
 23 2014 for the qualified town's debt service fund to repay the total
 24 amount borrowed. The property tax levy under this subsection
 25 must be treated as protected taxes (as defined in IC 6-1.1-20.6-9.8).

26 (f) This section expires June 30, 2015.

27 SECTION 12. IC 6-1.1-18-15 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) This section applies to
 30 the town of Zionsville in Boone County.

31 (b) The department of local government finance shall increase
 32 the town's maximum permissible ad valorem property tax levy for
 33 2014 by the amount of the actual 2012 property tax levy that was
 34 imposed by the town for the fire equipment replacement fund
 35 within the fire protection territory in which the town was a
 36 participating unit.

37 (c) The town's maximum permissible ad valorem property tax
 38 levy for property taxes first due and payable in 2014, as adjusted
 39 under this section, shall be used in the determination of the town's
 40 maximum permissible ad valorem property tax levy for property
 41 taxes first due and payable in 2014 and thereafter.

42 (d) This section expires July 1, 2016.

43 SECTION 13. IC 6-1.1-18-16 IS ADDED TO THE INDIANA
 44 CODE AS A NEW SECTION TO READ AS FOLLOWS
 45 [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) This section applies to
 46 a township that submitted a petition under P.L.137-2012,
 47 SECTION 125, to the department of local government finance for
 48 an increase in the maximum permissible ad valorem property tax
 49 levy under IC 36-8-13 (for township fire protection and emergency
 50 services) for property taxes first due and payable in 2013.

51 (b) Notwithstanding the effective date of P.L.137-2012,

1 SECTION 125, the actions of the department of local government
2 finance as a result of the petition are legalized and validated.

3 (c) This section expires July 1, 2015.

4 SECTION 14. IC 6-1.1-18-17 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) This section applies
7 only to the school city of Mishawaka.

8 (b) Notwithstanding any order, decision, or finding of the
9 department of local government finance to the contrary, the budget
10 of the school city of Mishawaka for calendar year 2013 is the
11 budget advertised by the school city under IC 6-1.1-17.

12 (c) Any order, decision, or finding of the department of local
13 government finance adjusting the calendar year 2013 budget
14 advertised by the school city of Mishawaka is void.

15 (d) Before July 1, 2013, the department shall calculate and
16 certify to the fiscal body of the school city of Mishawaka the
17 amount of the property tax levy that could have been imposed for
18 property taxes first due and payable in 2013, if the school city had
19 imposed the property tax levy that would have been permitted to
20 fund its budget for 2013.

21 (e) After receiving the certification required under subsection
22 (d), the fiscal body of the school city of Mishawaka may adopt an
23 ordinance authorizing the school city to borrow money from a
24 financial institution to replace part or all of the amount certified
25 under subsection (d).

26 (f) If the school city of Mishawaka receives a loan under this
27 section, the fiscal officer of the school city shall deposit the loan in
28 each fund affected by the reduction of the school city's budget and
29 property tax levy. The amount deposited may be used for any of
30 the lawful purposes of that fund.

31 (g) If the school city of Mishawaka borrows money under
32 subsection (f), the school city shall impose a property tax levy in
33 calendar year 2014 for the school city's debt service fund to repay
34 the total amount borrowed. The property tax levy under this
35 subsection must be treated as protected taxes, as defined in
36 IC 6-1.1-20.6-9.8.

37 (h) The department of local government finance may not make
38 an order, decision, or finding that adversely affects a budget or
39 levy of the city of Mishawaka because of the changes to the budget
40 and levy of the school city of Mishawaka for calendar year 2013.

41 (i) This section expires June 30, 2015.

42 SECTION 15. IC 6-1.1-18-18 IS ADDED TO THE INDIANA
43 CODE AS A NEW SECTION TO READ AS FOLLOWS
44 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) This section applies
45 to the Union-Lakeville fire protection territory in St. Joseph County.

46 (b) The executive of the provider unit may, upon approval by
47 the fiscal body of the provider unit, submit a petition to the
48 department of local government finance for an increase in the
49 provider unit's maximum permissible ad valorem property tax levy
50 for purposes of IC 36-8-19 for property taxes first due and payable
51 in 2014.

1 (c) If a petition is submitted under subsection (b), the
 2 department of local government finance shall increase the provider
 3 unit's maximum permissible ad valorem property tax levy for
 4 purposes of IC 36-8-19 for property taxes first due and payable in
 5 2014 by the amount necessary to increase the provider unit's
 6 maximum permissible ad valorem property tax levy for purposes
 7 of IC 36-8-19 to seventy percent (70%) of the amount of the
 8 provider unit's maximum permissible ad valorem property tax levy
 9 for purposes of IC 36-8-19 that applied to taxes first due and
 10 payable in 2006.

11 (d) A provider unit's maximum permissible ad valorem
 12 property tax levy for purposes of IC 36-8-19 for property taxes
 13 first due and payable in 2014, as adjusted under this section, shall
 14 be used in the determination of the provider unit's maximum
 15 permissible ad valorem property tax levy for purposes of
 16 IC 36-8-19 for property taxes first due and payable in 2015 and
 17 thereafter.

18 (e) This section expires June 30, 2016.

19 SECTION 16. IC 6-1.1-18-19 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This section applies
 22 only to the town of Williams Creek in Marion County.

23 (b) Before July 1, 2013, the department shall calculate and
 24 certify to the fiscal body of the town of Williams Creek the amount
 25 of the property tax levy that could have been imposed for property
 26 taxes first due and payable in 2013, if the town had imposed the
 27 maximum property tax levy that would have been permitted by law
 28 if the town had properly published its budget and property tax levy
 29 for 2013.

30 (c) After receiving the certification required under subsection
 31 (b), the fiscal body of the town of Williams Creek may adopt an
 32 ordinance authorizing the town to borrow money from a financial
 33 institution to replace part or all of the amount certified under
 34 subsection (b).

35 (d) If the town of Williams Creek receives a loan under this
 36 section, the fiscal officer of the town shall deposit the loan in each
 37 fund affected by the reduction of the town's budget and property
 38 tax levy. The amount deposited may be used for any of the lawful
 39 purposes of that fund.

40 (e) If the town of Williams Creek borrows money under
 41 subsection (c), the town shall impose a property tax levy in
 42 calendar year 2014 for the town's debt service fund to repay the
 43 total amount borrowed. The property tax levy under this
 44 subsection must be treated as protected taxes, as defined in
 45 IC 6-1.1-20.6-9.8.

46 (f) This section expires June 30, 2015.

47 SECTION 17. IC 6-1.1-18-20 IS ADDED TO THE INDIANA
 48 CODE AS A NEW SECTION TO READ AS FOLLOWS
 49 [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) This section applies
 50 only to the city of Lawrence in Marion County.

51 (b) The city of Lawrence may appeal under IC 6-1.1-18.5-12 for

1 relief from the property tax levy limitations imposed under
 2 IC 6-1.1-18.5-3 for property taxes first due and payable in 2014 to
 3 recoup a property tax shortfall that the city experienced as a result
 4 of the denial by the department of local government finance of the
 5 city's 2013 budget, property tax rates, and property tax levies.

6 (c) The department of local government finance may find that
 7 the city of Lawrence should be granted permission to increase its
 8 levy for 2014 in excess of the limitations established under
 9 IC 6-1.1-18.5-3 to permit the city to recoup a property tax shortfall
 10 that the city experienced as a result of the denial by the department
 11 of local government finance of the city's 2013 budget, property tax
 12 rates, and property tax levies because of a change in the date of
 13 adoption of the city's 2013 budget.

14 (d) An appeal for a levy under this section may not be denied
 15 because of the amount of cash balances in the city of Lawrence's
 16 funds. The maximum increase in the city's levy that may be
 17 approved under this section is two hundred fifty thousand dollars
 18 (\$250,000).

19 (e) This section expires June 30, 2015.

20 SECTION 18. IC 6-1.1-18-21 IS ADDED TO THE INDIANA
 21 CODE AS A NEW SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) This section applies to
 23 Davis Township in Fountain County.

24 (b) The executive of the township may, upon approval by the
 25 township fiscal body, submit a petition to the department of local
 26 government finance for an increase in the maximum permissible ad
 27 valorem property tax levy under IC 36-8-13 (for township fire
 28 protection and emergency services) for property taxes first due and
 29 payable in 2014.

30 (c) The department of local government finance shall increase
 31 the maximum permissible ad valorem property tax levy under
 32 IC 36-8-13 for a township that submits a petition under this section
 33 by the lesser of:

- 34 (1) the amount of the increase requested in the petition; or
 35 (2) the amount necessary to increase the township's maximum
 36 permissible ad valorem property tax levy under IC 36-8-13
 37 for property taxes first due and payable in 2014 to the amount
 38 of the township's maximum permissible ad valorem property
 39 tax levy under IC 36-8-13 that applied to taxes first due and
 40 payable in 2003.

41 (d) A township's maximum permissible ad valorem property tax
 42 levy under IC 36-8-13 for property taxes first due and payable in
 43 2014, as adjusted under this section, shall be used in the
 44 determination of the township's maximum permissible ad valorem
 45 property tax levy under IC 36-8-13 for property taxes first due and
 46 payable in 2015 and thereafter.

47 (e) This section expires January 1, 2016.

48 SECTION 19. IC 6-1.1-20-12, AS ADDED BY P.L.203-2011,
 49 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 50 JULY 1, 2013]: Sec. 12. (a) This section applies to taxes first due and
 51 payable in 2012 or a subsequent year.

1 (b) The county auditor shall distribute proceeds collected from an
 2 allocation area (as defined in IC 6-1.1-21.2-3) that are attributable to
 3 property taxes imposed after being approved by the voters in a
 4 referendum conducted after April 30, 2010, to the taxing unit for which
 5 the referendum was conducted.

6 (c) The amount to be distributed under subsection (b) shall be
 7 treated as part of the referendum levy for purposes of setting tax rates
 8 for property taxes imposed after being approved by the voters in a
 9 referendum conducted after April 30, 2010.

10 **(d) For a school corporation that conducted a referendum after**
 11 **November 1, 2009, and before May 1, 2010, for distributions after**
 12 **2013, the county auditor shall distribute proceeds collected from an**
 13 **allocation area (as defined in IC 6-1.1-21.2-3) that are attributable**
 14 **to property taxes imposed after being approved by the voters in the**
 15 **referendum, to the school corporation for which the referendum**
 16 **was conducted. The amount to be distributed to the school**
 17 **corporation shall be treated as part of the referendum levy for**
 18 **purposes of setting the school corporation's tax rates.**

19 SECTION 20. IC 6-1.1-20.3-6, AS AMENDED BY P.L.145-2012,
 20 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 6. (a) The fiscal body and the executive of a
 22 political subdivision may jointly file a petition with the board seeking
 23 to have the political subdivision designated as a distressed political
 24 subdivision under this chapter.

25 (b) The governing body and the superintendent of a school
 26 corporation may **do any of the following:**

27 **(1) Jointly file a petition with the board seeking relief under**
 28 **section 8.3 of this chapter.**

29 **(2) Jointly file a petition with the board seeking to have the**
 30 **school corporation designated as a distressed political**
 31 **subdivision under this chapter.**

32 **(3) Jointly file a petition with the board requesting authority**
 33 **to transfer before July 1, 2015, excess funds in the school**
 34 **corporation's debt service fund to the school corporation's**
 35 **transportation fund as provided in section 8.4 of this chapter.**

36 (c) The board may adopt procedures governing the timing and
 37 required content of a petition under subsection (a).

38 SECTION 21. IC 6-1.1-20.3-6.5, AS ADDED BY P.L.145-2012,
 39 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 6.5. (a) After the board receives a petition
 41 concerning a political subdivision under section 6(a) **or 6(b)(2)** of this
 42 chapter, the board may designate the political subdivision as a
 43 distressed political subdivision if at least one (1) of the following
 44 conditions applies to the political subdivision:

45 (1) The political subdivision has defaulted in payment of principal
 46 or interest on any of its bonds or notes.

47 (2) The political subdivision has failed to make required
 48 payments to payroll employees for thirty (30) days or two (2)
 49 consecutive payrolls.

50 (3) The political subdivision has failed to make required
 51 payments to judgment creditors for sixty (60) days beyond the

- 1 date of the recording of the judgment.
- 2 (4) The political subdivision, for at least thirty (30) days beyond
- 3 the due date, has failed to do any of the following:
- 4 (A) Forward taxes withheld on the incomes of employees.
- 5 (B) Transfer employer or employee contributions due under
- 6 the Federal Insurance Contributions Act (FICA).
- 7 (C) Deposit the political subdivision's minimum obligation
- 8 payment to a pension fund.
- 9 (5) The political subdivision has accumulated a deficit equal to
- 10 eight percent (8%) or more of the political subdivision's revenues.
- 11 For purposes of this subdivision, "deficit" means a negative fund
- 12 balance calculated as a percentage of revenues at the end of a
- 13 budget year for any governmental or proprietary fund. The
- 14 calculation must be presented on an accrual basis according to
- 15 generally accepted accounting principles.
- 16 (6) The political subdivision has sought to negotiate a resolution
- 17 or an adjustment of claims that in the aggregate:
- 18 (A) exceed thirty percent (30%) of the political subdivision's
- 19 anticipated annual revenues; and
- 20 (B) are ninety (90) days or more past due.
- 21 (7) The political subdivision has carried over interfund loans for
- 22 the benefit of the same fund at the end of two (2) successive
- 23 years.
- 24 (8) The political subdivision has been severely affected, as
- 25 determined by the board, as a result of granting the property tax
- 26 credits under IC 6-1.1-20.6.
- 27 (9) In addition to the conditions listed in subdivisions (1) through
- 28 (8), and in the case of a school corporation, the board may also
- 29 designate a school corporation as a distressed political
- 30 subdivision if at least one (1) of the following conditions applies:
- 31 (A) The school corporation has:
- 32 (i) issued refunding bonds under IC 5-1-5-2.5; or
- 33 (ii) adopted a resolution under IC 5-1-5-2.5 making the
- 34 determinations and including the information specified in
- 35 IC 5-1-5-2.5(g).
- 36 (B) The ratio that the amount of the school corporation's debt
- 37 (as determined in December 2010) bears to the school
- 38 corporation's 2011 ADM ranks in the highest ten (10) among
- 39 all school corporations.
- 40 (C) The ratio that the amount of the school corporation's debt
- 41 (as determined in December 2010) bears to the school
- 42 corporation's total assessed valuation for calendar year 2011
- 43 ranks in the highest ten (10) among all school corporations.
- 44 (D) The amount of homestead assessed valuation in the school
- 45 corporation for calendar year 2011 was at least sixty percent
- 46 (60%) of the total amount of assessed valuation in the school
- 47 corporation for calendar year 2011.
- 48 The board may consider whether a political subdivision has fully
- 49 exercised all the local options available to the political subdivision,
- 50 such as a local option income tax or a local option income tax rate

1 increase or, in the case of a school corporation, an operating
2 referendum.

3 (b) If the board designates a political subdivision as distressed under
4 subsection (a), the board shall review the designation annually to
5 determine if the distressed political subdivision meets at least one (1)
6 of the conditions listed in subsection (a).

7 (c) If the board designates a political subdivision as a distressed
8 political subdivision under subsection (a), the board shall immediately
9 notify:

10 (1) the treasurer of state; and

11 (2) the county auditor and county treasurer of each county in
12 which the distressed political subdivision is wholly or partially
13 located;

14 that the board has designated the political subdivision as a distressed
15 political subdivision.

16 SECTION 22. IC 6-1.1-20.3-7.5, AS ADDED BY P.L.145-2012,
17 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 UPON PASSAGE]: Sec. 7.5. (a) This section does not apply to a school
19 corporation designated **before July 1, 2013**, as a distressed political
20 subdivision.

21 (b) If the board designates a political subdivision as a distressed
22 political subdivision under section 6.5 of this chapter, the board shall
23 appoint an emergency manager for the distressed political subdivision.
24 An emergency manager serves at the pleasure of the board.

25 (c) The chairperson of the board shall oversee the activities of an
26 emergency manager.

27 (d) The distressed political subdivision shall pay the emergency
28 manager's compensation and reimburse the emergency manager for
29 actual and necessary expenses.

30 SECTION 23. IC 6-1.1-20.3-8.3, AS ADDED BY P.L.145-2012,
31 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 UPON PASSAGE]: Sec. 8.3. After the board receives a petition
33 concerning a school corporation under section ~~6(b)~~ **6(b)(1)** of this
34 chapter, the board shall review the school corporation's request for a
35 loan from the counter-cyclical revenue and economic stabilization fund
36 under IC 6-1.1-21.4-3(b). The board shall make a recommendation to
37 the state board of finance regarding the loan request. The board may
38 consider whether a school corporation has attempted to secure
39 temporary cash flow loans from the Indiana bond bank or a financial
40 institution in making its recommendation.

41 SECTION 24. IC 6-1.1-20.3-8.4 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS
43 [EFFECTIVE UPON PASSAGE]: **Sec. 8.4. (a) After the board
44 receives a petition concerning a school corporation under section
45 6(b)(3) of this chapter, the board shall review the school
46 corporation's request for the authority to transfer excess funds in
47 the school corporation's debt service fund to the school
48 corporation's transportation fund. The board shall make a
49 determination regarding:**

50 **(1) whether the school corporation may transfer excess funds
51 in the school corporation's debt service fund to the school**

1 **corporation's transportation fund; and**
 2 **(2) if a transfer is approved under subdivision (1), the amount**
 3 **of excess funds that may be transferred from the school**
 4 **corporation's debt service fund to the school corporation's**
 5 **transportation fund.**

6 **(b) The board may not approve a transfer of excess funds from**
 7 **the school corporation's debt service fund to the school**
 8 **corporation's transportation fund if the transfer will occur after**
 9 **June 30, 2015.**

10 **(c) This section expires July 1, 2015.**

11 SECTION 25. IC 6-1.1-20.3-8.5, AS ADDED BY P.L.145-2012,
 12 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 8.5. (a) This section does not apply to a
 14 school ~~corporations~~ **corporation designated before July 1, 2013, as**
 15 **a distressed political subdivision.**

16 (b) Notwithstanding any other law, an emergency manager of a
 17 distressed political subdivision appointed under section 7.5 of this
 18 chapter shall do the following:

19 (1) Assume and exercise the authority and responsibilities of both
 20 the executive and the fiscal body of the political subdivision
 21 concerning the adoption, amendment, and enforcement of
 22 ordinances and resolutions relating to or affecting the fiscal
 23 stability of the political subdivision. However, the emergency
 24 manager does not have the power to impose taxes or fees in
 25 addition to the taxes or fees authorized by the political
 26 subdivision before the political subdivision was designated a
 27 distressed political subdivision.

28 (2) Review the political subdivision's budget.

29 (3) Review salaries of the political subdivision's employees.

30 (4) Conduct a financial and compliance audit of the internal
 31 operations of the political subdivision.

32 (5) Develop a written financial plan in consultation with the
 33 officials of the political subdivision not later than six (6) months
 34 after appointment.

35 (6) Develop a plan for paying all the political subdivision's
 36 outstanding obligations.

37 (7) Review existing labor contracts.

38 (8) Adopt a budget for the political subdivision for each calendar
 39 or fiscal year, as applicable, that the political subdivision remains
 40 a distressed political subdivision.

41 (9) Review payrolls and other claims against the political
 42 subdivision before payment.

43 (10) Make, approve, or disapprove the following:

44 (A) A contract.

45 (B) An expenditure.

46 (C) A loan.

47 (D) The creation of any new position.

48 (E) The filling of any vacant position.

49 (11) Submit a written report to the board every three (3) months
 50 concerning:

51 (A) actions taken by the emergency manager;

- 1 (B) expenditures made by the distressed political subdivision;
 2 and
 3 (C) the work that has been done to remove the distressed
 4 political subdivision from distressed status.
- 5 (12) Petition the board to terminate a political subdivision's status
 6 as a distressed political subdivision when the conditions found in
 7 section 6.5 of this chapter are no longer applicable to the political
 8 subdivision.
- 9 (c) An emergency manager of a distressed political subdivision
 10 appointed under section 7.5 of this chapter may do the following:
- 11 (1) Renegotiate existing labor contracts and act as an agent of the
 12 political subdivision in collective bargaining.
 13 (2) Reduce or suspend salaries of the political subdivision's
 14 employees.
 15 (3) Enter into agreements with other political subdivisions for the
 16 provision of services.
- 17 (d) Except as provided in section 13(c) of this chapter, an
 18 emergency manager of a distressed political subdivision retains the
 19 powers and duties described in subsections (b) and (c) until:
- 20 (1) the emergency manager resigns or dies;
 21 (2) the board removes the emergency manager; or
 22 (3) the political subdivision's status as a distressed political
 23 subdivision is terminated under section 13(b) of this chapter.
- 24 SECTION 26. IC 6-1.1-20.3-10, AS AMENDED BY P.L.145-2012,
 25 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 UPON PASSAGE]: Sec. 10. A distressed political subdivision may
 27 petition the tax court for judicial review of a determination of the board
 28 under section 6.5 of this chapter. **A school corporation may also**
 29 **petition the tax court for judicial review of a determination of the**
 30 **board under section 8.4 of this chapter.** The action must be taken to
 31 the tax court under IC 6-1.1-15 in the same manner that an action is
 32 taken to appeal a final determination of the Indiana board of tax review.
 33 The petition must be filed in the tax court not more than forty-five (45)
 34 days after the board enters its final determination.
- 35 SECTION 27. IC 6-1.1-20.3-13, AS ADDED BY P.L.145-2012,
 36 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 UPON PASSAGE]: Sec. 13. (a) If:
- 38 (1) an emergency manager of a distressed political subdivision;
 39 ~~that is not a school corporation;~~
 40 (2) the fiscal body and executive of the political subdivision
 41 jointly; or
 42 (3) the governing body of a school corporation that:
 43 (A) employs a new superintendent; or
 44 (B) has a new member elected or appointed to its governing
 45 body;
 46 during the time the school corporation is a distressed political
 47 subdivision;
 48 files a petition with the board for termination of the political
 49 subdivision's status as a distressed political subdivision, the board shall
 50 conduct a public hearing on the question of whether to terminate the

1 political subdivision's status as a distressed political subdivision.

2 (b) The board shall terminate the political subdivision's status as a
3 distressed political subdivision if the board finds that the conditions
4 found in section 6.5 of this chapter are no longer applicable to the
5 political subdivision.

6 (c) Notwithstanding any other section of this chapter, not later than
7 ninety (90) days after taking office, a new executive of a distressed
8 political subdivision may petition the board for suspension of the
9 political subdivision's distressed status. The executive must include in
10 its petition a written plan to resolve the applicable issues described in
11 section 6.5 of this chapter. If the board approves the executive's written
12 plan, the board may suspend the political subdivision's distressed status
13 for one hundred eighty (180) days. Suspension under this chapter
14 terminates automatically upon expiration of the one hundred eighty
15 (180) day period. The board may consider a petition to terminate the
16 political subdivision's distressed status during a period of suspension.

17 SECTION 28. IC 6-1.1-20.6-2, AS AMENDED BY
18 P.L.182-2009(ss), SECTION 151, IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in
20 this chapter, "homestead" refers to a homestead that ~~is eligible for~~ **has**
21 **been granted** a standard deduction under IC 6-1.1-12-37.

22 (b) The term includes a house or apartment that is owned or leased
23 by a cooperative housing corporation (as defined in 26 U.S.C. 216(b)).

24 SECTION 29. IC 6-1.1-20.6-9.8, AS AMENDED BY P.L.137-2012,
25 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JANUARY 1, 2013 (RETROACTIVE)]: Sec. 9.8. (a) This section
27 applies to property taxes first due and payable after December 31,
28 2009.

29 (b) The following definitions apply throughout this section:

30 (1) "Debt service obligations of a political subdivision" refers to:

31 (A) the principal and interest payable during a calendar year
32 on bonds; and

33 (B) lease rental payments payable during a calendar year on
34 leases;

35 of a political subdivision payable from ad valorem property taxes.

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

37 (A) Property taxes that are exempted from the application of
38 a credit granted under section 7 or 7.5 of this chapter by
39 section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or another
40 law.

41 (B) Property taxes imposed by a political subdivision to pay
42 for debt service obligations of a political subdivision that are
43 not exempted from the application of a credit granted under
44 section 7 or 7.5 of this chapter by section 7(b), 7(c), 7.5(b), or
45 7.5(c) of this chapter or any other law. Property taxes
46 described in this subsection are subject to the credit granted
47 under section 7 or 7.5 of this chapter by section 7(b), 7(c),
48 7.5(b), or 7.5(c) **of this chapter** regardless of their designation
49 as protected taxes.

50 (3) "Unprotected taxes" refers to property taxes that are not

- 1 protected taxes.
- 2 **(c) Except as provided in subsection (e) for property taxes due**
- 3 **and payable in 2013**, the total amount collected from protected taxes
- 4 **shall be allocated of revenue to be distributed** to the fund for which
- 5 the protected taxes were imposed **shall be determined** as if no credit
- 6 were granted under section 7 or 7.5 of this chapter. The total amount
- 7 of the loss in revenue resulting from the granting of credits under
- 8 section 7 or 7.5 of this chapter must reduce only the amount of
- 9 unprotected ~~property~~ taxes distributed to a fund ~~in proportion to the~~
- 10 ~~unprotected rate tax imposed for that fund relative to the total of all~~
- 11 ~~unprotected tax rates imposed by the taxing unit. using the following~~
- 12 **criteria:**
- 13 **(1) The reduction may be allocated in the amounts determined**
- 14 **by the political subdivision using a combination of**
- 15 **unprotected taxes of the political subdivision in those taxing**
- 16 **districts in which the credit caused a reduction in protected**
- 17 **taxes.**
- 18 **(2) The tax revenue and each fund of any other political**
- 19 **subdivisions must not be affected by the reduction.**
- 20 **(d) When:**
- 21 **(1) the revenue that otherwise would be distributed to a fund**
- 22 **receiving only unprotected taxes is reduced entirely under**
- 23 **subsection (c) and the remaining revenue is insufficient for a**
- 24 **fund receiving protected taxes to receive the revenue specified**
- 25 **by subsection (c); or**
- 26 **(2) there is not a fund receiving only unprotected taxes from**
- 27 **which to distribute revenue;**
- 28 **the revenue distributed to the fund receiving protected taxes must**
- 29 **also be reduced. If the revenue distributed to a fund receiving**
- 30 **protected taxes is reduced, the political subdivision may transfer**
- 31 **money from one (1) or more of the other funds of the political**
- 32 **subdivision to offset the loss in revenue to the fund receiving**
- 33 **protected taxes. The transfer is limited to the amount necessary for**
- 34 **the fund receiving protected taxes to receive the revenue specified**
- 35 **under subsection (c). The amount transferred shall be specifically**
- 36 **identified as a debt service obligation transfer for each affected**
- 37 **fund.**
- 38 **(e) This subsection applies to property taxes due and payable in**
- 39 **2013. The total amount of the loss in revenue resulting from the**
- 40 **granting of credits under section 7 or 7.5 of this chapter must**
- 41 **reduce the amount of protected and unprotected property taxes**
- 42 **distributed to a fund in proportion to the property tax levy**
- 43 **imposed for that fund relative to the total of all protected and**
- 44 **unprotected property tax levies imposed by the political**
- 45 **subdivision. The allocations shall be made after the political**
- 46 **subdivision receives its distribution.**
- 47 SECTION 30. IC 6-1.1-33.5-3, AS AMENDED BY
- 48 P.L.182-2009(ss), SECTION 169, IS AMENDED TO READ AS
- 49 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. The division of data
- 50 analysis shall:
- 51 (1) conduct continuing studies in the areas in which the

- 1 department of local government finance operates;
 2 (2) make periodic field surveys and audits of:
 3 (A) tax rolls;
 4 (B) plat books;
 5 (C) building permits;
 6 (D) real estate transfers; and
 7 (E) other data that may be useful in checking property
 8 valuations or taxpayer returns;
 9 (3) make test checks of property valuations to serve as the ~~bases~~
 10 **basis** for special reassessments under this article;
 11 (4) conduct ~~biennially~~ **annually a review of each** coefficient of
 12 dispersion study for each township and county; ~~in Indiana;~~
 13 (5) conduct ~~quadrennially~~ **annually a review of each** sales
 14 assessment ratio study for each township and county; ~~in Indiana;~~
 15 and
 16 (6) report annually to the executive director of the legislative
 17 services agency, in an electronic format under IC 5-14-6, the
 18 information obtained or determined under this section for use by
 19 the executive director and the general assembly, including:
 20 (A) all information obtained by the division of data analysis
 21 from units of local government; and
 22 (B) all information included in:
 23 (i) the local government data base; and
 24 (ii) any other data compiled by the division of data analysis.
- 25 SECTION 31. IC 6-1.1-36-17, AS ADDED BY P.L.87-2009,
 26 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2013]: Sec. 17. (a) As used in this section, "nonreverting
 28 fund" refers to a nonreverting fund established under subsection (c).
 29 (b) Each county auditor that makes a determination that property
 30 was not eligible for a standard deduction under IC 6-1.1-12-37 or a
 31 homestead credit under IC 6-1.1-20.9 (repealed) in a particular year
 32 shall notify the county treasurer of the determination. The county
 33 auditor shall issue a notice of taxes, interest, and penalties due to the
 34 owner and include a statement that the payment is to be made payable
 35 to the county auditor. The notice must require full payment of the
 36 amount owed within thirty (30) days.
 37 (c) Each county auditor shall establish a nonreverting fund. Upon
 38 collection of the adjustment in tax due (and any interest and penalties
 39 on that amount) after the termination of a deduction or credit as
 40 specified in subsection (b), the county treasurer shall deposit that
 41 amount:
 42 (1) in the nonreverting fund, **if the county contains a**
 43 **consolidated city; or**
 44 (2) **if the county does not contain a consolidated city:**
 45 (A) **in the nonreverting fund, to the extent that the amount**
 46 **collected, after deducting the direct cost of any contract,**
 47 **including contract related expenses, under which the**
 48 **contractor is required to identify homestead deduction**
 49 **eligibility, does not cause the total amount deposited in the**
 50 **nonreverting fund under this subsection for the year**
 51 **during which the amount is collected to exceed one**

1 **hundred thousand dollars (\$100,000); or**
 2 **(B) in the county general fund, to the extent that the**
 3 **amount collected exceeds the amount that may be**
 4 **deposited in the nonreverting fund under clause (A).**

5 Any part of the amount that is not collected by the due date shall be
 6 placed on the tax duplicate for the affected property and collected in
 7 the same manner as other property taxes. The adjustment in tax due
 8 (and any interest and penalties on that amount) after the termination of
 9 a deduction or credit as specified in subsection (b) shall be deposited
 10 ~~in the nonreverting fund as specified in this subsection~~ only in the first
 11 year in which that amount is collected.

12 (d) The amount to be deposited in the nonreverting fund ~~or the~~
 13 **county general fund under subsection (c)** includes adjustments in the
 14 tax due as a result of the termination of deductions or credits available
 15 only for property that satisfies the eligibility for a standard deduction
 16 under IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9
 17 (repealed), including the following:

- 18 (1) Supplemental deductions under IC 6-1.1-12-37.5.
 19 (2) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-1.1-26,
 20 IC 6-3.5-6-13, IC 6-3.5-6-32, IC 6-3.5-7-13.1, or IC 6-3.5-7-26,
 21 or any other law.
 22 (3) Credit for excessive property taxes under IC 6-1.1-20.6-7.5 or
 23 IC 6-1.1-20.6-8.5.

24 Any amount paid that exceeds the amount required to be deposited ~~in~~
 25 ~~the nonreverting fund under subsection (c)(1) or (c)(2)~~ shall be
 26 distributed as property taxes.

27 (e) Money ~~in the nonreverting fund deposited under subsection~~
 28 **(c)(1) or (c)(2)** shall be treated as miscellaneous revenue. Distributions
 29 shall be made from the nonreverting fund established under this section
 30 upon appropriation by the county fiscal body and shall be made only
 31 for the following purposes:

- 32 (1) Fees and other costs incurred by the county auditor to discover
 33 property that is eligible for a standard deduction under
 34 IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9
 35 (repealed).
 36 (2) Other expenses of the office of the county auditor.
 37 (3) The cost of preparing, sending, and processing notices
 38 described in IC 6-1.1-22-8.1(b)(9). ~~and checklists or notices~~
 39 ~~described in IC 6-1.1-22.5-12(d).~~

40 The amount of deposits in a reverting fund, the balance of a
 41 nonreverting fund, and expenditures from a reverting fund may not be
 42 considered in establishing the budget of the office of the county auditor
 43 or in setting property tax levies that will be used in any part to fund the
 44 office of the county auditor.

45 SECTION 32. IC 6-1.1-41-16 IS ADDED TO THE INDIANA
 46 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 47 [EFFECTIVE JULY 1, 2013]: **Sec. 16. (a) This section applies to the**
 48 **town of Zionsville.**

49 **(b) Upon the request of the town, the department of local**
 50 **government finance shall establish for the town a cumulative**

1 **building and equipment fund for fire protection and related**
 2 **services as described in IC 36-8-14 to be a fund of the town**
 3 **beginning in 2014.**

4 SECTION 33. IC 6-1.1-41-17 IS ADDED TO THE INDIANA
 5 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2013]: **Sec. 17. (a) This section applies to the**
 7 **Frankfort Airport Authority in Clinton County.**

8 **(b) Notwithstanding IC 8-22-3-25, the maximum permissible ad**
 9 **valorem property tax levy for the authority's cumulative building**
 10 **fund may not exceed sixty-seven hundredths of one cent (\$0.0067)**
 11 **on each one hundred dollars (\$100) of assessed value of taxable**
 12 **property within the district.**

13 SECTION 34. IC 8-22-3-24 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 24. The tax levy under**
 15 **section 23 of this chapter**, as finally approved by the department of
 16 local government finance, must be assessed and collected by the county
 17 treasurer of the county or counties within which the district is located
 18 as other taxes are levied and collected. The county treasurer shall remit
 19 all taxes so collected to the treasurer of the authority. **Each year, the**
 20 **board may transfer to the authority's cumulative building fund an**
 21 **amount not to exceed five percent (5%) of the taxes received under**
 22 **this section in that year.**

23 SECTION 35. IC 13-21-3-13.5, AS AMENDED BY P.L.37-2012,
 24 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2013]: **Sec. 13.5. (a) At the end of each year the district shall**
 26 **prepare, on a form designed by the department of local government**
 27 **finance, a report that is accessible through the computer gateway**
 28 **administered by the office of technology established by IC 4-13.1-2-1**
 29 **and that provides the following information:**

- 30 (1) For each fund that contains district money:
 31 (A) the cash balance at the end of the year;
 32 (B) a list of all encumbrances on the fund that the district is
 33 legally obligated to pay;
 34 (C) a copy of documentation that supports each encumbrance
 35 listed in clause (B);
 36 (D) the fund balance obtained by subtracting the amount under
 37 clause (B) from the amount under clause (A);
 38 (E) the total expenditures from the fund for the year; and
 39 (F) any other financial information required by the department.
 40 (2) The total of all fund balances calculated under subdivision
 41 (1)(D).
 42 (3) The total of all fund expenditures reported under subdivision
 43 (1)(E).
 44 (4) Any programmatic information required by the department.
 45 (5) The total amount of expenditures by the district for the year.
 46 (6) The per capita expenditures by the district for the year.
 47 (7) The amount of expenditures by the district for the year for
 48 personnel costs.
 49 (8) The amount of expenditures by the district for the year for
 50 program costs (excluding personnel costs).
 51 (9) The total amount of solid waste (in tons) disposed of in the

- 1 district for the year for which the district is directly responsible.
 2 (10) The total amount of recycling (in tons) carried out in the
 3 district in the year for which the district is directly responsible.
 4 (b) The district shall provide the report prepared under subsection
 5 (a):
 6 (1) to the department and to the department of local government
 7 finance in a format prescribed by the department; and
 8 (2) to the legislative council in an electronic format under
 9 IC 5-14-6;
 10 by ~~February~~ **March** 1 of the year following the year for which the
 11 report is made.
 12 (c) The district shall publish the annual report prepared under
 13 subsection (a) on an Internet web site maintained by the district or on
 14 the Internet web sites maintained by the counties that are members of
 15 the district.
 16 SECTION 36. IC 20-40-2-4, AS AMENDED BY P.L.145-2012,
 17 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2013]: Sec. 4. (a) Except as provided by subsection (b) or any
 19 other law, any lawful school expenses payable from any other fund of
 20 a school corporation, including debt service and capital outlay, may be
 21 budgeted in and paid from the fund.
 22 (b) Before January 1, 2018, costs attributable to transportation (as
 23 defined in IC 20-40-6-1) may be budgeted in and paid from the fund.
 24 After December 31, 2017, costs attributable to transportation (as
 25 defined in IC 20-40-6-1) may not be budgeted in and paid from the
 26 fund. **After June 30, 2013, a school corporation may also transfer**
 27 **money from its general fund to its transportation fund (IC 20-40-6)**
 28 **if it qualifies under subsection (c).**
 29 (c) **A school corporation may make a transfer from its general**
 30 **fund to its transportation fund if the amount of revenue loss from:**
 31 **(1) the credits for excessive property taxes granted under**
 32 **IC 6-1.1-20.6-7.5 in the amount that affects the school**
 33 **corporation's transportation fund; plus**
 34 **(2) allocations to the school transportation fund resulting**
 35 **from the granting of credits under IC 6-1.1-20.6-7.5 to protect**
 36 **the protected taxes as provided in IC 6-1.1-20.6-9.8;**
 37 **is more than seventy-five percent (75%) of the school corporation's**
 38 **transportation fund levy for the year for which the latest certified**
 39 **levies have been determined. The amount of the transfer may not**
 40 **exceed fifty percent (50%) of revenue lost by the school**
 41 **corporation's transportation fund.**
 42 (d) **A school corporation may make a transfer from its general**
 43 **fund to its school bus replacement fund (IC 20-40-7) if the revenue**
 44 **lost from:**
 45 **(1) the credits for excessive property taxes granted under**
 46 **IC 6-1.1-20.6-7.5 in the amount that affects the school**
 47 **corporation's school bus replacement fund; plus**
 48 **(2) allocations to the school bus replacement fund resulting**
 49 **from the granting of credits under IC 6-1.1-20.6-7.5 to protect**
 50 **the protected taxes as provided in IC 6-1.1-20.6-9.8;**
 51 **is more than seventy-five percent (75%) of the school corporation's**

1 **school bus replacement fund levy for the year for which the latest**
 2 **certified levies have been determined. The amount of the transfer**
 3 **may not exceed fifty percent (50%) of revenue lost by the school**
 4 **corporation's school bus replacement fund.**

5 SECTION 37. IC 20-40-7-6, AS ADDED BY P.L.2-2006,
 6 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2013]: Sec. 6. Except as otherwise provided by
 8 law, **including the exception for transfers permitted by**
 9 **IC 20-40-2-4(d)**, the fund is the exclusive fund used to pay the
 10 following costs attributable to transportation:

11 (1) Amounts paid for the replacement of school buses, either
 12 through a purchase agreement or under a lease agreement.

13 (2) The costs of contracted transportation service payable from
 14 the fund under section 7 of this chapter.

15 SECTION 38. IC 20-40-9-6, AS ADDED BY P.L.2-2006,
 16 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: Sec. 6. **(a)** Money in the fund may
 18 be used for payment of the following:

19 (1) All debt and other obligations arising out of funds borrowed
 20 or advanced for school buildings when purchased from the
 21 proceeds of a bond issue for capital construction.

22 (2) A lease to provide capital construction.

23 (3) Interest on emergency and temporary loans.

24 (4) All debt and other obligations arising out of funds borrowed
 25 or advanced for the purchase or lease of school buses when
 26 purchased or leased from the proceeds of a bond issue, or from
 27 money obtained from a loan made under IC 20-27-4-5, for that
 28 purpose.

29 (5) All debt and other obligations arising out of funds borrowed
 30 to pay judgments against the school corporation.

31 (6) All debt and other obligations arising out of funds borrowed
 32 to purchase equipment.

33 **(b) A school corporation may before July 1, 2015, transfer**
 34 **excess money in the fund to the school corporation's transportation**
 35 **fund, if the transfer is approved by the distressed unit appeal**
 36 **board under IC 6-1.1-20.3-8.4.**

37 SECTION 39. IC 20-46-1-10.5, AS ADDED BY P.L.203-2011,
 38 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2013]: Sec. 10.5. (a) This section applies to taxes first due and
 40 payable in 2012 or a subsequent year.

41 (b) The county auditor shall distribute proceeds collected from an
 42 allocation area (as defined in IC 6-1.1-21.2-3) that are attributable to
 43 property taxes imposed after being approved by the voters in a
 44 referendum conducted after April 30, 2010, to the taxing unit for which
 45 the referendum was conducted.

46 (c) The amount to be distributed under subsection (b) shall be
 47 treated as part of the referendum levy for purposes of setting tax rates
 48 for property taxes imposed after being approved by the voters in a
 49 referendum conducted after April 30, 2010.

50 **(d) For a school corporation that conducted a referendum after**
 51 **November 1, 2009, and before May 1, 2010, for distributions after**

1 **2013, the county auditor shall distribute proceeds collected from an**
 2 **allocation area (as defined in IC 6-1.1-21.2-3) that are attributable**
 3 **to property taxes imposed after being approved by the voters in the**
 4 **referendum, to the school corporation for which the referendum**
 5 **was conducted. The amount to be distributed to the school**
 6 **corporation shall be treated as part of the referendum levy for**
 7 **purposes of setting the school corporation's tax rates.**

8 SECTION 40. IC 36-1-11-3, AS AMENDED BY P.L.27-2008,
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2013]: Sec. 3. (a) This section does not apply to the disposal
 11 of real property under section 5, 5.5, 5.9, **or 8, or 18** of this chapter.

12 (b) Disposal of real property under this chapter is subject to the
 13 approval of:

- 14 (1) the executive of the political subdivision or agency; or
- 15 (2) the fiscal body of the political subdivision or agency, if there
 16 is no executive.

17 The executive or fiscal body may not approve a disposal of property
 18 without conducting a public hearing after giving notice under IC 5-3-1.
 19 However, in a municipality the executive shall designate a board or
 20 commission of the municipality to give notice, conduct the hearing, and
 21 notify the executive of its recommendation.

22 (c) Except as provided in section 3.2 of this chapter, in addition, the
 23 fiscal body of a unit must approve:

- 24 (1) every sale of real property having an appraised value of fifty
 25 thousand dollars (\$50,000) or more;
- 26 (2) every lease of real property for which the total annual rental
 27 payments will be twenty-five thousand dollars (\$25,000) or more;
 28 and
- 29 (3) every transfer of real property under section 14 or 15 of this
 30 chapter.

31 SECTION 41. IC 36-1-11-4, AS AMENDED BY P.L.188-2011,
 32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2013]: Sec. 4. (a) A disposing agent who wants to sell or
 34 transfer real property must comply with this section, except as
 35 permitted by section 4.1, 4.2, 5, 5.5, 5.7, 5.9, 8, 14, **or 15, or 18** of this
 36 chapter.

37 (b) The disposing agent shall first have the property appraised by
 38 two (2) appraisers. The appraisers must be:

- 39 (1) professionally engaged in making appraisals;
- 40 (2) licensed under IC 25-34.1; or
- 41 (3) employees of the political subdivision familiar with the value
 42 of the property.

43 (c) After the property is appraised, the disposing agent shall publish
 44 a notice in accordance with IC 5-3-1 setting forth the terms and
 45 conditions of the sale and, when subsection (e) is employed, may
 46 engage an auctioneer licensed under IC 25-6.1 to advertise the sale and
 47 to conduct a public auction. The advertising conducted by the
 48 auctioneer is in addition to any other notice required by law and shall
 49 include a detailed description of the property to be sold stating the key
 50 numbers, if any, of the tracts within that property. If the disposing agent
 51 determines that the best sale of the property can be made by letting the

1 bidders determine certain conditions of the sale (such as required
2 zoning or soil or drainage conditions) as a prerequisite to purchasing
3 the property, the disposing agent may permit the bidders to specify
4 those conditions. The notice must state the following:

- 5 (1) Bids will be received beginning on a specific date.
- 6 (2) The sale will continue from day to day for a period determined
7 by the disposing agent of not more than sixty (60) days.
- 8 (3) The property may not be sold to a person who is ineligible
9 under section 16 of this chapter.
- 10 (4) A bid submitted by a trust (as defined in IC 30-4-1-1(a)) must
11 identify each:

- 12 (A) beneficiary of the trust; and
- 13 (B) settlor empowered to revoke or modify the trust.

14 (d) A bid must be open to public inspection. A bidder may raise the
15 bidder's bid, and subject to subsection (e), that raise takes effect after
16 the board has given written notice of that raise to the other bidders.

17 (e) The disposing agent may also engage an auctioneer licensed
18 under IC 25-6.1 to conduct a sale by public auction. The auction may
19 be conducted either at the time for beginning the sale in accordance
20 with the public notice or after the beginning of the sale. The disposing
21 agent shall give each bidder who has submitted a bid written notice of
22 the time and place of the auction.

23 (f) The disposing agent may, before expiration of the time set out in
24 the notice, sell the property to the highest and best bidder. The highest
25 and best bidder must have complied with any requirement under
26 subsection (c)(4). However, the disposing agent may sell the property
27 for less than ninety percent (90%) of the average of the two (2)
28 appraisals of the tracts only after an additional notice stating the
29 amount of the bid to be accepted is published in accordance with
30 IC 5-3-1. The disposing agent may reject all bids. If the disposing agent
31 rejects all bids, the disposing agent must make a written determination
32 to reject all bids explaining why all bids were rejected.

33 (g) If the disposing agent determines that, in the exercise of good
34 business judgment, the disposing agent should hire a broker or
35 auctioneer to sell the property, the disposing agent may do so and pay
36 the broker or auctioneer a reasonable compensation out of the gross
37 proceeds of the sale. A disposing agent may hire a broker to sell real
38 property directly rather than using the bid process under subsections (c)
39 through (f) if:

- 40 (1) the disposing agent publishes a notice of the determination to
41 hire the broker in accordance with IC 5-3-1; and
- 42 (2) the property has been up for bid for at least sixty (60) days
43 before the broker is hired, and either no bids were received or the
44 disposing agent has rejected all bids that were received.

45 The disposing agent may hire one (1) of the appraisers as the broker or
46 auctioneer.

47 (h) The following apply if a broker is hired under subsection (g):

- 48 (1) The property may not be sold to a person who is ineligible
49 under section 16 of this chapter.
- 50 (2) If the property is sold to a trust (as defined in IC 30-4-1-1(a)),

1 the following information must be placed in the public record
2 relating to the sale:

3 (A) Each beneficiary of the trust.

4 (B) Each settlor empowered to revoke or modify the trust.

5 SECTION 42. IC 36-1-11-7 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) A disposing agent
7 who exchanges property must proceed under this section, except as
8 permitted by section 8 **or 18** of this chapter.

9 (b) An exchange may be made with a person who is:

10 (1) not a governmental entity; and

11 (2) eligible under section 16 of this chapter;

12 only after advertisement following as nearly as practical the procedure
13 prescribed by section 4 of this chapter, with the property the disposing
14 agent conveys to be partial or full payment for the property the
15 disposing agent receives.

16 SECTION 43. IC 36-1-11-18 IS ADDED TO THE INDIANA
17 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
18 [EFFECTIVE UPON PASSAGE]: **Sec. 18. (a) This section applies to**
19 **a school corporation located in LaPorte County.**

20 **(b) Notwithstanding any other law, a school corporation may**
21 **transfer real property to any other governmental agency in**
22 **exchange for services provided to the school corporation.**

23 **(c) This section constitutes the only authority necessary for a**
24 **school corporation to make real property available for exchange**
25 **under this section. A school corporation is not required to apply**
26 **any additional procedures to an exchange made under this section.**

27 SECTION 44. [EFFECTIVE UPON PASSAGE] **(a) As used in this**
28 **SECTION, "political subdivision" has the meaning set forth in**
29 **IC 36-1-2-13.**

30 **(b) The legislative council is urged to assign to an interim study**
31 **committee the study of the budgeting process for political**
32 **subdivisions, including a study of the following:**

33 **(1) The benefits of and limitations resulting from the**
34 **publication of budgets, tax rates, and levies by political**
35 **subdivisions.**

36 **(2) Providing more flexibility in managing a political**
37 **subdivision's budget.**

38 **(3) The effects of the credit for excessive property taxes**
39 **under IC 6-1.1-20.6 on unprotected taxes, as defined in**
40 **IC 6-1.1-20.6-9.8.**

41 **(4) The granting of a property tax exemption for real or**
42 **personal property, or both, if the property is owned,**
43 **occupied, and used for providing early childhood**
44 **education.**

45 **(c) If the study is assigned under subsection (b), the study**
46 **committee shall prepare a report of the study committee's findings**
47 **and recommendations and submit it to the legislative council in an**
48 **electronic format under IC 5-14-6 before November 1, 2013.**

49 **(d) This SECTION expires January 1, 2014.**

50 SECTION 45. [EFFECTIVE JANUARY 1, 2009
51 (RETROACTIVE)] **(a) This SECTION applies notwithstanding**

1 IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or
2 provision.

3 (b) This SECTION applies to the assessment date of March 1,
4 2009.

5 (c) As used in this SECTION, "eligible property" means the real
6 property described in subsection (d).

7 (d) As used in this SECTION, "qualified taxpayer" refers to a
8 taxpayer that:

9 (1) has leased property located in Marion County to the
10 bureau of motor vehicles or the bureau of motor vehicles
11 commission; and

12 (2) files before September 1, 2013, in a manner consistent with
13 IC 6-1.1-36-1.5, a Form 136 property tax exemption
14 application, along with any supporting documents, schedules,
15 or attachments, claiming an exemption from real property
16 taxes under IC 36-1-10-18 for property leased to the bureau
17 of motor vehicles or the bureau of motor vehicles commission.

18 (e) A qualified taxpayer may, before September 1, 2013, file a
19 property tax exemption application and supporting documents
20 claiming a property tax exemption under this SECTION for the
21 eligible property for the assessment date of March 1, 2009.

22 (f) A property tax exemption application filed under subsection
23 (e) by a qualified taxpayer is considered to have been timely filed.

24 (g) The following apply if a qualified taxpayer demonstrates in
25 the property tax exemption application filed under subsection (e)
26 or by other means that the eligible property would have qualified
27 for an exemption under IC 36-1-10-18 for the assessment date of
28 March 1, 2009:

29 (1) The property tax exemption for the eligible property shall
30 be allowed and granted for the assessment date of March 1,
31 2009, by the county assessor and county auditor of the county
32 in which the eligible property is located.

33 (2) The qualified taxpayer is not required to pay any property
34 taxes, penalties, or interest with respect to the eligible
35 property for the March 1, 2009, assessment date.

36 (3) To the extent the qualified taxpayer has paid any property
37 taxes, penalties, or interest with respect to the eligible
38 property for the March 1, 2009, assessment date, the eligible
39 taxpayer is entitled to a refund of the amounts paid.

40 (h) The exemption allowed by this SECTION shall be applied
41 without need of any further ruling or action by the county assessor,
42 the county auditor, or the county property tax assessment board of
43 appeals of the county in which the eligible property is located or by
44 the Indiana board of tax review.

45 (i) This SECTION expires July 1, 2017.

46 SECTION 46. [EFFECTIVE JANUARY 1, 2007
47 (RETROACTIVE)] (a) This SECTION applies notwithstanding
48 IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or
49 provision.

50 (b) This SECTION applies to the March 1, 2007, and March 1,
51 2008, assessment dates.

1 (c) As used in this SECTION, "eligible property" means the real
2 property described in subsection (d).

3 (d) As used in this SECTION, "qualified taxpayer" refers to a
4 church that:

5 (1) purchased real property in June 2007;

6 (2) has used the real property for church purposes since
7 purchasing the real property; and

8 (3) filed a property tax exemption application for the real
9 property in June 2007.

10 (e) A qualified taxpayer may, before September 1, 2013, file a
11 property tax exemption application and supporting documents
12 claiming a property tax exemption under IC 6-1.1-10-16 and this
13 SECTION for the eligible property for the March 1, 2007, and
14 March 1, 2008, assessment dates.

15 (f) A property tax exemption application filed under subsection
16 (e) by a qualified taxpayer is considered to have been timely filed.

17 (g) If a qualified taxpayer demonstrates in the property tax
18 exemption application filed under subsection (e) or by other means
19 that the eligible property would have qualified for an exemption
20 under IC 6-1.1-10-16 for the March 1, 2007, and March 1, 2008,
21 assessment dates if the property tax exemption application had
22 been filed under IC 6-1.1-11 in a timely manner for the March 1,
23 2007, and March 1, 2008, assessment dates and the taxpayer had
24 owned the real property on May 1, 2007:

25 (1) the property tax exemption for the eligible property shall
26 be allowed and granted for the March 1, 2007, and March 1,
27 2008, assessment dates by the county assessor and county
28 auditor of the county in which the eligible property is located;

29 (2) the qualified taxpayer is not required to pay any property
30 taxes, penalties, or interest with respect to the eligible
31 property for the March 1, 2007, and March 1, 2008,
32 assessment dates; and

33 (3) to the extent the qualified taxpayer has paid any property
34 taxes, penalties, or interest with respect to the eligible
35 property for the March 1, 2007, and March 1, 2008,
36 assessment dates, the eligible taxpayer is entitled to a refund
37 of the amounts paid.

38 The county auditor may pay the refund in two (2) equal
39 installments over a two (2) year period.

40 (h) The exemption allowed by this SECTION shall be applied
41 without need of any further ruling or action by the county assessor,
42 the county auditor, or the county property tax assessment board of
43 appeals of the county in which the eligible property is located or by
44 the Indiana board of tax review.

45 (i) This SECTION expires July 1, 2017.

46 SECTION 47. [EFFECTIVE JANUARY 1, 2011
47 (RETROACTIVE)] (a) This SECTION applies notwithstanding
48 IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or
49 provision.

50 (b) This SECTION applies to the March 1, 2011, and March 1,
51 2012, assessment dates.

1 (c) As used in this SECTION, "eligible property" means the
 2 parcel of real property described in subsection (d)(1) for which the
 3 qualified taxpayer failed to timely file the property tax exemption
 4 application.

5 (d) As used in this SECTION, "qualified taxpayer" refers to a
 6 nonprofit corporation that:

7 (1) owns multiple parcels of real property in Marion County
 8 that are owned, occupied, and used for educational, literary,
 9 scientific, religious, or charitable purposes described in
 10 IC 6-1.1-10-16; and

11 (2) failed to timely file a property tax exemption application
 12 for one (1) of the parcels described in subdivision (1) for the
 13 March 1, 2011, assessment date.

14 (e) A qualified taxpayer may, before September 1, 2013, file a
 15 property tax exemption application and supporting documents
 16 claiming a property tax exemption under IC 6-1.1-10-16 and this
 17 SECTION for the eligible property for the March 1, 2011, and
 18 March 1, 2012, assessment dates.

19 (f) A property tax exemption application filed under subsection
 20 (e) by a qualified taxpayer is considered to have been timely filed.

21 (g) If a qualified taxpayer demonstrates in the property tax
 22 exemption application filed under subsection (e) or by other means
 23 that the eligible property would have qualified for an exemption
 24 under IC 6-1.1-10-16 for the March 1, 2011, and March 1, 2012,
 25 assessment dates if the property tax exemption application had
 26 been filed under IC 6-1.1-11 in a timely manner for the March 1,
 27 2011, and March 1, 2012, assessment dates:

28 (1) the property tax exemption for the eligible property shall
 29 be allowed and granted for the March 1, 2011, and March 1,
 30 2012, assessment dates by the county assessor and county
 31 auditor of Marion County;

32 (2) the qualified taxpayer is not required to pay any property
 33 taxes, penalties, or interest with respect to the eligible
 34 property for the March 1, 2011, and March 1, 2012,
 35 assessment dates; and

36 (3) to the extent the qualified taxpayer has paid any property
 37 taxes, penalties, or interest with respect to the eligible
 38 property for the March 1, 2011, and March 1, 2012,
 39 assessment dates, the eligible taxpayer is entitled to a refund
 40 of the amounts paid.

41 The county auditor may pay the refund in two (2) equal
 42 installments over a two (2) year period.

43 (h) The exemption allowed by this SECTION shall be applied
 44 without need of any further ruling or action by the county assessor,
 45 the county auditor, or the county property tax assessment board of
 46 appeals of Marion County or by the Indiana board of tax review.

47 (i) This SECTION expires July 1, 2017.

48 SECTION 48. [EFFECTIVE UPON PASSAGE] (a) This
 49 SECTION applies notwithstanding IC 6-1.1-10, IC 6-1.1-11, or any
 50 other law or administrative rule or provision.

51 (b) This SECTION applies to the March 1, 2011, and March 1,

1 2012, assessment dates.

2 (c) As used in this SECTION, "eligible property" means a
3 vacant parcel of real property in Marion County that is owned, is
4 occupied, and will be used for educational, literary, scientific,
5 religious, or charitable purposes described in IC 6-1.1-10-16.

6 (d) As used in this SECTION, "qualified taxpayer" refers to a
7 ministry that:

- 8 (1) is exempt from federal income taxes;
- 9 (2) owns an eligible property;
- 10 (3) acquired the eligible property after the 2012 assessment
11 date; and
- 12 (4) redeemed the eligible property after it was sold for
13 delinquent taxes in 2012.

14 (e) A qualified taxpayer may before September 1, 2013, file a
15 property tax exemption application and supporting documents
16 claiming a property tax exemption under IC 6-1.1-10-16 and this
17 SECTION for the eligible property for the March 1, 2011, and for
18 the March 1, 2012, assessment dates.

19 (f) A property tax exemption application filed under subsection
20 (e) by a qualified taxpayer is considered to have been timely filed.

21 (g) If a qualified taxpayer demonstrates in the property tax
22 exemption application filed under subsection (e) or by other means
23 that the eligible property would have qualified for an exemption
24 under IC 6-1.1-10-16 for the March 11, 2011, and March 1, 2012,
25 assessment dates if the property tax exemption application had
26 been filed under IC 6-1.1-11 in a timely manner for the March 11,
27 2011, and March 1, 2012, assessment dates:

- 28 (1) the property tax exemption for the eligible property shall
29 be allowed and granted for the March 11, 2011, and March 1,
30 2012, assessment dates by the county assessor and county
31 auditor of Marion County; and
- 32 (2) the qualified taxpayer is not required to pay any property
33 taxes, penalties, or interest with respect to the eligible
34 property for the March 11, 2011, and March 1, 2012,
35 assessment dates.

36 (h) To the extent the qualified taxpayer has:

- 37 (1) paid any property taxes, penalties, or interest with respect
38 to the eligible property for the March 1, 2011, and March 12,
39 2012, assessment dates; or
- 40 (2) paid to redeem the property under IC 6-1.1-24 and
41 IC 6-1.1-25;

42 the eligible taxpayer is entitled to a refund of the amounts paid.
43 Notwithstanding the filing deadlines for a claim in IC 6-1.1-26, any
44 claim for a refund filed by an eligible taxpayer under this
45 subsection before September 1, 2013, is considered timely filed.
46 The county auditor may make a determination that any refund due
47 under this SECTION shall be paid in two (2) equal annual
48 installments.

49 (i) The exemption allowed by this SECTION shall be applied
50 without need of any further ruling or action by the county assessor,
51 the county auditor, or the county property tax assessment board of

1 appeals of Marion County or by the Indiana board of tax review.

2 (j) This SECTION expires July 1, 2017.

3 SECTION 49. [EFFECTIVE UPON PASSAGE] (a) This
4 SECTION applies notwithstanding IC 6-1.1-10, IC 6-1.1-11, or any
5 other law or administrative rule or provision.

6 (b) This SECTION applies to the March 1, 2012, and March 1,
7 2013, assessment dates.

8 (c) As used in this SECTION, "eligible property" means real
9 property in Grant County that is:

10 (1) a national historic landmark; and

11 (2) owned, occupied, and used for educational, literary,
12 scientific, religious, or charitable purposes described in
13 IC 6-1.1-10-16.

14 (d) As used in this SECTION, "qualified taxpayer" refers to a
15 charitable organization that:

16 (1) is exempt from federal income taxes;

17 (2) owns an eligible property; and

18 (3) acquired the eligible property after the 2011 assessment
19 date.

20 (e) A qualified taxpayer may before September 1, 2013, file a
21 property tax exemption application and supporting documents
22 claiming a property tax exemption under IC 6-1.1-10-16 and this
23 SECTION for the eligible property for the March 1, 2012, and
24 March 1, 2013, assessment dates.

25 (f) A property tax exemption application filed under subsection
26 (e) by a qualified taxpayer is considered to have been timely filed.

27 (g) If a qualified taxpayer demonstrates in the property tax
28 exemption application filed under subsection (e) or by other means
29 that the eligible property would have qualified for an exemption
30 under IC 6-1.1-10-16 for the March 1, 2012, and March 1, 2013,
31 assessment dates if the property tax exemption application had
32 been filed under IC 6-1.1-11 in a timely manner for the March 1,
33 2012, assessment date:

34 (1) the property tax exemption for the eligible property shall
35 be allowed and granted for the March 1, 2012, and March 1,
36 2013, assessment dates by the county assessor and county
37 auditor of Grant County; and

38 (2) the qualified taxpayer is not required to pay any property
39 taxes, penalties, or interest with respect to the eligible
40 property for the March 1, 2012, and March 1, 2013,
41 assessment dates.

42 (h) The exemption allowed by this SECTION shall be applied
43 without need of any further ruling or action by the county assessor,
44 the county auditor, or the county property tax assessment board of
45 appeals of Grant County or by the Indiana board of tax review.
46 The county auditor may make a determination that any refund due
47 under this SECTION shall be paid in two (2) equal annual
48 installments.

49 (i) This SECTION expires July 1, 2017.

50 SECTION 50. [EFFECTIVE JULY 1, 2013] (a) As used in this
51 SECTION, "taxing unit" has the meaning set forth in

- 1 **IC 6-1.1-17-20(b).**
 2 **(b) If:**
 3 **(1) the fiscal body of a city or town adopted a final budget and**
 4 **levy for a taxing unit under IC 6-1.1-17-20 (before its**
 5 **amendment by this act) after June 30, 2012, and before July**
 6 **1, 2013;**
 7 **(2) after June 30, 2012, and before July 1, 2013, IC 6-1.1-17-20**
 8 **(before its amendment by this act) required the taxing unit to**
 9 **submit the taxing unit's proposed budget and levy to the fiscal**
 10 **body of a county; and**
 11 **(3) after June 30, 2013, IC 6-1.1-17-20(c)(2)(B) (as amended**
 12 **by this act) requires the taxing unit to submit the taxing unit's**
 13 **proposed budget and levy to the fiscal body of the city or town**
 14 **that appoints the majority of the individuals serving on the**
 15 **governing board of the taxing unit;**
 16 **the action taken by the fiscal body of the city or town under**
 17 **IC 6-1.1-17-20 (before its amendment by this act) to adopt a final**
 18 **budget and levy for the taxing unit after June 30, 2012, and before**
 19 **July 1, 2013, is legalized and validated.**
 20 **(c) This SECTION expires January 1, 2014.**
 21 **SECTION 51. [EFFECTIVE UPON PASSAGE] (a)**
 22 **IC 6-1.1-20.6-2, as amended by this act, applies only to property**
 23 **taxes first due and payable after December 31, 2013.**
 24 **(b) This SECTION expires July 1, 2016.**
 25 **SECTION 52. [EFFECTIVE UPON PASSAGE] (a)**
 26 **IC 6-1.1-20.6-9.8, as amended by this act, applies to property taxes**
 27 **first due and payable after December 31, 2012.**
 28 **(b) This SECTION expires January 1, 2015.**
 29 **SECTION 53. An emergency is declared for this act.**
(Reference is to ESB 517 as reprinted April 9, 2013.)

Conference Committee Report
on
Engrossed Senate Bill 517

Signed by:

Senator Hershman
Chairperson

Representative Huston

Senator Randolph

Representative Goodin

Senate Conferees

House Conferees