

---

---

# HOUSE BILL No. 1116

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1; IC 36-1.5-4-18; IC 36-6-6-14; IC 36-7-14-39; IC 36-12-1-14.

**Synopsis:** Property taxes. Makes numerous changes concerning the administration of property taxes. Repeals a statute requiring a public library that is governed by an appointed board and located in a county other than Marion County to obtain, from the appropriate county, city, or town fiscal body, the approval of its budget or an additional appropriation only if the budget is increased by more than the assessed value growth quotient. Provides that libraries are subject to the current law requiring other taxing units governed by appointed boards to have all budgets and additional appropriations approved by the appropriate county, city, or town fiscal body.

**Effective:** July 1, 2013.

---

---

## Leonard

---

---

January 8, 2013, read first time and referred to Committee on Ways and Means.

---

---

C  
o  
p  
y



First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

C  
o  
p  
y

# HOUSE BILL No. 1116



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

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

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



determines it is appropriate because the estimated cost of:

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

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

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

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

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

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

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

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

(1) hear the appeal; and

(2) determine whether the additional levy is necessary.

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

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

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

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

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

C  
O  
P  
Y



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

C  
O  
P  
Y



1 10 of this chapter.

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

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

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



C  
o  
p  
y

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

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

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

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

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

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

- 33 (1) If the department acts under an appeal initiated by a political  
 34 subdivision, the political subdivision.
- 35 (2) If the department:
  - 36 (A) acts under an appeal initiated by one (1) or more taxpayers  
 37 under section 13 of this chapter; or
  - 38 (B) fails to act on the appeal before the department certifies its  
 39 action under subsection (f);
 a taxpayer who signed the statement filed to initiate the appeal.
- 40 (3) If the department acts under an appeal initiated by the county  
 41 auditor under section 14 of this chapter, the county auditor.
- 42

C  
O  
P  
Y



1 (4) A taxpayer that owns property that represents at least ten  
 2 percent (10%) of the taxable assessed valuation in the political  
 3 subdivision.

4 The petition must be filed in the tax court not more than forty-five (45)  
 5 days after the department certifies its action under subsection (f).

6 (h) The department of local government finance is expressly  
 7 directed to complete the duties assigned to it under this section not later  
 8 than February 15<sup>th</sup> 15 of each year for taxes to be collected during that  
 9 year.

10 (i) Subject to the provisions of all applicable statutes, the  
 11 department of local government finance may increase a political  
 12 subdivision's tax levy to an amount that exceeds the amount originally  
 13 fixed by the political subdivision if the increase is:

14 (1) requested in writing by the officers of the political  
 15 subdivision;

16 (2) either:

17 (A) based on information first obtained by the political  
 18 subdivision after the public hearing under section 3 of this  
 19 chapter; or

20 (B) results from an inadvertent mathematical error made in  
 21 determining the levy; and

22 (3) published by the political subdivision according to a notice  
 23 provided by the department.

24 (j) The department of local government finance shall annually  
 25 review the budget by fund of each school corporation not later than  
 26 April 1. The department of local government finance shall give the  
 27 school corporation written notification specifying any revision,  
 28 reduction, or increase the department proposes in the school  
 29 corporation's budget by fund. A public hearing is not required in  
 30 connection with this review of the budget.

31 ~~(k) The department of local government finance may hold a hearing~~  
 32 ~~under subsection (e) only if the notice required in section 12 of this~~  
 33 ~~chapter is published at least ten (10) days before the date of the~~  
 34 ~~hearing.~~

35 SECTION 4. IC 6-1.1-17-16.1 IS ADDED TO THE INDIANA  
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2013]: **Sec. 16.1. (a) If a taxpayer of a**  
 38 **political subdivision requests a public hearing in the manner**  
 39 **required by subsection (b) before the department of local**  
 40 **government finance reviews, revises, reduces, or increases a**  
 41 **political subdivision's budget by fund, tax rate, or tax levy under**  
 42 **section 16 of this chapter, the department of local government**

C  
o  
p  
y



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

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

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

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

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

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

36 (c) If:

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

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

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

C  
o  
p  
y



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

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

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

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

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

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

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

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

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

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

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

C  
o  
p  
y



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

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

8 (c) If:

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

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

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

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

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

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

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

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



C  
o  
p  
y

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

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

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

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

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

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

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

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

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

C  
o  
p  
y



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

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

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

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

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

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

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

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

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

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

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

C  
o  
p  
y



1 SECTION 34, AND AS AMENDED BY P.L.137-2012, SECTION 30,  
 2 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JULY 1, 2013]: Sec. 12. (a) For purposes of this section,  
 4 "maximum rate" refers to the maximum:

- 5 (1) property tax rate or rates; or
- 6 (2) special benefits tax rate or rates;

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

8 (b) The maximum rate for taxes first due and payable after 2003 is  
 9 the maximum rate that would have been determined under subsection  
 10 (e) for taxes first due and payable in 2003 if subsection (e) had applied  
 11 for taxes first due and payable in 2003.

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

- 14 (1) an annual adjustment of the assessed value of real property  
 15 under IC 6-1.1-4-4.5; ~~or~~
- 16 (2) a general reassessment of real property under IC 6-1.1-4-4; *or*
- 17 (3) *a reassessment under a county's reassessment plan prepared*  
 18 *under IC 6-1.1-4-4.2.*

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

- 20 (1) IC 8-10-5-17;
- 21 (2) IC 8-22-3-11;
- 22 (3) IC 8-22-3-25;
- 23 (4) IC 12-29-1-1;
- 24 (5) IC 12-29-1-2;
- 25 (6) IC 12-29-1-3;
- 26 (7) IC 12-29-3-6;
- 27 (8) IC 13-21-3-12;
- 28 (9) IC 13-21-3-15;
- 29 (10) IC 14-27-6-30;
- 30 (11) IC 14-33-7-3;
- 31 (12) IC 14-33-21-5;
- 32 (13) IC 15-14-7-4;
- 33 (14) IC 15-14-9-1;
- 34 (15) IC 15-14-9-2;
- 35 (16) IC 16-20-2-18;
- 36 (17) IC 16-20-4-27;
- 37 (18) IC 16-20-7-2;
- 38 (19) IC 16-22-14;
- 39 (20) IC 16-23-1-29;
- 40 (21) IC 16-23-3-6;
- 41 (22) IC 16-23-4-2;
- 42 (23) IC 16-23-5-6;

C  
O  
P  
Y



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

C  
o  
p  
y



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

C  
O  
P  
Y



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

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

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

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

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

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

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

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

26 (2) An elementary school building, middle school building, or  
27 other school building for academic instruction that:

- 28 (A) is a controlled project;
- 29 (B) will be used for any combination of kindergarten through  
30 grade 8;
- 31 (C) will not be used for any combination of grade 9 through  
32 grade 12; and
- 33 (D) will not cost more than ten million dollars (\$10,000,000).

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

- 36 (A) is a controlled project;
- 37 (B) will be used for any combination of grade 9 through grade  
38 12;
- 39 (C) will not be used for any combination of kindergarten  
40 through grade 8; and
- 41 (D) will not cost more than twenty million dollars  
42 (\$20,000,000).

C  
o  
p  
y



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

- (4) A school building for academic instruction that:**
  - (A) is a controlled project; and**
  - (B) will be used for both:**
    - (i) kindergarten through grade 8; and**
    - (ii) grade 9 through grade 12; and**
  - (C) will not cost more than fifteen million dollars (\$15,000,000).**

- ~~(4)~~ **(5) Any other controlled project that:**
  - (A) is not a controlled project described in subdivision (1), (2), or (3), or (4); and**
  - (B) will not cost the political subdivision more than the lesser of the following:**
    - (i) Twelve million dollars (\$12,000,000).**
    - (ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that amount is at least one million dollars (\$1,000,000).**

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

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

C  
o  
p  
y



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

COPY



1 within the political subdivision or a registered voter residing  
2 within the political subdivision the number of petition forms  
3 requested by the owner or owners or the registered voter. Each  
4 form must be accompanied by instructions detailing the  
5 requirements that:

- 6 (A) the carrier and signers must be owners of property or  
7 registered voters;
- 8 (B) the carrier must be a signatory on at least one (1) petition;
- 9 (C) after the signatures have been collected, the carrier must  
10 swear or affirm before a notary public that the carrier  
11 witnessed each signature; and
- 12 (D) govern the closing date for the petition period.

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

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

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

31 (8) The county voter registration office shall determine whether  
32 each person who signed the petition is a registered voter. The  
33 county voter registration office shall, not more than fifteen (15)  
34 business days after receiving a petition, forward a copy of the  
35 petition to the county auditor. Not more than ten (10) business  
36 days after receiving the copy of the petition, the county auditor  
37 shall provide to the county voter registration office a statement  
38 verifying:

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

C  
o  
p  
y



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

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

(9) The county voter registration office shall, not more than ten (10) business days after receiving the statement from the county auditor under subdivision (8), make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property, or a combination of those types of property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

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

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

C  
o  
p  
y



1 (B) the body that has the authority to authorize the issuance of  
 2 the bonds or the execution of a lease, if the political  
 3 subdivision is not a township;  
 4 within thirty-five (35) business days of the filing of the petition  
 5 requesting a petition and remonstrance process. The certificate  
 6 must state the number of petitioners that are owners of property  
 7 within the political subdivision and the number of petitioners who  
 8 are registered voters residing within the political subdivision.  
 9 If a sufficient petition requesting a petition and remonstrance process  
 10 is not filed by owners of property or registered voters as set forth in this  
 11 section, the political subdivision may issue bonds or enter into a lease  
 12 by following the provisions of law relating to the bonds to be issued or  
 13 lease to be entered into.

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

21 SECTION 10. IC 6-1.1-20-3.5, AS AMENDED BY P.L.113-2010,  
 22 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2013]: Sec. 3.5. (a) This section applies only to a controlled  
 24 project that meets the following conditions:

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

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

29 (i) will be used for any combination of kindergarten through  
 30 grade 8;

31 (ii) will not be used for any combination of grade 9 through  
 32 grade 12; and

33 (iii) will cost more than ten million dollars (\$10,000,000).

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

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

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

40 (iii) will cost more than twenty million dollars  
 41 (\$20,000,000).

42 (C) A school building for academic instruction that:

C  
o  
p  
y



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

**(i) will be used for both kindergarten through grade 8 and grade 9 through grade 12; and**  
**(ii) will cost more than fifteen million dollars (\$15,000,000).**

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

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

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

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

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

(B) The result of:  
(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by  
(ii) the net assessed value of taxable property within the

C  
o  
p  
y



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

C  
O  
P  
Y



- 1 the political subdivision.
- 2 (5) The state board of accounts shall design and, upon request by
- 3 the county voter registration office, deliver to the county voter
- 4 registration office or the county voter registration office's
- 5 designated printer the petition forms to be used solely in the
- 6 petition process described in this section. The county voter
- 7 registration office shall issue to an owner or owners of property
- 8 within the political subdivision or a registered voter residing
- 9 within the political subdivision the number of petition forms
- 10 requested by the owner or owners or the registered voter. Each
- 11 form must be accompanied by instructions detailing the
- 12 requirements that:
- 13 (A) the carrier and signers must be owners of property or
- 14 registered voters;
- 15 (B) the carrier must be a signatory on at least one (1) petition;
- 16 (C) after the signatures have been collected, the carrier must
- 17 swear or affirm before a notary public that the carrier
- 18 witnessed each signature; and
- 19 (D) govern the closing date for the petition period.
- 20 Persons requesting forms may be required to identify themselves
- 21 as owners of property or registered voters and may be allowed to
- 22 pick up additional copies to distribute to other owners of property
- 23 or registered voters. Each person signing a petition must indicate
- 24 whether the person is signing the petition as a registered voter
- 25 within the political subdivision or is signing the petition as the
- 26 owner of property within the political subdivision. A person who
- 27 signs a petition as a registered voter must indicate the address at
- 28 which the person is registered to vote. A person who signs a
- 29 petition as an owner of property must indicate the address of the
- 30 property owned by the person in the political subdivision.
- 31 (6) Each petition must be verified under oath by at least one (1)
- 32 qualified petitioner in a manner prescribed by the state board of
- 33 accounts before the petition is filed with the county voter
- 34 registration office under subdivision (7).
- 35 (7) Each petition must be filed with the county voter registration
- 36 office not more than thirty (30) days after publication under
- 37 subdivision (2) of the notice of the preliminary determination.
- 38 (8) The county voter registration office shall determine whether
- 39 each person who signed the petition is a registered voter.
- 40 However, after the county voter registration office has determined
- 41 that at least one hundred twenty-five (125) persons who signed
- 42 the petition are registered voters within the political subdivision,

C  
O  
P  
Y

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

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

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

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

C  
o  
p  
y



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

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

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

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

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

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

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

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

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

34 SECTION 11. IC 6-1.1-20.6-9.5, AS AMENDED BY P.L.172-2011,  
35 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 JULY 1, 2013]: Sec. 9.5. (a) This section applies only to credits under  
37 this chapter against property taxes first due and payable after December  
38 31, 2006.

39 (b) The application of the credit under this chapter results in a  
40 reduction of the property tax collections of each political subdivision  
41 in which the credit is applied. Except as provided in IC 20-46-1, a  
42 political subdivision may not increase its property tax levy to make up

C  
o  
p  
y



1 for that reduction.  
 2 (e) The county auditor shall in each calendar year notify each  
 3 political subdivision in which the credit under this chapter is applied  
 4 of the reduction of property tax collections referred to in subsection (b)  
 5 for the political subdivision for that year.  
 6 (c) A political subdivision may not borrow money to compensate  
 7 the political subdivision or any other political subdivision for the  
 8 reduction of property tax collections referred to in subsection (b).  
 9 SECTION 12. IC 6-1.1-24-3, AS AMENDED BY P.L.169-2006,  
 10 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2013]: Sec. 3. (a) When real property is eligible for sale under  
 12 this chapter, the county auditor shall post a copy of the notice required  
 13 by sections 2 and 2.2 of this chapter at a public place of posting in the  
 14 county courthouse or in another public county building at least  
 15 twenty-one (21) days before the earliest date of application for  
 16 judgment. In addition, the county auditor shall, in accordance with  
 17 IC 5-3-1-4, publish the notice required in sections 2 and 2.2 of this  
 18 chapter once each week for three (3) consecutive weeks before the  
 19 earliest date on which the application for judgment may be made. The  
 20 expenses of this publication shall be paid out of the county general  
 21 fund without prior appropriation.  
 22 (b) At least twenty-one (21) days before the application for  
 23 judgment is made, the county auditor shall ~~mail~~ **provide** a copy of the  
 24 notice required by sections 2 and 2.2 of this chapter ~~by certified mail;~~  
 25 ~~return receipt requested;~~ to any mortgagee ~~who annually requests;~~ ~~by~~  
 26 ~~certified mail;~~ a copy of the notice. However, the failure of the county  
 27 auditor to mail this notice or its nondelivery does not affect the validity  
 28 of the judgment and order: **by:**  
 29 **(1) certified mail, return receipt requested, to the mortgagee's**  
 30 **last known address; or**  
 31 **(2) personal service upon the mortgagee.**  
 32 (c) ~~The notices mailed~~ **Notice provided** under this section and the  
 33 advertisement published under section 4(b) of this chapter are  
 34 considered sufficient notice of the intended application for judgment  
 35 and of the sale of real property under the order of the court.  
 36 SECTION 13. IC 36-1.5-4-18, AS AMENDED BY P.L.113-2010,  
 37 SECTION 110, IS AMENDED TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2013]: Sec. 18. (a) A reorganization committee  
 39 shall prepare a comprehensive plan of reorganization for the  
 40 reorganizing political subdivisions. The plan of reorganization governs  
 41 the actions, duties, and powers of the reorganized political subdivision  
 42 that are not specified by law.

C  
o  
p  
y



- 1 (b) The plan of reorganization must include at least the following:
- 2 (1) The name and a description of the reorganized political
- 3 subdivision that will succeed the reorganizing political
- 4 subdivisions.
- 5 (2) A description of the boundaries of the reorganized political
- 6 subdivision.
- 7 (3) Subject to section 40 of this chapter, a description of the
- 8 taxing areas in which taxes to retire obligations of the
- 9 reorganizing political subdivisions will be imposed.
- 10 (4) A description of the membership of the legislative body, fiscal
- 11 body, and executive of the reorganized political subdivision, a
- 12 description of the election districts or appointment districts from
- 13 which officers will be elected or appointed, and the manner in
- 14 which the membership of each elected or appointed office will be
- 15 elected or appointed.
- 16 (5) A description of the services to be offered by the reorganized
- 17 political subdivision and the service areas in which the services
- 18 will be offered.
- 19 (6) The disposition of the personnel, the agreements, the assets,
- 20 and, subject to section 40 of this chapter, the liabilities of the
- 21 reorganizing political subdivisions, including the terms and
- 22 conditions upon which the transfer of property and personnel will
- 23 be achieved.
- 24 (7) Any other matter that the:
- 25 (A) reorganization committee determines to be necessary or
- 26 appropriate; or
- 27 (B) legislative bodies of the reorganizing political subdivisions
- 28 require the reorganization committee;
- 29 to include in the plan of reorganization.
- 30 (8) In the case of a reorganization described in section 1(a)(9) of
- 31 this chapter, if the legislative bodies of the reorganizing political
- 32 subdivisions have specified that the vote on the public question
- 33 regarding the reorganization shall be conducted on a countywide
- 34 basis under section 30(b) of this chapter with a rejection
- 35 threshold, the reorganization committee shall include in the
- 36 reorganization plan a rejection threshold, specified as a
- 37 percentage, that applies for purposes of section 32(b) of this
- 38 chapter. The rejection threshold must be the same for each
- 39 municipality that is a party to the proposed reorganization and to
- 40 the county that is a party to the proposed reorganization.
- 41 (9) In the case of a reorganization described in section 1(a)(9) of
- 42 this chapter, the reorganization committee shall determine and

COPY



1 include in the reorganization plan the percentage of voters voting  
 2 on the public question regarding the proposed reorganization who  
 3 must vote, on a countywide basis, in favor of the proposed  
 4 reorganization for the public question to be approved. This  
 5 percentage is referred to in this chapter as the "countywide vote  
 6 approval percentage". The countywide vote approval percentage  
 7 must be greater than fifty percent (50%).

8 (10) The **statement fiscal impact analysis** required by subsection  
 9 (e).

10 (c) In the case of a reorganization described in section 1(a)(9) of this  
 11 chapter, the reorganization committee may not change the decision of  
 12 the legislative bodies of the reorganizing political subdivisions  
 13 regarding whether the vote on the public question regarding the  
 14 reorganization shall be conducted on a countywide basis without a  
 15 rejection threshold or with a rejection threshold.

16 (d) Upon completion of the plan of reorganization, the  
 17 reorganization committee shall present the plan of reorganization to the  
 18 legislative body of each of the reorganizing political subdivisions for  
 19 adoption. The initial plan of reorganization must be submitted to the  
 20 legislative body of each of the reorganizing political subdivisions not  
 21 later than one (1) year after the clerk of the last political subdivision  
 22 that adopts a reorganization resolution under this chapter has certified  
 23 the resolution to all of the political subdivisions named in the  
 24 resolution. In the case of a plan of reorganization submitted to a  
 25 political subdivision by a reorganization committee after June 30, 2010,  
 26 the political subdivision shall post a copy of the plan of reorganization  
 27 on an Internet web site maintained or authorized by the political  
 28 subdivision not more than thirty (30) days after receiving the plan of  
 29 reorganization from the reorganization committee.

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

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

36 (2) ~~whether a fiscal impact analysis concerning the proposed~~  
 37 ~~reorganization has been made available or has not been made~~  
 38 ~~available to the public by or on behalf of the reorganization~~  
 39 ~~committee.~~

40 (e) **In the case of a plan of reorganization submitted to a**  
 41 **political subdivision by a reorganization committee after June 30,**  
 42 **2013, the reorganization committee shall also prepare a fiscal**

C  
o  
p  
y



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

impact analysis concerning the proposed reorganization. The fiscal impact analysis must include the following:

- (1) The cost estimates of planned services to be provided in each taxing area of the reorganized political subdivision.
- (2) For each taxing area of the reorganized political subdivision, anticipated net assessed value and a list of each fund to which the taxing area would contribute.
- (3) The method or methods of financing the planned services. The plan must explain how specific and detailed expenses will be funded and must indicate the taxes, grants, and other funding used.
- (4) Estimates of maximum levies, budgets, and tax rates of the reorganized political subdivision by fund.
- (5) The plan for the reorganization and extension of services to portions of the reorganized political subdivision.
- (6) The plan for providing or continuing services to parts of the reorganizing political subdivision that will not be a part of the reorganized political subdivision.

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

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

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

(c) Notwithstanding IC 36-8-13-4(a), the legislative body may

C  
o  
p  
y



1 authorize the executive to borrow a specified sum from a township  
2 fund other than the township firefighting fund if the legislative body  
3 finds that the emergency requiring the expenditure of money is related  
4 to paying the operating expenses of a township fire department or a  
5 volunteer fire department. At its next annual session, the legislative  
6 body shall cover the debt created by making a levy to the credit of the  
7 fund for which the amount was borrowed under this subsection.

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

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

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

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

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

24 (5) Salary comparisons for certified and noncertified public safety  
25 personnel in the township and other surrounding or comparable  
26 jurisdictions.

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

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

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

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

39 SECTION 15. IC 36-7-14-39, AS AMENDED BY P.L.112-2012,  
40 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2013]: Sec. 39. (a) As used in this section:

42 "Allocation area" means that part of a redevelopment project area

C  
o  
p  
y



1 to which an allocation provision of a declaratory resolution adopted  
 2 under section 15 of this chapter refers for purposes of distribution and  
 3 allocation of property taxes.

4 "Base assessed value" means the following:

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

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

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

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

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

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

29 (3) If:

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

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

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

40 (4) Except as provided in subdivision (5), for all other allocation  
 41 areas, the net assessed value of all the property as finally  
 42 determined for the assessment date immediately preceding the

C  
o  
p  
y



1 effective date of the allocation provision of the declaratory  
2 resolution, as adjusted under subsection (h).

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

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

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

24 (b) A declaratory resolution adopted under section 15 of this chapter  
25 on or before the allocation deadline determined under subsection (i)  
26 may include a provision with respect to the allocation and distribution  
27 of property taxes for the purposes and in the manner provided in this  
28 section. A declaratory resolution previously adopted may include an  
29 allocation provision by the amendment of that declaratory resolution on  
30 or before the allocation deadline determined under subsection (i) in  
31 accordance with the procedures required for its original adoption. A  
32 declaratory resolution or an amendment that establishes an allocation  
33 provision after June 30, 1995, must specify an expiration date for the  
34 allocation provision. For an allocation area established before July 1,  
35 2008, the expiration date may not be more than thirty (30) years after  
36 the date on which the allocation provision is established. For an  
37 allocation area established after June 30, 2008, the expiration date may  
38 not be more than twenty-five (25) years after the date on which the first  
39 obligation was incurred to pay principal and interest on bonds or lease  
40 rentals on leases payable from tax increment revenues. However, with  
41 respect to bonds or other obligations that were issued before July 1,  
42 2008, if any of the bonds or other obligations that were scheduled when

C  
o  
p  
y



1 issued to mature before the specified expiration date and that are  
 2 payable only from allocated tax proceeds with respect to the allocation  
 3 area remain outstanding as of the expiration date, the allocation  
 4 provision does not expire until all of the bonds or other obligations are  
 5 no longer outstanding. The allocation provision may apply to all or part  
 6 of the redevelopment project area. The allocation provision must  
 7 require that any property taxes subsequently levied by or for the benefit  
 8 of any public body entitled to a distribution of property taxes on taxable  
 9 property in the allocation area be allocated and distributed as follows:

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

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

15 (B) the base assessed value;  
 16 shall be allocated to and, when collected, paid into the funds of  
 17 the respective taxing units.

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

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

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

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

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

42 (D) Pay the principal of and interest on bonds issued by the

C  
O  
P  
Y



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

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

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

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

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

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

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

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

C  
o  
p  
y



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

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

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

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

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

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

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

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

C  
o  
p  
y



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

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

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

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

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

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

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

34 (c) For the purpose of allocating taxes levied by or for any taxing  
35 unit or units, the assessed value of taxable property in a territory in the  
36 allocation area that is annexed by any taxing unit after the effective  
37 date of the allocation provision of the declaratory resolution is the  
38 lesser of:

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

41 (2) the base assessed value.

42 (d) Property tax proceeds allocable to the redevelopment district

C  
O  
P  
Y



1 under subsection (b)(3) may, subject to subsection (b)(4), be  
 2 irrevocably pledged by the redevelopment district for payment as set  
 3 forth in subsection (b)(3).

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

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

13 (1) the assessed value of the property as valued without regard to  
 14 this section; or

15 (2) the base assessed value.

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

C  
 O  
 P  
 Y



1 subsection (b)(3) to allocation area it shall refer for purposes of  
 2 payments from the special zone fund only to that part of the allocation  
 3 area that is also located in the enterprise zone. Those programs shall  
 4 reserve at least one-half (1/2) of their enrollment in any session for  
 5 residents of the enterprise zone.

6 (h) The state board of accounts and department of local government  
 7 finance shall make the rules and prescribe the forms and procedures  
 8 that they consider expedient for the implementation of this chapter.  
 9 After each general reassessment of real property in an area under  
 10 IC 6-1.1-4-4 and after each reassessment in an area under a  
 11 reassessment plan prepared under IC 6-1.1-4-4.2, the department of  
 12 local government finance shall adjust the base assessed value one (1)  
 13 time to neutralize any effect of the reassessment of the real property in  
 14 the area on the property tax proceeds allocated to the redevelopment  
 15 district under this section. After each annual adjustment under  
 16 IC 6-1.1-4-4.5, the department of local government finance shall adjust  
 17 the base assessed value one (1) time to neutralize any effect of the  
 18 annual adjustment on the property tax proceeds allocated to the  
 19 redevelopment district under this section. However, the adjustments  
 20 under this subsection may not include the effect of property tax  
 21 abatements under IC 6-1.1-12.1, and these adjustments may not  
 22 produce less property tax proceeds allocable to the redevelopment  
 23 district under subsection (b)(3) than would otherwise have been  
 24 received if the general reassessment, the reassessment under the  
 25 reassessment plan, or the annual adjustment had not occurred.  
 26 **decrease base assessed value only to the extent that assessed values**  
 27 **in the allocation area have been decreased due to annual**  
 28 **adjustments or the reassessment under the reassessment plan.** The  
 29 department of local government finance may prescribe procedures for  
 30 county and township officials to follow to assist the department in  
 31 making the adjustments.

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

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

35 (2) Subject to subdivision (3), the initial allocation deadline and  
 36 subsequent allocation deadlines are automatically extended in  
 37 increments of five (5) years, so that allocation deadlines  
 38 subsequent to the initial allocation deadline fall on December 31,  
 39 2016, and December 31 of each fifth year thereafter.

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

C  
o  
p  
y



- 1 (A) terminates the automatic extension of allocation deadlines
- 2 under subdivision (2); and
- 3 (B) specifically designates a particular date as the final
- 4 allocation deadline.

5 SECTION 16. IC 36-12-1-14 IS ADDED TO THE INDIANA  
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2013]: **Sec. 14. A public library with a**  
 8 **governing body that is not comprised of a majority of officials who**  
 9 **are elected to serve on the governing body must have the public**  
 10 **library's proposed budget and property tax levy approved under**  
 11 **IC 6-1.1-17-20 or IC 36-3-6-9 (as appropriate) by the appropriate**  
 12 **fiscal or legislative body.**

13 SECTION 17. [EFFECTIVE JULY 1, 2013] (a) **IC 6-1.1-20-3.1**  
 14 **and IC 6-1.1-20-3.5, both as amended by this act, apply only to a**  
 15 **controlled project for which the proper officers of a political**  
 16 **subdivision make a preliminary determination under IC 6-1.1-20**  
 17 **after June 30, 2013.**

18 (b) **This SECTION expires January 1, 2016.**

C  
o  
p  
y

