CONFERENCE COMMITTEE REPORT
DIGEST FOR ESB 517

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

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

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

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

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

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

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

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-1-5-2.5, AS AMENDED BY P.L.145-2012, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) As used in this section, "eligible school corporation" means a school corporation (as defined in IC 36-1-2-17) that satisfies all the conditions required by this section.

(b) As used in this section, "increment" means the annual difference between:

(1) the annual debt service payment for the bonds proposed to be retired or refunded; and

(2) the annual debt service payment for the proposed refunding bonds;

for each year that the bonds that are being retired or refunded would have been outstanding.

(c) In order for a school corporation to be an eligible school corporation under this section, the school corporation must determine that the percentage computed under this subsection for the school corporation is at least twenty percent (20%), ~~before January 1, 2014, or at least thirty percent (30%) after December 31, 2013,~~ regarding the year for which the latest certified levies have been determined. A school corporation shall compute its percentage as follows:

(1) Compute the amount of credits granted under IC 6-1.1-20.6 against the school corporation's combined levy for the school corporation's:

(A) debt service fund, as described in IC 20-46-7-15;

(B) capital projects fund;

(C) transportation fund;

(D) school bus replacement fund; and

(E) racial balance fund.

(2) Compute the school corporation's combined levy for the school corporation's:

(A) capital projects fund;

(B) transportation fund;

(C) school bus replacement fund; and

(D) racial balance fund.

(3) Divide the amount computed under subdivision (1) by the amount computed under subdivision (2) and express it as a percentage.

A school corporation that desires to be an eligible school corporation under this section must submit a written request for a certification by the department of local government finance that the computation of the school corporation's percentage computed under this subsection is correct. The department of local government finance shall, not later than ten (10) working days after the date the department receives the school corporation's request, certify the percentage computed under this subsection for the school corporation.

(d) A school corporation that desires to be an eligible school corporation under this section must satisfy the following conditions:

(1) The school corporation shall conduct a public hearing and provide notice of the time, date, and place of the hearing, published as required by IC 5-3-1, before the school corporation may adopt a resolution under this section. At the public hearing, the governing body must provide the following information:

(A) The annual debt service payments, applicable debt service tax rate, and total debt service payments for the bonds proposed to be retired or refunded.

(B) The annual debt service payments, applicable debt service fund tax rate, and total debt service payments for the proposed refunding bonds.

(C) The annual increment for each year that the bonds that are being retired or refunded would have been outstanding and any other benefits to be derived from issuing the refunding bonds.

(2) The requirements of this subdivision do not apply to a school corporation that adopts a resolution under subsection (g) before January 1, 2014, and that has a percentage computed under subsection (c) that is at least twenty percent (20%), as certified by the department of local government finance. If the amount determined under subsection (c)(3) is:

(A) more than forty-five percent (45%), notwithstanding IC 6-1.1-20-3.1(a) and IC 6-1.1-20-3.2(a), the school

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

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

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

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

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

(B) meet all of the following conditions:

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

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

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

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

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

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

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

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

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

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

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

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

(3) A determination providing for the:

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

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

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

(A) The maximum principal amount.

(B) The maximum interest rate.

(C) The annual lease or debt service payment.

(D) The final maturity date.

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

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

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

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

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

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

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

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

Single Pole Structure

Type of Sign	Value Per Structure
At least 48 feet, illuminated	$5,000
At least 48 feet, non-illuminated	$4,000
At least 26 feet and under 48 feet, illuminated	$4,000
At least 26 feet and under 48 feet, non-illuminated	$3,300
Under 26 feet, illuminated	$3,200
Under 26 feet, non-illuminated	$2,600
Other Types of Outdoor Signs	
At least 50 feet, illuminated	$2,500
At least 50 feet, non-illuminated	$1,500
At least 40 feet and under 50 feet, illuminated	$2,000
At least 40 feet and under 50 feet, non-illuminated	$1,300
At least 30 feet and under 40 feet, illuminated	$2,000
At least 30 feet and under 40 feet, non-illuminated	$1,300
At least 20 feet and under 30 feet, illuminated	$1,600
At least 20 feet and under 30 feet, non-illuminated	$1,000
Under 20 feet, illuminated	$1,600

Under 20 feet, non-illuminated $1,000

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

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

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

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

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

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

(c) The township or county assessor shall:

(1) review the exemption claim; and

(2) allow or deny the exemption claim in whole or in part.

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

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

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

(b) The department shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a review must be filed not later than the later of:

(1) May 10 of the year; or

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

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

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

(1) The name of the taxpayer.

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

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

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

(1) initiates a review under this section; and

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

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

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

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

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

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

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

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

(E) noting and considering objections of the taxpayer;

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

(G) otherwise educating the taxpayer about:

(i) the taxpayer's assessment or deduction;

(ii) the assessment or deduction process; and

(iii) the assessment or deduction appeal process.

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

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

(A) those issues; and

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

of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.

(2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:

(A) a statement of those issues; and

(B) the identification of:

(i) the issues on which the taxpayer and the official agree; and

(ii) the issues on which the taxpayer and the official disagree.

(j) If the county board receives a form referred to in subsection (i)(1) before the hearing scheduled under subsection (k):

(1) the county board shall cancel the hearing;

(2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and

(3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

(k) If:

(1) subsection (i)(2) applies; or

(2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of that notice. The county board shall, by mail, give at least thirty (30) days notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board. A taxpayer may request a continuance of the hearing by filing, at least twenty (20) days before the hearing date, a request for continuance with the board and the county or township official with evidence supporting a just cause for the continuance. The board shall, not later than ten (10) days after the date the request for a continuance is filed, either find that the taxpayer has demonstrated a just cause for a continuance and grant the taxpayer the continuance, or deny the continuance. A taxpayer may request that the board take action without the taxpayer being present and that the board make a decision based on the evidence already submitted to the board by filing, at least eight (8) days before the hearing date, a request with the board and the county or township official. A taxpayer may withdraw a petition by filing, at least eight (8) days before the hearing date, a notice of withdrawal with the board and the county or township official.

(l) At the hearing required under subsection (k):

(1) the taxpayer may present the taxpayer's reasons for

disagreement with the assessment or deduction; and

(2) the county or township official with whom the taxpayer filed the notice for review must present:

(A) the basis for the assessment or deduction decision; and

(B) the reasons the taxpayer's contentions should be denied.

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

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

(1) Initiate the review.

(2) Prosecute the review.

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

(o) If the maximum time elapses:

(1) under subsection (k) for the county board to hold a hearing; or

(2) under subsection (n) for the county board to give notice of its determination;

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

SECTION 7. 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. **Except as provided in section 3.7 of this chapter,** 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 net assessed valuation is located.

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

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

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

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

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

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

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

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

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

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

(i) If a county fiscal body fails to complete the requirements of subsection (e) before the deadline in subsection (e) for any taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the county are continued for the ensuing budget year.

SECTION 8. IC 6-1.1-17-3.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 3.7. (a) This section authorizes a three (3) year pilot program to allow county fiscal bodies of designated counties to carry out a more thorough nonbinding review of the proposed budgets, property tax rates, and property tax levies of all taxing units in those counties. The general assembly finds that, because of the enactment of property tax credits under**

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

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

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

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

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

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

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

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

(1) the geographical location of the counties;

(2) the population of the counties; and

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

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

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

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

(f) The following apply in 2014 and thereafter:

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

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

(B) a statement of whether:

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

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

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

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

following eighteen (18) months either adopt a resolution or ordinance under IC 6-1.1-20 making a preliminary determination to issue bonds or enter into a lease concerning a controlled project of the taxing unit, or adopt a resolution under IC 20-46-1 to place a referendum tax levy question on the election ballot; and

(C) any additional information required by the department to prepare the analysis required under subdivision (4).

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

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

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

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

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

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

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

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

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

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

district in the pilot county;

(ii) the expected total tax rate of each taxing district in the county; and

(iii) the property taxes that will be collected by each taxing unit in the pilot county.

(5) The department of local government finance shall, before October 2 of each year, provide the analysis prepared under subdivision (4) for a pilot county to the county fiscal body of the pilot county and to the fiscal body of each taxing unit in the pilot county. Upon request by the county fiscal body, representatives of the department of local government finance shall appear before the county fiscal body to review the analysis.

(6) The county fiscal body of a pilot county shall, on or before October 15 of each year:

(A) review the proposed budgets, property tax rates, and property tax levies of each taxing unit in the pilot county;

(B) review the expected total tax rate of each taxing district in the county; and

(C) issue a nonbinding recommendation to each taxing unit in the pilot county regarding the taxing unit's proposed budgets, property tax rates, and property tax levies.

The review and recommendation required to be carried out under this subdivision may be carried out by the full county fiscal body or by a committee appointed by the county fiscal body for that purpose.

(7) A recommendation by a county fiscal body must include a comparison of any increase in a taxing unit's budgets, property tax rates, and property tax levies to:

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

(B) increases in the budgets, property tax rates, and property tax levies of other taxing units in the county.

(8) After review under this section, a taxing unit must adopt its budget, property tax rates, and property tax levies by the date required under section 5 of this chapter.

(g) The county fiscal body of a pilot county may, before July 1 of a year, adopt a resolution discontinuing the county's participation in the pilot program. If a county fiscal body adopts such a resolution:

(1) the county fiscal body shall certify a copy of the resolution to the department of local government finance;

(2) the county's participation in the pilot program is terminated; and

(3) the department of local government finance shall attempt to replace the pilot county with another county that has applied to be designated as a pilot county.

(h) The department of local government finance shall, before November 1, 2014, and each year thereafter, report to the

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

(i) This section expires January 1, 2017.

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

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

(c) If:

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

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

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

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

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

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

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

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

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

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

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

(1) property tax rate or rates; or

(2) special benefits tax rate or rates;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(19) IC 16-22-14;

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

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

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

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

(e) For property tax rates imposed for property taxes first due and payable after December 31, 2012, the new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP EIGHT of the following STEPS:

STEP ONE: Except as provided in subsection (g), determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or the reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2 takes effect.

STEP TWO: Determine the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value

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

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

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

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

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The STEP FIVE result.

STEP SEVEN: Determine the greater of the following:

(A) Zero (0).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) This section expires June 30, 2015.

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

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

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

(d) This section expires July 1, 2016.

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

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

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

(c) This section expires July 1, 2015.

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

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

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

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

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

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

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

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

(i) This section expires June 30, 2015.

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

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

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

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

(e) This section expires June 30, 2016.

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

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

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

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

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

(f) This section expires June 30, 2015.

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

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

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

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

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

(e) This section expires June 30, 2015.

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

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

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

(1) the amount of the increase requested in the petition; or

(2) the amount necessary to increase the township's maximum permissible ad valorem property tax levy under IC 36-8-13 for property taxes first due and payable in 2014 to the amount of the township's maximum permissible ad valorem property tax levy under IC 36-8-13 that applied to taxes first due and payable in 2003.

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

(e) This section expires January 1, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

date of the recording of the judgment.

(4) The political subdivision, for at least thirty (30) days beyond the due date, has failed to do any of the following:

(A) Forward taxes withheld on the incomes of employees.

(B) Transfer employer or employee contributions due under the Federal Insurance Contributions Act (FICA).

(C) Deposit the political subdivision's minimum obligation payment to a pension fund.

(5) The political subdivision has accumulated a deficit equal to eight percent (8%) or more of the political subdivision's revenues. For purposes of this subdivision, "deficit" means a negative fund balance calculated as a percentage of revenues at the end of a budget year for any governmental or proprietary fund. The calculation must be presented on an accrual basis according to generally accepted accounting principles.

(6) The political subdivision has sought to negotiate a resolution or an adjustment of claims that in the aggregate:

(A) exceed thirty percent (30%) of the political subdivision's anticipated annual revenues; and

(B) are ninety (90) days or more past due.

(7) The political subdivision has carried over interfund loans for the benefit of the same fund at the end of two (2) successive years.

(8) The political subdivision has been severely affected, as determined by the board, as a result of granting the property tax credits under IC 6-1.1-20.6.

(9) In addition to the conditions listed in subdivisions (1) through (8), and in the case of a school corporation, the board may also designate a school corporation as a distressed political subdivision if at least one (1) of the following conditions applies:

(A) The school corporation has:

(i) issued refunding bonds under IC 5-1-5-2.5; or

(ii) adopted a resolution under IC 5-1-5-2.5 making the determinations and including the information specified in IC 5-1-5-2.5(g).

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

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

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

The board may consider whether a political subdivision has fully exercised all the local options available to the political subdivision, such as a local option income tax or a local option income tax rate

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

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

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

(1) the treasurer of state; and

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

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

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

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

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

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

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

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

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

corporation's transportation fund; and

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

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

(c) This section expires July 1, 2015.

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

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

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

(2) Review the political subdivision's budget.

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

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

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

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

(7) Review existing labor contracts.

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

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

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

(A) A contract.

(B) An expenditure.

(C) A loan.

(D) The creation of any new position.

(E) The filling of any vacant position.

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

(A) actions taken by the emergency manager;

(B) expenditures made by the distressed political subdivision; and

(C) the work that has been done to remove the distressed political subdivision from distressed status.

(12) Petition the board to terminate a political subdivision's status as a distressed political subdivision when the conditions found in section 6.5 of this chapter are no longer applicable to the political subdivision.

(c) An emergency manager of a distressed political subdivision appointed under section 7.5 of this chapter may do the following:

(1) Renegotiate existing labor contracts and act as an agent of the political subdivision in collective bargaining.

(2) Reduce or suspend salaries of the political subdivision's employees.

(3) Enter into agreements with other political subdivisions for the provision of services.

(d) Except as provided in section 13(c) of this chapter, an emergency manager of a distressed political subdivision retains the powers and duties described in subsections (b) and (c) until:

(1) the emergency manager resigns or dies;

(2) the board removes the emergency manager; or

(3) the political subdivision's status as a distressed political subdivision is terminated under section 13(b) of this chapter.

SECTION 26. IC 6-1.1-20.3-10, AS AMENDED BY P.L.145-2012, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. A distressed political subdivision may petition the tax court for judicial review of a determination of the board under section 6.5 of this chapter. **A school corporation may also petition the tax court for judicial review of a determination of the board under section 8.4 of this chapter.** The action must be taken to the tax court under IC 6-1.1-15 in the same manner that an action is taken to appeal a final determination of the Indiana board of tax review. The petition must be filed in the tax court not more than forty-five (45) days after the board enters its final determination.

SECTION 27. IC 6-1.1-20.3-13, AS ADDED BY P.L.145-2012, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) If:

(1) an emergency manager of a distressed political subdivision; ~~that is not a school corporation;~~

(2) the fiscal body and executive of the political subdivision jointly; or

(3) the governing body of a school corporation that:

(A) employs a new superintendent; or

(B) has a new member elected or appointed to its governing body;

during the time the school corporation is a distressed political subdivision;

files a petition with the board for termination of the political subdivision's status as a distressed political subdivision, the board shall conduct a public hearing on the question of whether to terminate the

political subdivision's status as a distressed political subdivision.

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

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

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

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

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

(b) The following definitions apply throughout this section:

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

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

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

of a political subdivision payable from ad valorem property taxes.

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

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

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

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

protected taxes.

(c) **Except as provided in subsection (e) for property taxes due and payable in 2013,** the total amount ~~collected from protected taxes shall be allocated~~ **of revenue to be distributed** to the fund for which the protected taxes were imposed **shall be determined** as if no credit were granted under section 7 or 7.5 of this chapter. The total amount of the loss in revenue resulting from the granting of credits under section 7 or 7.5 of this chapter must reduce only the amount of unprotected ~~property~~ taxes distributed to a fund ~~in proportion to the unprotected rate tax imposed for that fund relative to the total of all unprotected tax rates imposed by the taxing unit.~~ **using the following criteria:**

(1) The reduction may be allocated in the amounts determined by the political subdivision using a combination of unprotected taxes of the political subdivision in those taxing districts in which the credit caused a reduction in protected taxes.

(2) The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

(d) When:

(1) the revenue that otherwise would be distributed to a fund receiving only unprotected taxes is reduced entirely under subsection (c) and the remaining revenue is insufficient for a fund receiving protected taxes to receive the revenue specified by subsection (c); or

(2) there is not a fund receiving only unprotected taxes from which to distribute revenue;

the revenue distributed to the fund receiving protected taxes must also be reduced. If the revenue distributed to a fund receiving protected taxes is reduced, the political subdivision may transfer money from one (1) or more of the other funds of the political subdivision to offset the loss in revenue to the fund receiving protected taxes. The transfer is limited to the amount necessary for the fund receiving protected taxes to receive the revenue specified under subsection (c). The amount transferred shall be specifically identified as a debt service obligation transfer for each affected fund.

(e) This subsection applies to property taxes due and payable in 2013. The total amount of the loss in revenue resulting from the granting of credits under section 7 or 7.5 of this chapter must reduce the amount of protected and unprotected property taxes distributed to a fund in proportion to the property tax levy imposed for that fund relative to the total of all protected and unprotected property tax levies imposed by the political subdivision. The allocations shall be made after the political subdivision receives its distribution.

SECTION 30. IC 6-1.1-33.5-3, AS AMENDED BY P.L.182-2009(ss), SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. The division of data analysis shall:

(1) conduct continuing studies in the areas in which the

department of local government finance operates;

(2) make periodic field surveys and audits of:

(A) tax rolls;

(B) plat books;

(C) building permits;

(D) real estate transfers; and

(E) other data that may be useful in checking property valuations or taxpayer returns;

(3) make test checks of property valuations to serve as the ~~bases~~ **basis** for special reassessments under this article;

(4) conduct ~~biennially~~ **annually** a **review of each** coefficient of dispersion study for each township and county; ~~in Indiana;~~

(5) conduct ~~quadrennially~~ **annually** a **review of each** sales assessment ratio study for each township and county; ~~in Indiana;~~ and

(6) report annually to the executive director of the legislative services agency, in an electronic format under IC 5-14-6, the information obtained or determined under this section for use by the executive director and the general assembly, including:

(A) all information obtained by the division of data analysis from units of local government; and

(B) all information included in:

(i) the local government data base; and

(ii) any other data compiled by the division of data analysis.

SECTION 31. IC 6-1.1-36-17, AS ADDED BY P.L.87-2009, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 17. (a) As used in this section, "nonreverting fund" refers to a nonreverting fund established under subsection (c).

(b) Each county auditor that makes a determination that property was not eligible for a standard deduction under IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9 (repealed) in a particular year shall notify the county treasurer of the determination. The county auditor shall issue a notice of taxes, interest, and penalties due to the owner and include a statement that the payment is to be made payable to the county auditor. The notice must require full payment of the amount owed within thirty (30) days.

(c) Each county auditor shall establish a nonreverting fund. Upon collection of the adjustment in tax due (and any interest and penalties on that amount) after the termination of a deduction or credit as specified in subsection (b), the county treasurer shall deposit that amount:

(1) in the nonreverting fund, **if the county contains a consolidated city; or**

(2) if the county does not contain a consolidated city:

(A) in the nonreverting fund, to the extent that the amount collected, after deducting the direct cost of any contract, including contract related expenses, under which the contractor is required to identify homestead deduction eligibility, does not cause the total amount deposited in the nonreverting fund under this subsection for the year during which the amount is collected to exceed one

hundred thousand dollars ($100,000); or

(B) in the county general fund, to the extent that the amount collected exceeds the amount that may be deposited in the nonreverting fund under clause (A).

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

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

(1) Supplemental deductions under IC 6-1.1-12-37.5.

(2) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-1.1-26, IC 6-3.5-6-13, IC 6-3.5-6-32, IC 6-3.5-7-13.1, or IC 6-3.5-7-26, or any other law.

(3) Credit for excessive property taxes under IC 6-1.1-20.6-7.5 or IC 6-1.1-20.6-8.5.

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

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

(1) Fees and other costs incurred by the county auditor to discover property that is eligible for a standard deduction under IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9 (repealed).

(2) Other expenses of the office of the county auditor.

(3) The cost of preparing, sending, and processing notices described in IC 6-1.1-22-8.1(b)(9). ~~and checklists or notices described in IC 6-1.1-22.5-12(d).~~

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

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

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

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

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

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

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

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

(1) For each fund that contains district money:

(A) the cash balance at the end of the year;

(B) a list of all encumbrances on the fund that the district is legally obligated to pay;

(C) a copy of documentation that supports each encumbrance listed in clause (B);

(D) the fund balance obtained by subtracting the amount under clause (B) from the amount under clause (A);

(E) the total expenditures from the fund for the year; and

(F) any other financial information required by the department.

(2) The total of all fund balances calculated under subdivision (1)(D).

(3) The total of all fund expenditures reported under subdivision (1)(E).

(4) Any programmatic information required by the department.

(5) The total amount of expenditures by the district for the year.

(6) The per capita expenditures by the district for the year.

(7) The amount of expenditures by the district for the year for personnel costs.

(8) The amount of expenditures by the district for the year for program costs (excluding personnel costs).

(9) The total amount of solid waste (in tons) disposed of in the

district for the year for which the district is directly responsible.

(10) The total amount of recycling (in tons) carried out in the district in the year for which the district is directly responsible.

(b) The district shall provide the report prepared under subsection (a):

(1) to the department and to the department of local government finance in a format prescribed by the department; and

(2) to the legislative council in an electronic format under IC 5-14-6;

by ~~February~~ **March** 1 of the year following the year for which the report is made.

(c) The district shall publish the annual report prepared under subsection (a) on an Internet web site maintained by the district or on the Internet web sites maintained by the counties that are members of the district.

SECTION 36. IC 20-40-2-4, AS AMENDED BY P.L.145-2012, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) Except as provided by subsection (b) or any other law, any lawful school expenses payable from any other fund of a school corporation, including debt service and capital outlay, may be budgeted in and paid from the fund.

(b) Before January 1, 2018, costs attributable to transportation (as defined in IC 20-40-6-1) may be budgeted in and paid from the fund. After December 31, 2017, costs attributable to transportation (as defined in IC 20-40-6-1) may not be budgeted in and paid from the fund. **After June 30, 2013, a school corporation may also transfer money from its general fund to its transportation fund (IC 20-40-6) if it qualifies under subsection (c).**

(c) A school corporation may make a transfer from its general fund to its transportation fund if the amount of revenue loss from:

(1) the credits for excessive property taxes granted under IC 6-1.1-20.6-7.5 in the amount that affects the school corporation's transportation fund; plus

(2) allocations to the school transportation fund resulting from the granting of credits under IC 6-1.1-20.6-7.5 to protect the protected taxes as provided in IC 6-1.1-20.6-9.8;

is more than seventy-five percent (75%) of the school corporation's transportation fund levy for the year for which the latest certified levies have been determined. The amount of the transfer may not exceed fifty percent (50%) of revenue lost by the school corporation's transportation fund.

(d) A school corporation may make a transfer from its general fund to its school bus replacement fund (IC 20-40-7) if the revenue lost from:

(1) the credits for excessive property taxes granted under IC 6-1.1-20.6-7.5 in the amount that affects the school corporation's school bus replacement fund; plus

(2) allocations to the school bus replacement fund resulting from the granting of credits under IC 6-1.1-20.6-7.5 to protect the protected taxes as provided in IC 6-1.1-20.6-9.8;

is more than seventy-five percent (75%) of the school corporation's

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

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

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

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

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

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

(2) A lease to provide capital construction.

(3) Interest on emergency and temporary loans.

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

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

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

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

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

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

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

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

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

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

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

(1) the executive of the political subdivision or agency; or

(2) the fiscal body of the political subdivision or agency, if there is no executive.

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

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

(1) every sale of real property having an appraised value of fifty thousand dollars ($50,000) or more;

(2) every lease of real property for which the total annual rental payments will be twenty-five thousand dollars ($25,000) or more; and

(3) every transfer of real property under section 14 or 15 of this chapter.

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

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

(1) professionally engaged in making appraisals;

(2) licensed under IC 25-34.1; or

(3) employees of the political subdivision familiar with the value of the property.

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

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

(1) Bids will be received beginning on a specific date.

(2) The sale will continue from day to day for a period determined by the disposing agent of not more than sixty (60) days.

(3) The property may not be sold to a person who is ineligible under section 16 of this chapter.

(4) A bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:

(A) beneficiary of the trust; and

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

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

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

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

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

(1) the disposing agent publishes a notice of the determination to hire the broker in accordance with IC 5-3-1; and

(2) the property has been up for bid for at least sixty (60) days before the broker is hired, and either no bids were received or the disposing agent has rejected all bids that were received.

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

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

(1) The property may not be sold to a person who is ineligible under section 16 of this chapter.

(2) If the property is sold to a trust (as defined in IC 30-4-1-1(a)),

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

(A) Each beneficiary of the trust.

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

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

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

(1) not a governmental entity; and

(2) eligible under section 16 of this chapter;

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

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

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

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

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

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

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

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

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

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

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

(d) This SECTION expires January 1, 2014.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) This SECTION expires July 1, 2017.

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

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

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

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

(1) purchased real property in June 2007;

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

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

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

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

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

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

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

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

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

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

(i) This SECTION expires July 1, 2017.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) This SECTION expires July 1, 2017.

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

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

2012, assessment dates.

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

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

(1) is exempt from federal income taxes;

(2) owns an eligible property;

(3) acquired the eligible property after the 2012 assessment date; and

(4) redeemed the eligible property after it was sold for delinquent taxes in 2012.

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

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

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

(1) the property tax exemption for the eligible property shall be allowed and granted for the March 11, 2011, and March 1, 2012, assessment dates by the county assessor and county auditor of Marion County; and

(2) the qualified taxpayer is not required to pay any property taxes, penalties, or interest with respect to the eligible property for the March 11, 2011, and March 1, 2012, assessment dates.

(h) To the extent the qualified taxpayer has:

(1) paid any property taxes, penalties, or interest with respect to the eligible property for the March 1, 2011, and March 12, 2012, assessment dates; or

(2) paid to redeem the property under IC 6-1.1-24 and IC 6-1.1-25;

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

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

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

(j) This SECTION expires July 1, 2017.

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

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

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

(1) a national historic landmark; and

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

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

(1) is exempt from federal income taxes;

(2) owns an eligible property; and

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

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

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

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

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

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

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

(i) This SECTION expires July 1, 2017.

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

IC 6-1.1-17-20(b).

(b) If:

(1) the fiscal body of a city or town adopted a final budget and levy for a taxing unit under IC 6-1.1-17-20 (before its amendment by this act) after June 30, 2012, and before July 1, 2013;

(2) after June 30, 2012, and before July 1, 2013, IC 6-1.1-17-20 (before its amendment by this act) required the taxing unit to submit the taxing unit's proposed budget and levy to the fiscal body of a county; and

(3) after June 30, 2013, IC 6-1.1-17-20(c)(2)(B) (as amended by this act) requires the taxing unit to submit the taxing unit's proposed budget and levy to the fiscal body of the city or town that appoints the majority of the individuals serving on the governing board of the taxing unit;

the action taken by the fiscal body of the city or town under IC 6-1.1-17-20 (before its amendment by this act) to adopt a final budget and levy for the taxing unit after June 30, 2012, and before July 1, 2013, is legalized and validated.

(c) This SECTION expires January 1, 2014.

SECTION 51. [EFFECTIVE UPON PASSAGE] **(a) IC 6-1.1-20.6-2, as amended by this act, applies only to property taxes first due and payable after December 31, 2013.**

(b) This SECTION expires July 1, 2016.

SECTION 52. [EFFECTIVE UPON PASSAGE] **(a) IC 6-1.1-20.6-9.8, as amended by this act, applies to property taxes first due and payable after December 31, 2012.**

(b) This SECTION expires January 1, 2015.

SECTION 53. **An emergency is declared for this act.**

(Reference is to ESB 517 as reprinted April 9, 2013.)

Conference Committee Report
on
Engrossed Senate Bill 517

Signed by:

Senator Hershman Chairperson	Representative Huston
Senator Randolph	Representative Goodin
Senate Conferees	**House Conferees**