

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 494, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1           Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:  
3           "SECTION 1. IC 6-1.1-10-2 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 2. **(a)** Except as  
5 otherwise provided by law, the property owned by this state, a state  
6 agency, or the bureau of motor vehicles commission is exempt from  
7 property taxation.  
8           **(b) Real property leased to a state agency is exempt from**  
9 **property taxes if the lease requires the state agency to reimburse**  
10 **the owner for property taxes.**  
11           SECTION 2. IC 6-1.1-10-45 IS ADDED TO THE INDIANA CODE  
12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
13 JANUARY 1, 2014]: Sec. 45. **(a) Tangible personal property**  
14 **consisting of a sign that is manufactured for the Indiana**  
15 **department of transportation in order for the department to**  
16 **comply with 23 U.S.C. 131 is exempt from personal property**  
17 **taxation.**  
18           **(b) The owner of personal property that wishes to obtain the**  
19 **exemption provided by this section must file an exemption claim**  
20 **along with the owner's annual personal property tax return. The**

1 claim must describe and state the assessed value of the personal  
2 property for which an exemption is claimed.

3 (c) The township or county assessor shall:

4 (1) review the exemption claim; and

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

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

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

12 SECTION 3. IC 6-1.1-14-12 IS ADDED TO THE INDIANA CODE  
13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
14 1, 2013]: Sec. 12. (a) As part of the review under IC 6-1.1-33.5-3(4)  
15 and IC 6-1.1-33.5-3(5) of the coefficient of dispersion study and  
16 property sales assessment ratio study submitted by a county under  
17 50 IAC 27-4-4, the department of local government finance shall  
18 conduct the review and analysis described in this section.

19 (b) The department shall:

20 (1) conduct its review and analysis for studies submitted in  
21 2013 through 2017; and

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

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

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

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

35 Page 5, between lines 33 and 34, begin a new paragraph and insert:  
36 "SECTION 5. IC 6-1.1-20-12, AS ADDED BY P.L.203-2011,  
37 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JULY 1, 2013]: Sec. 12. (a) This section applies to taxes first due and

1 payable in 2012 or a subsequent year.

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

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

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

20 Page 5, delete lines 41 through 42, begin a new paragraph and  
21 insert:

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

- 26 (1) conduct continuing studies in the areas in which the  
27 department of local government finance operates;  
28 (2) make periodic field surveys and audits of:  
29 (A) tax rolls;  
30 (B) plat books;  
31 (C) building permits;  
32 (D) real estate transfers; and  
33 (E) other data that may be useful in checking property  
34 valuations or taxpayer returns;  
35 (3) make test checks of property valuations to serve as the bases  
36 for special reassessments under this article;  
37 (4) conduct ~~biennially~~ **annually** a **review of each** coefficient of  
38 dispersion study for each township and county; ~~in Indiana;~~

- 1 (5) conduct ~~quadrennially~~ **annually** a review of each sales  
 2 assessment ratio study for each township and county; ~~in Indiana;~~  
 3 and  
 4 (6) report annually to the executive director of the legislative  
 5 services agency, in an electronic format under IC 5-14-6, the  
 6 information obtained or determined under this section for use by  
 7 the executive director and the general assembly, including:  
 8 (A) all information obtained by the division of data analysis  
 9 from units of local government; and  
 10 (B) all information included in:  
 11 (i) the local government data base; and  
 12 (ii) any other data compiled by the division of data  
 13 analysis.".
- 14 Delete page 6.  
 15 Page 7, delete lines 1 through 18.  
 16 Page 8, between lines 18 and 19, begin a new paragraph and insert:  
 17 "SECTION 7. IC 6-2.5-5-47 IS ADDED TO THE INDIANA CODE  
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 19 1, 2013]: **Sec. 47. A transaction involving petroleum based fuel is  
 20 exempt from the state gross retail tax if the person acquires the  
 21 fuel for use in powering an aircraft.**"
- 22 Page 12, between lines 29 and 30, begin a new paragraph and insert:  
 23 "SECTION 13. IC 20-46-1-10.5, AS ADDED BY P.L.203-2011,  
 24 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2013]: Sec. 10.5. (a) This section applies to taxes first due and  
 26 payable in 2012 or a subsequent year.  
 27 (b) The county auditor shall distribute proceeds collected from an  
 28 allocation area (as defined in IC 6-1.1-21.2-3) that are attributable to  
 29 property taxes imposed after being approved by the voters in a  
 30 referendum conducted after April 30, 2010, to the taxing unit for which  
 31 the referendum was conducted.  
 32 (c) The amount to be distributed under subsection (b) shall be  
 33 treated as part of the referendum levy for purposes of setting tax rates  
 34 for property taxes imposed after being approved by the voters in a  
 35 referendum conducted after April 30, 2010.  
 36 (d) **For a school corporation that conducted a referendum after  
 37 November 1, 2009, and before May 1, 2010, for distributions after  
 38 2013, the county auditor shall distribute proceeds collected from an**

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

7 Page 17, between lines 3 and 4, begin a new paragraph and insert:

8 "SECTION 19. [EFFECTIVE JANUARY 1, 2007  
 9 (RETROACTIVE)] (a) This SECTION applies notwithstanding  
 10 IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or  
 11 provision.

12 (b) This SECTION applies to the March 1, 2007, and March 1,  
 13 2008, assessment dates.

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

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

18 (1) purchased real property in June 2007;

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

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

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

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

30 (g) If a qualified taxpayer demonstrates in the property tax  
 31 exemption application filed under subsection (e) or by other means  
 32 that the eligible property would have qualified for an exemption  
 33 under IC 6-1.1-10-16 for the March 1, 2007, and March 1, 2008,  
 34 assessment dates if the property tax exemption application had  
 35 been filed under IC 6-1.1-11 in a timely manner for the March 1,  
 36 2007, and March 1, 2008, assessment dates and the taxpayer had  
 37 owned the real property on May 1, 2007:

38 (1) the property tax exemption for the eligible property shall

1           be allowed and granted for the March 1, 2007, and March 1,  
 2           2008, assessment dates by the county assessor and county  
 3           auditor of the county in which the eligible property is located;  
 4           (2) the qualified taxpayer is not required to pay any property  
 5           taxes, penalties, or interest with respect to the eligible  
 6           property for the March 1, 2007, and March 1, 2008,  
 7           assessment dates; and  
 8           (3) to the extent the qualified taxpayer has paid any property  
 9           taxes, penalties, or interest with respect to the eligible  
 10          property for the March 1, 2007, and March 1, 2008,  
 11          assessment dates, the eligible taxpayer is entitled to a refund  
 12          of the amounts paid.

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

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

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

21          SECTION 20. [EFFECTIVE JANUARY 1, 2011  
 22          (RETROACTIVE)] (a) This SECTION applies notwithstanding  
 23          IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or  
 24          provision.

25          (b) This SECTION applies to the March 1, 2011, and March 1,  
 26          2012, assessment dates.

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

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

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

37                  (2) failed to timely file a property tax exemption application  
 38                  for one (1) of the parcels described in subdivision (1) for the

1           **March 1, 2011, assessment date.**

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

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

9           **(g) If a qualified taxpayer demonstrates in the property tax**  
10 **exemption application filed under subsection (e) or by other means**  
11 **that the eligible property would have qualified for an exemption**  
12 **under IC 6-1.1-10-16 for the March 1, 2011, and March 1, 2012,**  
13 **assessment dates if the property tax exemption application had**  
14 **been filed under IC 6-1.1-11 in a timely manner for the March 1,**  
15 **2011, and March 1, 2012, assessment dates:**

16           **(1) the property tax exemption for the eligible property shall**  
17 **be allowed and granted for the March 1, 2011, and March 1,**  
18 **2012, assessment dates by the county assessor and county**  
19 **auditor of Marion County;**

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

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

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

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

- 1 **appeals of Marion County or by the Indiana board of tax review.**
- 2 **(i) This SECTION expires July 1, 2017."**
- 3 Renumber all SECTIONS consecutively.  
(Reference is to SB 494 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 10, Nays 0.

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**Hershman**

**Chairperson**