# Journal of the House

State of Indiana

115th General Assembly First Regular Session

**Seventeenth Meeting Day** **Monday Afternoon** **February 12, 2007**

The House convened at 1:30 p.m. with Speaker B. Patrick Bauer in the Chair.

The Speaker stated, "Having conferred with the Attorney General and no objection raised, the temporary House policy while the prayer lawsuit is pending in the courts will be a scripted prayer."

The Speaker read a prayer for guidance and insight (printed January 8, 2007).

The Pledge of Allegiance to the Flag was led by Representative P. Eric Turner.

The Speaker ordered the roll of the House to be called:

Austin
Avery
Bardon
Battles
Behning
Bell
Bischoff
Borders
Borror
Bosma
C. Brown
T. Brown
Buck
Buell
Burton
Candelaria Reardon
Cheatham
Cheney
Cherry
Cochran
Crawford
Crooks
Crouch
Davis
Day
Dembowski
Denbo
Dermody
Dickinson
Dobis
Dodge
Duncan
Dvorak
Eberhart
Elrod
Espich
Foley
Friend
Frizzell
Fry
GiaQuinta
Goodin
Grubb
Gutwein
E. Harris
T. Harris
Herrell
Hinkle
Hoy
Kersey
Klinker
Knollman
Koch
Kuzman
L. Lawson
Lehe
Leonard
Lutz
Mays
McClain
Micon
Moses
Murphy
Neese
Niezgodski
Noe
Orentlicher
Oxley
Pelath
Pflum
Pierce
Pond
Porter
Reske
Richardson
Ripley
Robertson
Ruppel
Saunders
M. Smith
V. Smith
Soliday
Stemler
Stevenson
Stilwell
Stutzman
Summers
Thomas
Thompson
Tincher
Torr
Turner
Tyler
Ulmer
VanHaaften
Walorski
Welch
Whetstone
Wolkins
Mr. Speaker

Roll Call 83: 100 present. The Speaker announced a quorum in attendance.

HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Tuesday, February 13, 2007, at 1:00 p.m.

OXLEY

Motion prevailed.

## REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1100, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 5 through 17, begin a new paragraph and insert:

"**Sec. 1. Not later than January 15 of each year, a railroad shall submit a risk assessment of the railroad's facilities to the department of homeland security and the Indiana department of transportation. A risk assessment submitted under this section must include, but is not limited to, the following:**

**(1) A description of the facilities of the railroad and the functions of the facilities.**

**(2) The types of cargo transported through the facilities during the immediately preceding calendar year, including the approximate quantity of hazardous materials or oil subject to Chapter 1 of Subtitle B of Title 49 of the Code of Federal Regulations.**

**(3) The extent to which hazardous materials or oil is stored in the facilities, including the location and approximate quantity of the hazardous materials or oil.**

**(4) The location of a rail facility where hazardous materials or oil is transported or stored, if the rail facility is located within a fifteen (15) mile radius of a school, hospital, nursing home, utility (as defined in IC 8-1-2-1(g)), fire station, police station, or county sheriff's headquarters.**

**(5) The railroad's security plan, including:**

**(A) practices of the railroad designed to prevent acts of sabotage or terrorism or other crimes on rail facilities;**

**(B) security training provided to the railroad's employees;**

**(C) emergency response procedures for acts of sabotage or terrorism or other crimes; and**

**(D) communication procedures with state and local officials, law enforcement officers, and emergency responders in the event of an act of sabotage or terrorism or any other crime.**

**The information contained in a risk assessment submitted under this section to the department of homeland security and the Indiana department of transportation is confidential.**

**Sec. 2. (a) Not later than July 15 of each year, a railroad shall develop a community protection plan to protect rail facilities and critical rail infrastructure from acts of sabotage or terrorism or other crimes.**

**(b) A community protection plan adopted under subsection (a) must include, but is not limited to, the following:**

**(1) Provision for the security of critical rail infrastructure, including points of vulnerability of the rail system through which hazardous materials or oil is transported. Points of vulnerability include rail yards, bridges, tunnels, and signal systems.**

**(2) Description of the railroad's methods for protecting critical rail infrastructure from acts of sabotage or terrorism or other crimes.**

**(3) Description of the training provided by the railroad to the railroad's employees to enable the railroad's employees to identify and respond to security threats, including acts of sabotage or terrorism or other crimes.**

**(4) Description of the emergency response procedures of the railroad in dealing with acts of sabotage or terrorism or other crimes.**

**(5) Description of the communication procedures with state and local officials, law enforcement officers, and emergency responders in the event of an act of sabotage or terrorism or any other crime.**

**(c) This subsection applies to a rail facility described in section 1(4) of this chapter. In addition to the requirements set forth in subsection (b), the community protection plan adopted by the rail facility must include, but is not limited to, the following:**

**(1) Provision for regular inspection of the rail facility by personnel trained by the railroad to determine the condition of the facility and its vulnerability to acts of sabotage or terrorism or other crimes.**

**(2) Provision for storage of hazardous materials or oil in secure facilities. For purposes of this subdivision, a railroad right-of-way is not a secure facility.**

**(3) Setting forth procedures to ensure unattended locomotive equipment is locked against unauthorized entrance.**

**(4) Prescription of methods by which the cabs of occupied locomotives may be secured against unauthorized entry.**

**(5) Provision for security for remote control locomotives to prevent unauthorized use.**

**(d) Not more than fifteen (15) days after developing a community protection plan, a railroad shall submit a copy of the railroad's community protection plan to the department of homeland security and the Indiana department of transportation. If a railroad has failed to submit a community protection plan by August 1 in a year, the department of homeland security and the Indiana department of transportation shall contact the railroad and require that the community protection plan be submitted to the department of homeland security and the Indiana department of transportation.**

**(e) The Indiana department of transportation may modify a community protection plan to comply with subsections (b) and (c) of this section.**

**Sec. 3. (a) An employee of a railroad who believes that a risk assessment as prepared under section 1 of this chapter or a community protection plan adopted under section 2 of this chapter has been prepared in error by the railroad may report the belief of the employee to the department of homeland security or to the Indiana department of transportation for an investigation of the contents of the risk assessment or the community protection plan.**

**(b) For having made a report under subsection (a), the employee making the report may not:**

**(1) be dismissed from employment;**

**(2) have salary increases or employment related benefits withheld;**

**(3) be transferred or reassigned;**

**(4) be denied a promotion the employee otherwise would have received; or**

**(5) be demoted;**

**by a railroad, contractor, or subcontractor of the railroad that is investigated by the department of homeland security or the Indiana department of transportation as a result of a report filed under subsection (a).**

**(c) The department of homeland security or the Indiana department of transportation shall investigate a risk assessment or a community protection plan that is the subject of a report made under subsection (a). If, after investigation, the department of homeland security or the Indiana department of transportation finds there is validity to the report, the department of homeland security or the Indiana department of transportation may require the railroad to submit a corrected risk assessment or community protection plan.**

**(d) A railroad, a contractor, or a subcontractor of the railroad that knowingly or intentionally violates subsection (b) commits a Class A misdemeanor.**

**Sec. 4. A railroad shall provide ongoing training to employees of the railroad and to contractors and subcontractors of the railroad to enable the employees to identify and respond to security threats, including acts of sabotage or terrorism or other crimes.**

**Sec. 5. (a) A contractor or subcontractor of the railroad shall secure a limited criminal history (as defined in IC 10-13-3-11) before the employment of an individual who will work on a contract for a railroad commences.**

**(b) A railroad is authorized to determine whether an employee of a contractor or subcontractor of a railroad may work on a project for the railroad, based on convictions disclosed by the limited criminal history.**".

Delete page 2.

Page 3, delete lines 1 though 37.

(Reference is to HB 1100 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 6, nays 5.

CHENEY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Natural Resources, to which was referred House Bill 1322, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 2. IC 14-8-2-194 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 194. "Overburden", for purposes of **IC 14-11-1-8 and** IC 14-36-1, has the meaning set forth in IC 14-36-1-10.".

Page 2, line 4, delete "The term does not include oil or natural".

Page 2, delete line 5.

Page 2, line 10, delete "The" and insert "**Except as provided in subsection (f), the**".

Page 2, line 13, delete "the purpose of allowing the extraction of" and insert "**a purpose listed in subsection (d) unless the department holds a meeting as described in subsection (e).**

**(d) The purposes referred to in subsection (c) are as follows:**

**(1) Extraction of overburden for surface mining of geological material.**

**(2) Exploration for geological material.**

**(e) The department must:**

**(1) hold a meeting referred to in subsection (c) in a county in which the property referred to in subsection (c) is wholly or partially located;**

**(2) provide to the public at the meeting information concerning the proposed transaction described in subsection (c); and**

**(3) allow members of the public to speak at the meeting concerning the proposed transaction described in subsection (c).**

**(f) Subsection (c) does not apply to a transaction described in subsection (c) if the department is restoring the land that is the subject of the transaction under IC 14-34-19.**".

Page 2, delete lines 14 through 15.

Renumber all SECTIONS consecutively.

(Reference is to HB 1322 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 0.

BISCHOFF, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Elections and Apportionment, to which was referred House Bill 1551, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 9 through 16, begin a new paragraph and insert:

"SECTION 2. IC 2-7-1-12.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12.5. (a) "Public advocacy communication" refers to a communication:**

**(1) to urge the general public to act to influence legislative action; and**

**(2) by:**

**(A) advertising;**

**(B) mass mailings;**

**(C) publications; or**

**(D) radio, television, or the Internet.**

**(b) The term does not include the communications between an organization and its members.**

SECTION 3. IC 2-7-1-12.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 12.7. (a) "Public advocacy organization" means a person that:**

**(1) is:**

**(A) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function (as defined in Section 527 of the Internal Revenue Code); or**

**(B) a public benefit organization; and**

**(2) spends at least fifty thousand dollars ($50,000) in a registration year on public advocacy communication.**

**(b) The term does not include any of the following that, in the ordinary course of business, publishes news items, editorials, comments, or paid advertisements that directly or indirectly urge legislative action:**

**(1) A newspaper.**

**(2) A periodical of general circulation.**

**(3) A book publisher.**

**(4) A news wire service.**

**(5) A radio or television station.**

**(6) An individual who owns, publishes, or is employed by a newspaper, periodical, or radio or television station.**".

Page 2, line 8, delete "individuals who set the policies or" and insert "**officers of the organization.**".

Page 2, delete line 9.

Page 2, delete lines 27 through 41, begin a new line double block indented and insert:

"**(F) If the lobbyist is a public advocacy organization, the lobbyist's expenses for public advocacy communications. The lobbyist must provide the following information relating to the lobbyist's expenses under this clause:**

**(i) The name of each person that carried the lobbyist's communications.**

**(ii) The dates that communications were made.**

**(iii) The dollar amount spent on the communications with each person that carried the lobbyist's communications.**

**(iv) The total amount spent on communications described in this clause.**".

Page 4, delete lines 4 through 42, begin a new paragraph and insert:

"SECTION 6. IC 3-9-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) This section does not apply to:

(1) a member of the general assembly; or

(2) a candidate's committee of a member of the general assembly;

with respect to an office other than a legislative office to which the member seeks election.

(b) As used in this section, "affected person" refers to any of the following:

(1) An individual who holds a legislative office.

(2) A candidate for a legislative office.

**(3) An individual who holds a state office other than a judicial office.**

(c) As used in this section, "prohibited period" means the period:

(1) beginning on the day in January in each odd-numbered year the general assembly reconvenes under IC 2-2.1-1-2; and

(2) through the day the general assembly adjourns sine die in an odd-numbered year under IC 2-2.1-1-2.

(d) During the prohibited period, an affected person, an affected person's candidate's committee, and a legislative caucus committee may not do any of the following:

(1) Solicit campaign contributions.

(2) Accept campaign contributions.

(3) Conduct other fundraising activities. This subdivision does not prohibit an affected person from participating in party activities conducted by a regular party committee.".

Delete page 5.

Renumber all SECTIONS consecutively.

(Reference is to HB 1551 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 5, nays 4.

PIERCE, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Natural Resources, to which was referred House Bill 1657, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as

follows:

Page 8, line 30, delete "Except as provided in subsection" and insert "**As used in this section, "eligible land" means any of the following:**

**(1) Land classified under IC 6-1.1-6 as native forest land.**

**(2) Land classified under IC 6-1.1-6 as a forest plantation by an application approval under IC 6-1.1-6-12 dated before July 1, 2007.**

**(3) Land:**

**(A) classified under IC 6-1.1-6 as a forest plantation by an application approval under IC 6-1.1-6-12 dated after June 30, 2007; and**

**(B) on which all of the trees that qualify the land for classification under IC 6-1.1-6 as a forest plantation are native trees.**

**(b) Except as provided in subsection (c), an individual is entitled to a deduction in determining the individual's adjusted gross income for a taxable year in an amount equal to the property taxes paid or accrued by the individual during the taxable year on eligible land.**".

Page 8, delete lines 31 through 35.

Page 8, line 36, delete "(b)" and insert "**(c)**".

Page 8, line 36, delete "(a)" and insert "**(b)**".

Page 8, line 38, delete "(a)" and insert "**(b)**".

Page 8, line 42, delete "Except as provided in subsection" and insert "**As used in this section, "eligible land" has the meaning set forth in section 21(a) of this chapter.**

**(b) Except as provided in subsection (c), an individual is entitled to a deduction in determining the individual's adjusted gross income for a taxable year in an amount equal to expenses paid or accrued by the individual during the taxable year for the management of a forest located on eligible land.**".

Page 9, delete lines 1 through 6.

Page 9, line 7, delete "(b)" and insert "**(c)**".

Page 9, line 7, delete "(a)" and insert "**(b)**".

Page 9, line 9, delete "(a)" and insert "**(b)**".

Page 9, line 30, delete "An individual is entitled to a deduction" and insert "**(a) As used in this section, "eligible land" has the meaning set forth in section 21(a) of this chapter.**

**(b) An individual is entitled to a deduction in determining the individual's adjusted gross income for a taxable year for a charitable contribution of eligible land to the same extent the charitable contribution is allowed as a deduction to the individual for the taxable year under Section 170 of the Internal Revenue Code.**".

Page 9, delete lines 31 through 42.

Delete pages 10 through 25.

Page 26, delete lines 1 through 18.

Renumber all SECTIONS consecutively.

(Reference is to HB 1657 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 0.

BISCHOFF, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Natural Resources, to which was referred House Bill 1763, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 8, delete "means" and insert "means:

**(1) a feature that is nonportable evidence of past human behavior or activity that is found on or in the ground, including structural remains formed before December 31, 1870; or**

**(2)**".

Page 1, line 8, after "made" insert ",".

Page 1, line 8, strike "or shaped by human" and insert "**modified, or used**".

Page 1, line 9, strike "workmanship".

Page 1, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 3. IC 14-21-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. As used in this chapter, "burial ground" means ground in which human remains are buried. The term includes **the following:**

**(1)** The land associated with or incidental to the burial of human remains.

**(2) Historic cemeteries or land with human remains buried before December 31, 1939.**

SECTION 4. IC 14-21-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) As used in this chapter, "plan" refers to:

(1) an archeological plan, as described in subsection (b); or

(2) a development plan, as described in subsection (c).

(b) As used in this chapter, "archeological plan" means a plan for the systematic recovery, analysis, and disposition by scientific methods of material evidence and information about the life and culture in past ages.

(c) As used in this chapter, "development plan" means:

**(1)** a plan for the erection, alteration, or repair of any structure; **or**

**(2) a plan for the excavation of any ground related to construction.**".

Page 2, delete lines 32 through 33, begin a new paragraph and insert:

"SECTION 6. IC 14-21-1-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 24. (a) As used in this section, "agricultural purpose" includes farming, dairying, pasturage, agriculture, horticulture, floriculture, viticulture, ornamental horticulture, olericulture, pomiculture, animal husbandry, and poultry husbandry.

(b) Sections 25, 26, 28, and 29 of this chapter do not apply to the following:

(1) Surface coal mining regulated under IC 14-34.

(2) Cemeteries and human remains subject to IC 23-14.

(3) Disturbing the earth for an agricultural purpose.

(4) Collecting any object other than human remains that is visible in whole or in part on the surface of the ground, regardless of the time the object was made or shaped.

**(5) Qualified professional archeologists, as determined by the department, who conduct phase 1 archeological surveys according to guidelines in effect by the department.**

SECTION 7. IC 14-21-1-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 25. (a) The commission shall adopt rules establishing standards for plans.

(b) With respect to archeological plans, the rules must impose a standard of conduct that does the following:

(1) Promotes the scientific investigation and conservation of past cultures.

(2) Considers the interests and expertise of amateur archeologists and professional archeologists.

(c) With respect to development plans, the rules must impose a standard of conduct that preserves and protects both of the following:

(1) The rights and interests of landowners.

(2) The sensitivity of human beings for treating human remains with respect and dignity, as determined by the commission.

(d) Plans required under this chapter must be submitted to the department for approval according to rules adopted by the commission.

**(e) Proposed plans and any reports required by the plans must be reviewed by the division within thirty (30) days after receipt.**

SECTION 8. IC 14-21-1-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 26. (a) A person who disturbs the ground for the purpose of discovering artifacts, ~~or~~ burial objects, **or human remains** must do so in accordance with a plan approved by the department under section 25 of this chapter or under IC 14-3-3.4-14 (before its repeal).

(b) A person who recklessly, knowingly, or intentionally violates this section commits **the following:**

**(1)** A Class A misdemeanor, **if the violation does not involve disturbing human remains.**

**(2) A Class D felony, if the violation involves disturbing human remains.**".

Page 3, line 3, before "a burial" insert "**the limits of**".

Page 3, line 3, after "purpose of" insert "**excavating or covering over the ground or**".

Page 3, line 10, after "to" insert ":

**(A) excavate or cover over the ground; or**

**(B)**".

Page 3, line 11, after "existing structure" insert ";".

Page 3, line 11, beginning with "that" begin a new line single block indented.

Page 3, line 12, strike "significantly".

Page 3, line 13, after "to" insert ":

**(A) excavate or cover over the ground; or**

**(B)**".

Page 3, line 14, after "existing structure" insert ";".

Page 3, line 14, beginning with "for" begin a new line single block indented.

Page 3, delete lines 40 through 42, begin a new paragraph and insert:

"**(d) A development plan may require surveys to delimit the burial ground with respect to the proposed alteration.**

**(e) If a burial ground is within an archeological site, an archeological plan is required to be part of the development plan.**".

Page 4, delete lines 1 through 2.

Page 4, line 3, delete "(e)" and insert "**(f)**".

Page 4, delete lines 7 through 23, begin a new paragraph and insert:

"SECTION 10. IC 14-21-1-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 27. (a) A person who disturbs buried human remains **or burial grounds** shall do the following:

(1) Notify the department within two (2) business days of the time of the disturbance.

(2) Treat or rebury the human remains in a manner and place according to rules adopted by the commission or a court order and permit issued by the state department of health under IC 23-14-57.

(b) A person who recklessly, knowingly, or intentionally violates this section commits a Class A misdemeanor.

SECTION 11. IC 14-21-1-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 28. A person who ~~with the intent to disturb ground for the purpose of discovering or removing artifacts, burial objects, grave markers, or human remains, disturbs buried~~ **disturbs** human remains or grave markers **while moving, collecting, or removing artifacts or burial objects** either:

(1) without a plan approved by the department under:

(A) section 25 of this chapter; or

(B) IC 14-3-3.4-14 (before its repeal); or

(2) in violation of such a plan;

commits a Class D felony.".

Page 4, line 26, after "discovers" insert ", **uncovers, collects, or moves**".

Page 4, delete line 31.

Page 4, line 32, reset in roman "(2)".

Page 4, line 32, delete "(3)".

Page 7, delete lines 29 through 31.

Renumber all SECTIONS consecutively.

(Reference is to HB 1763 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 0.

BISCHOFF, Chair

Report adopted.

The Speaker yielded the gavel to the Speaker Pro Tempore, Representative Dobis.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1774, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 9, nays 0.

V. SMITH, Chair

Report adopted.

## RESOLUTIONS ON FIRST READING

### House Concurrent Resolution 16

Representative Micon introduced House Concurrent Resolution 16:

A CONCURRENT RESOLUTION recognizing Fuhe Xu.

*Whereas, Fuhe Xu, a 16-year-old Harrison High School senior, has accomplished something very few people ever will;*

*Whereas, Fuhe Xu scored a 36 on the ACT, the highest possible composite score, and was the only Hoosier among 23 students in the United States to do so during that testing period;*

*Whereas, In addition to his perfect score on the ACT, Fuhe Xu scored 2,400 on the SAT, another perfect score;*

*Whereas, Fuhe Xu is on the Harrison Quiz Bowl team that won state championships in 2005 and 2006; he also is a manager of the school's swim team;*

*Whereas, Fuhe Xu is still undecided on where he will attend college, but Purdue University, Duke University, MIT, the University of Chicago, and Northwestern University are under consideration; and*

*Whereas, Fuhe Xu is highly motivated and strives for perfect in all he does; he stands as a shining example for all students: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the Indiana General Assembly congratulates Fuhe Xu on his perfect test scores and encourages him to continue to set high standards for himself.

SECTION 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to Fuhe Xu and his family, Dr. Richard Wood, Superintendent of Tippecanoe School Corporation, and Doug Lesley, Principal of Harrison High School.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Alting.

### House Concurrent Resolution 17

Representatives Orentlicher and Summers introduced House Concurrent Resolution 17:

A CONCURRENT RESOLUTION congratulating Jessica Heidelberg on the occasion of her receipt of the Milken National Educator Award.

*Whereas, The Milken National Educator Award is the nation's largest recognition program for teachers;*

*Whereas, This award was developed by the Milken Family Foundation to reward, retain, and attract the highest quality kindergarten through 12th grade teachers to the teaching profession;*

*Whereas, Forty-two states participate in the Milken National Educator Awards;*

*Whereas, Milken educators are selected by an independent blue ribbon committee appointed by the U.S. Department of Education from each of the 42 participating states;*

*Whereas, This selection committee recommends the candidates directly to the Milken Family Foundation; there is no nomination or application procedure involved in this award;*

*Whereas, To be nominated by the selection committee, the candidates must meet the following criteria: possess exceptional educational talent as evidenced by outstanding instructional practices in the classroom, school, and profession; have outstanding accomplishments and have strong long-range potential for professional and policy leadership; and have an engaging and inspiring presence that motivates and impacts students, colleagues, and community members;*

*Whereas, Jessica Heidelberg fulfills all these requirements;*

*Whereas, Jessica Heidelberg, a first grade teacher and literacy specialist at Harcourt Elementary School in Washington Township, received her Bachelor's in Education and Master's in Library Science from Indiana University;*

*Whereas, As a bi-literacy teacher for the district, Jessica Heidelberg spends half her time teaching in the classroom and half serving as a literacy coach for other teachers;*

*Whereas, The Milken National Educator Award publicly recognizes elementary and secondary school educators who are furthering excellence; Jessica has chosen publishing books as her way of furthering excellence in her classroom;*

*Whereas, Students in Jessica's class write and illustrate books, sometimes using blank books and hand writing the pages and other times using computers to publish pieces and bind them together;*

*Whereas, Jessica feels that children "have a lot to say", and publishing books provides them with an excellent way to express themselves; it always allows them to practice reading since each child is asked to read his or her own writing; and*

*Whereas, Outstanding teachers such as Jessica Heidelberg form the cornerstone of our educational system and should be recognized for the contributions they make toward improving the lives of countless generations of Hoosiers: Therefore,*

*Be it resolved by the House of Representatives*
*of the General Assembly of the State of Indiana,*
*the Senate concurring:*

SECTION 1. That the Indiana General Assembly congratulates Jessica Heidelberg for winning the Milken National Educator Award and thanks her for all her efforts on behalf of the school children of the state of Indiana.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Jessica Heidelberg, Principal Cateena Johnson, and Superintendent Dr. James Mervilde.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator to be announced.

## House Concurrent Resolution 18

Representatives Cheney, C. Brown, and Soliday introduced House Concurrent Resolution 18:

A CONCURRENT RESOLUTION honoring radio station WDSO, Chesterton High School, in Chesterton, Indiana, on the occasion of its 30th anniversary in broadcasting.

*Whereas, WDSO is a student-run radio station located at Chesterton High School in Chesterton, Indiana, that has provided the Duneland community with daily programming and special sports and news broadcasts since November 1976;*

*Whereas, The station is a noncommercial, educational radio station owned by the Duneland School Corporation and operated by Chesterton High School students enrolled in broadcasting classes;*

*Whereas, The idea for the station was suggested by Greg Odle, a Chesterton High School graduate;*

*Whereas, In 1976, when the station went on the air, Dr. Karl H. Speckhard was superintendent of the Duneland Schools and William Crockett was principal of Chesterton High School;*

*Whereas, Chesterton High School English teacher Jim Cavallo was the first station manager, who, along with Duneland School audiovisual coordinator John Corso and Chesterton High School audiovisual coordinator Dan Beckley, were responsible for preparing the station to go on the air, with community member Thomas Smith as the first FCC licensed operator;*

*Whereas, The original station broadcast at ten watts and was located at FM 89.1 on the radio dial before a power increase in 1985, at which time it relocated to FM 88.3, where it continues broadcasting at 400 watts to approximately 150,000 residents in the Duneland area;*

*Whereas, March 2004 marked a new horizon in broadcasting for WDSO when the station began broadcasting on the Internet;*

*Whereas, WDSO has provided a training ground for high school students interested in broadcasting and has commendably served the Duneland School Corporation as well as the Duneland community: Therefore,*

*Be it resolved by the House of Representatives*
*of the General Assembly of the State of Indiana,*
*the Senate concurring:*

SECTION 1. That the Indiana General Assembly recognizes WDSO on the occasion of the 30th anniversary of its first broadcast in the Duneland area.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Dr. Dirk Baer, superintendent of the Duneland Schools; James Goetz, principal of Chesterton High School; Matt Waters, WDSO station manager; Michele Stipanovich, WDSO operations manager; and WDSO staff members Justin Martinson (program director), Gary Harrison II (music director), Luke Waters and Robbie O'Hara (sports directors), Kevin Wesley (news and weather director), Mike Neath (news director), Scott Brown (PSA and assistant news director), Erik Wagner (training director), and Alex Dlutkowski (promotions director).

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Tallian.

## House Concurrent Resolution 19

Representatives Stutzman, Bischoff, Davis, and Bell introduced House Concurrent Resolution 19:

A CONCURRENT RESOLUTION designating State Road 1 throughout Indiana as the Purple Heart Memorial Highway.

*Whereas, All through history, brave Americans have shed*

*their blood during time of war to preserve, protect, and defend the principles of democracy and freedom;*

*Whereas, Many of these brave Americans have made the ultimate sacrifice to ensure that future generations enjoy life's freedoms;*

*Whereas, The Purple Heart, established by General George Washington as the Military Badge of Merit, is awarded to all military personnel who are killed or wounded in action against the enemy;*

*Whereas, Many of our Hoosier brothers and sisters who have served in the United States military have been wounded in battle or have been killed in action; and*

*Whereas, These individuals and their families deserve recognition for their love for and service to Indiana and its people: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the Indiana General Assembly requests the Indiana Department of Transportation to place the proper signage to designate State Road 1 throughout Indiana as the Purple Heart Memorial Highway to pay tribute to the Indiana residents who have been awarded the Purple Heart medal.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to the commissioner of the Indiana Department of Transportation.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Jackman, Paul, and Dillon.

## House Resolution 11

Representatives Dermody and Pelath introduced House Resolution 11:

A HOUSE RESOLUTION memorializing Jan D. Rose.

*Whereas, Jan D. Rose was born on December 18, 1939, and passed away on July 24, 2006, at the age of 66;*

*Whereas, The son of Lawrence J. and Leavenna L. Rose, Jan D. Rose was born in LaPorte, where he attended St. Joseph Grade School and LaPorte High School;*

*Whereas, As a young man, Jan D. Rose worked in the family business but longed to be a law enforcement officer;*

*Whereas, On June 4, 1960, Jan D. Rose married Eyvette K. Mishler and together they raised four sons, one daughter, and one foster daughter;*

*Whereas, On March 1, 1966, Jan D. Rose's dream of becoming a law enforcement officer came true when he joined the LaPorte County Police Department;*

*Whereas, Jan D. Rose reached the rank of sergeant by 1971, after quickly rising through the ranks;*

*Whereas, In 1979 Jan D. Rose was elected sheriff, a position he held until 1986;*

*Whereas, Jan D. Rose was named the Indiana State Officer of the Year in 1982 and 1986 in recognition of his outstanding abilities and his dedication to LaPorte County;*

*Whereas, Jan D. Rose is remembered by his friends and fellow officers not only as a great sheriff but also as a great humanitarian;*

*Whereas, A devoted husband and father, Jan D. Rose was named LaPorte County Father of the Year in the late 1970s; and*

*Whereas, Jan D. Rose was an exceptional human being who will be remembered for the compassion he showed his fellow man as well as for his work as a law enforcement officer and sheriff: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives expresses its sincere condolences to the family of Jan D. Rose and its appreciation for his years of dedicated service to the citizens of LaPorte County and the state of Indiana.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to his wife, Eyvette, sons Jeffrey, Jody, Judd, and Jason, and daughters Jacqueline E. Disbrow and Jacqueline Marine McGinty.

The resolution was read a first time and adopted by voice vote.

## House Resolution 12

Representative Tyler introduced House Resolution 12:

A HOUSE RESOLUTION honoring Mitchell Johnson and Barb Cox.

*Whereas, The Special Olympics is an international, nonprofit organization dedicated to empowering individuals with intellectual disabilities to become physically fit, productive, and respected members of society through sports training and competition;*

*Whereas, the Special Olympics serves more than 2.25 million people with intellectual disabilities in more than 160 countries;*

*Whereas, Special Olympics Indiana provides year-round sports training and athletic competition in more than 21 sports, reaching nearly 12,000 athletes throughout the state;*

*Whereas, One of the athletes served by Special Olympics Indiana is Mitchell Johnson;*

*Whereas, Mitchell Johnson is a 19-year-old Muncie Central High School graduate who competed on the Muncie Central swim team;*

*Whereas, Mitchell Johnson is a talented swimmer and has won several gold medals in state level Special Olympic competitions and participated in the first Special Olympics National Games in Ames, Iowa, where he won a gold medal in each of his three events;*

*Whereas, Mitchell Johnson was selected as one of seven athletes from Indiana, and one of two swimmers, to be part of Team USA participating in the 2007 Special Olympics World Games in Shanghai, China;*

*Whereas, Behind each gifted athlete is, of course, a dedicated coach;*

*Whereas, Barb Cox is Mitchell Johnson's dedicated coach;*

*Whereas, Barb Cox has been Mitchell's swimming coach for five years and will now begin coaching him in basketball as well;*

*Whereas, Barb Cox is involved in all aspects of the Delaware County Special Olympics, doing whatever is necessary to keep the program running smoothly, including driving a bus, coaching, fund raising, or washing laundry; and*

*Whereas, Mitchell Johnson and Barb Cox are shining examples of dedication to a goal and hard work; Hoosiers like Mitchell and Barb help make Indiana great: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives congratulates Mitchell Johnson on his many accomplishments both in the Special Olympics and elsewhere, and wishes him well in the 2007 Special Olympics World Games. The Indiana House of Representatives also expresses its appreciation and gratitude to Barb Cox for her hours of dedicated service to Special

Olympics Indiana and Mitchell Johnson.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Mitchell Johnson and his family and Barb Cox and her family.

The resolution was read a first time and adopted by voice vote.

The House recessed until the fall of the gavel.

## RECESS

The House reconvened at 4:35 p.m. with the Speaker in the Chair.

Representative Goodin was excused for the rest of the day.

## HOUSE BILLS ON SECOND READING

### House Bill 1007

Representative Kuzman called down House Bill 1007 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1007–2)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 123, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 99. [EFFECTIVE MARCH 1, 2007 (RETROACTIVE)] **(a) As used in this SECTION, "assessment date" has the meaning set forth in IC 6-1.1-1-2.**

**(b) Notwithstanding any other law or administrative rule, for the property tax assessment of agricultural land for assessment dates in 2007 and 2008, the statewide agricultural land base rate value is eight hundred eighty dollars ($880) per acre. The statewide agricultural land base rate value of eight hundred eighty dollars ($880) per acre shall be substituted for any other value included in the Real Property Assessment Guidelines or any other guidelines of the department of local government finance that apply for those assessment dates.**

**(c) This SECTION expires January 1, 2010.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

BATTLES

Motion prevailed.

HOUSE MOTION
(Amendment 1007–14)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 15, line 25, delete "in the form." and insert "**.**".

Page 16, line 4, delete "IC 6-3.5-1.1-30(g)." and insert "**IC 6-3.5-6-30(g).**".

Page 35, line 9, delete "assessed" and insert "**average**".

Page 35, line 10, delete "taxable" and insert "**real and personal tangible**".

Page 35, line 10, delete "located" and insert "**owned or rented and used**".

Page 35, line 11, delete "on the last assessment date before the end of" and insert "**in**".

Page 35, line 12, delete "." and insert "**, as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011).**".

Page 35, line 13, delete "assessed" and insert "**average**".

Page 35, line 13, after "corporation's" insert "**real and personal tangible**".

Page 35, line 13, after "property" insert "**owned or rented and used**".

Page 35, line 14, delete "on the last assessment date before the end of" and insert "**in**".

Page 35, line 15, delete "." and insert "**, as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011).**".

Page 35, line 29, after "county" delete "," and insert "**and**".

Page 35, line 30, delete "30" and insert "**24**".

Page 35, line 39, delete "IC 6-3.5-6-30)," and insert "**IC 6-3.5-1.1-24),**".

Page 35, line 42, after "year" delete "," and insert "**and**".

Page 36, line 1, delete "30" and insert "**24**".

Page 36, delete lines 9 through 11.

Page 38, line 16, delete "option" and insert "**adjusted gross**".

Page 38, line 17, delete "option" and insert "**adjusted gross**".

Page 43, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 32. IC 6-3.5-1.1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Except as otherwise provided in this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

(1) definitions;
(2) declarations of estimated tax;
(3) filing of returns;
(4) remittances;
(5) incorporation of the provisions of the Internal Revenue Code;
(6) penalties and interest;
(7) exclusion of military pay credits for withholding; and
(8) exemptions and deductions;

apply to the imposition, collection, and administration of the tax imposed by this chapter.

(b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted annually along with the employer's annual withholding report.

**(d) A corporation shall make estimated payments of the tax imposed under this chapter at the same time as estimated payments are made under IC 6-3-4-4.1. Estimated payments shall be made in the form and in the manner prescribed by the department.**".

Page 45, line 42, after "(b)" delete "A" and insert "**Subject to subsection (h), a**".

Page 46, line 9, after "(0.01%)" insert "**.**".

Page 46, line 15, delete "option" and insert "**adjusted gross**".

Page 47, line 30, delete "that" and insert "**the**".

Page 49, line 6, delete "." and insert "**(excluding any amount paid from county economic development income taxes).**".

Page 49, line 9, delete "forty percent (40%)" and insert "**the part**".

Page 49, line 10, delete "," and insert "**that is available for distribution under subsection (e)(2),**".

Page 49, line 11, after "units" insert "**and school corporations**".

Page 49, line 11, delete "budgeted for public" and insert "**distributed to the civil taxing unit or school corporation under subsection (e)(1) for deposit**".

Page 49, delete lines 12 through 13.

Page 49, line 14, delete "local government finance, and deposited".

Page 49, run in lines 11 through 14.

Page 49, between lines 21 and 22, begin a new paragraph and insert:

"**(h) A county fiscal body may not adopt an ordinance under subsection (b) unless a tax imposed under this chapter is in effect in the county on the date the ordinance is adopted or is scheduled to take effect under section 2(c) of this**

**chapter on July 1, 2007. Notwithstanding any law, a county may adopt an ordinance under section 2 of this chapter after March 31, but before June 1, 2007.**".

Page 49, line 33, delete "assessed" and insert "**average**".

Page 49, line 34, delete "taxable" and insert "**real and personal tangible**".

Page 49, line 34, delete "located" and insert "**owned or rented and used**".

Page 49, line 35, delete "on the last assessment date before the end of" and insert "**in**".

Page 49, line 36, delete "." and insert "**, as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011).**".

Page 49, line 37, delete "assessed" and insert "**average**".

Page 49, line 37, after "corporation's" insert "**real and personal tangible**".

Page 49, line 37, after "property" insert "**owned or rented and used**".

Page 49, line 38, delete "on the last assessment date before the end of" and insert "**in**".

Page 49, line 39, delete "." and insert "**, as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011).**".

Page 50, line 13, after "county" delete "," and insert "**and**".

Page 50, line 29, after "year" delete "," and insert "**and**".

Page 53, line 16, delete "to decrease" and insert "**that decreases**".

Page 57, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 44. IC 6-3.5-6-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) Except as otherwise provided in subsection (b) and the other provisions of this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

(1) definitions;
(2) declarations of estimated tax;
(3) filing of returns;
(4) deductions or exemptions from adjusted gross income;
(5) remittances;
(6) incorporation of the provisions of the Internal Revenue Code;
(7) penalties and interest; and
(8) exclusion of military pay credits for withholding;

apply to the imposition, collection, and administration of the tax imposed by this chapter.

(b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted along with the employer's other withholding report.

**(d) A corporation shall make estimated payments of the tax imposed under this chapter at the same time as estimated payments are made under IC 6-3-4-4.1. Estimated payments shall be made in the form and in the manner prescribed by the department.**".

Page 60, line 3, after "(b)" delete "A" and insert "**Subject to subsection (h), a**".

Page 62, line 41, delete "." and insert "**(excluding any amount paid from county economic development income taxes).**".

Page 63, line 2, delete "forty percent (40%)" and insert "**the part**".

Page 63, line 3, delete "," and insert "**that is available for distribution under subsection (e)(2),**".

Page 63, line 4, after "units" insert "**and school corporations**".

Page 63, line 4, delete "budgeted for public" and insert "**distributed to the civil taxing unit or school corporation under subsection (e)(1) for deposit**".

Page 63, delete lines 5 through 6.

Page 63, line 7, delete "local government finance, and deposited".

Page 63, run in lines 4 through 7.

Page 63, between lines 14 and 15, begin a new paragraph and insert:

"**(h) A county fiscal body may not adopt an ordinance under subsection (b) unless a tax imposed under this chapter is in effect in the county on the date the ordinance is adopted or is scheduled to take effect under section 8(c) of this chapter on July 1, 2007. Notwithstanding any law, a county income tax council in a county in which the county adjusted gross income tax is not in effect may adopt an ordinance under section 8 of this chapter after March 31, but before June 1, 2007.**".

Page 75, line 3, after "12." delete "]".

Page 123, line 29, delete "and IC 6-1.1-18-6.1, both" and insert "**,**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

KUZMAN

Motion prevailed.

HOUSE MOTION
(Amendment 1007–3)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 44, delete lines 1 through 7.

Page 44, line 8, delete "(3)" and insert "**(2)**".

Page 44, line 10, delete "(4)" and insert "**(3)**".

Page 44, delete lines 21 through 24.

Page 44, line 25, delete "(6)" and insert "**(4)**".

Page 44, line 27, delete "(7)" and insert "**(5)**".

Page 44, line 29, delete "(8)" and insert "**(6)**".

Page 44, line 32, delete "(9)" and insert "**(7)**".

Page 45, delete lines 35 through 37.

Page 45, line 38, delete "(11)" and insert "**(8)**".

Page 45, line 40, delete "(12)" and insert "**(9)**".

Page 46, line 11, delete "A county taxpayer whose principal place of business or".

Page 46, delete lines 12 through 14.

Page 46, line 15, delete "amount" and insert "**The amount**".

Page 58, delete lines 6 through 12.

Page 58, line 13, delete "(4)" and insert "**(3)**".

Page 58, delete lines 24 through 27.

Page 58, line 28, delete "(6)" and insert "**(4)**".

Page 58, line 30, delete "(7)" and insert "**(5)**".

Page 58, line 32, delete "(8)" and insert "**(6)**".

Page 58, line 35, delete "(9)" and insert "**(7)**".

Page 59, delete lines 38 through 40.

Page 59, line 41, delete "(11)" and insert "**(8)**".

Page 60, line 13, delete "A county".

Page 60, delete lines 14 through 16.

Page 60, line 17, delete "taxpayer is a county resident taxpayer.".

(Reference is to HB 1007 as printed February 8, 2007.)

DAVIS

Upon request of Representatives Davis and Whetstone, the Speaker ordered the roll of the House to be called. Roll Call 84: yeas 43, nays 47. Motion failed.

HOUSE MOTION
(Amendment 1007–8)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 45, between lines 37 and 38, begin a new line block indented and insert:

"**(11) "Residential" has the meaning set forth in IC 6-3.5-7-26.**".

Page 45, line 38, delete "(11)" and insert "**(12)**".

Page 45, line 40, delete "(12)" and insert "**(13)**".

Page 46, line 33, delete "At least sixty percent (60%) of" and insert "**The entire amount of**".

Page 46, line 39, delete "or".

Page 46, between lines 39 and 40, begin a new line block indented and insert:

"**(2) a credit percentage against the part of the net total county levy imposed by civil taxing units and school corporations on residential property; or**".

Page 46, line 40, delete "(2)" and insert "**(3)**".

Page 47, line 1, delete "both," and insert "**any combination of these credits,**".

Page 47, line 2, delete "If an ordinance does not specify the percentage of a".

Page 47, delete lines 3 through 4.

Page 47, line 5, delete "certified distribution for credits.".

Page 47, line 12, delete "both" and insert "**any combination of**".

Page 47, line 12, delete "and" and insert "**, a credit against property taxes on residential property, or**".

Page 47, line 37, delete "as follows:".

Page 47, delete lines 38 through 39.

Page 47, run in lines 37 through 40.

Page 48, delete lines 2 through 10.

Page 48, line 11, delete "(e)(1)" and insert "**(e)**".

Page 48, line 16, delete "(e)(1)" and insert "**(e)**".

Page 48, delete lines 29 through 42.

Page 49, delete lines 1 through 21.

Page 59, between lines 40 and 41, begin a new line block indented and insert:

"**(11) "Residential" has the meaning set forth in IC 6-3.5-7-26.**".

Page 59, line 41, delete "(11)" and insert "**(12)**".

Page 60, line 1, delete "(12)" and insert "**(13)**".

Page 60, line 31, delete "At least sixty percent (60%) of" and insert "**The entire amount of**".

Page 60, line 37, delete "or".

Page 60, between lines 37 and 38, begin a new line block indented and insert:

"**(2) a credit percentage against the part of the net total county levy imposed by civil taxing units and school corporations on residential property; or**".

Page 60, line 38, delete "(2)" and insert "**(3)**".

Page 60, line 41, delete "both," and insert "**any combination of these credits,**".

Page 60, line 42, delete "If an ordinance does not specify the".

Page 61, delete lines 1 through 2.

Page 61, line 3, delete "percent (60%) of a certified distribution for credits.".

Page 61, line 10, delete "both" and insert "**any combination of**".

Page 61, line 10, delete "and" and insert "**, a credit against property taxes on residential property, or**".

Page 61, line 33, delete "as".

Page 61, delete lines 34 through 36.

Page 61, run in lines 33 through 37.

Page 61, delete lines 41 through 42.

Page 62, delete lines 1 through 7.

Page 62, line 8, delete "(e)(1)" and insert "**(e)**".

Page 62, line 13, delete "(e)(1)" and insert "**(e)**".

Page 62, delete lines 22 through 42.

Page 63, delete lines 1 through 14.

(Reference is to HB 1007 as printed February 8, 2007.)

CHERRY

Upon request of Representatives Cherry and Whetstone, the Speaker ordered the roll of the House to be called. Roll Call 85: yeas 49, nays 50. Motion failed.

HOUSE MOTION
(Amendment 1007–17)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 35, line 2, reset in roman "that".

Page 35, line 2, delete "as follows:".

Page 35, line 3, delete "(1) In" and insert "in".

Page 35, run in lines 2 and 3.

Page 35, delete lines 7 through 15.

Page 35, delete lines 24 through 26.

Page 36, delete lines 9 through 11.

Page 38, delete lines 12 through 27.

Page 46, line 2, delete "and corporations".

Page 46, line 9, delete "The tax rate that is in effect for corporations is the".

Page 46, delete line 10.

Page 46, line 11, delete "county.".

Page 46, run in lines 9 and 11.

Page 47, line 5, delete "One hundred percent (100%) of".

Page 47, delete lines 6 through 9.

Page 47, line 10, delete "corporation on homesteads.".

Page 47, run in lines 5 and 10.

Page 49, line 26, reset in roman "However,".

Page 49, line 26, delete "except as follows:".

Page 49, line 27, delete "(1) In" and insert "in".

Page 49, run in lines 26 and 27.

Page 49, delete lines 31 through 39.

Page 50, delete lines 8 through 10.

Page 50, delete lines 37 through 39.

Page 53, line 24, delete "or corporation".

Page 60, line 5, delete "and corporations".

Page 60, delete line 12.

Page 60, line 13, delete "rate imposed on resident county taxpayers of the county.".

Page 60, run in lines 11 and 13.

Page 61, line 3, delete "One hundred".

Page 61, delete lines 4 through 7.

Page 61, line 8, delete "corporation on homesteads.".

Page 61, run in lines 3 and 8.

Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

BOSMA

Upon request of Representatives Bosma and Friend, the Speaker ordered the roll of the House to be called. Roll Call 86: yeas 49, nays 49. Motion failed.

HOUSE MOTION
(Amendment 1007–13)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 14, line 8, delete "Government".

Page 14, line 8, delete "Property Tax".

Page 14, delete lines 10 through 11, begin a new paragraph and insert:

"**Sec. 1. This chapter applies to property taxes imposed by:**

**(1) a civil taxing unit; or**

**(2) a school corporation.**".

Page 14, line 17, delete "government".

Page 14, line 17, delete "property tax".

Page 14, line 32, delete "government".

Page 14, line 32, delete "property tax".

Page 14, delete lines 34 through 42, begin a new paragraph and insert:

"**(b) In a county that does not contain a consolidated city, the control board consists of the following six (6) members:**

**(1) The county auditor.**

**(2) The county treasurer.**
**(3) The executive of the municipality in the county with the highest net assessed valuation as determined in the certified statement required under IC 6-1.1-17-1.**
**(4) One (1) executive selected from a municipality in the county other than the municipality in subdivision (3).**
**(5) One (1) school board member from the school district in the county with the highest current ADM (as defined in IC 20-43-1-10).**
**(6) One (1) school board member selected from a school district in the county other than the school district in subdivision (5).**

**If a county contains only one (1) school district, then the member selected under subdivision (6) shall be selected from the school board of that school district.**

**(c) In a county that contains a consolidated city, the control board consists of the following nine (9) members:**
**(1) The mayor of the consolidated city.**
**(2) The four (4) members of the city-county council who are elected at large**.
**(3) The county auditor.**
**(4) The county treasurer.**
**(5) One (1) school board member from the school district in the county with the highest current ADM (as defined in IC 20-43-1-10).**
**(6) One (1) school board member selected from a school district in the county other than the school district in subdivision (5).**".

Page 15, delete lines 1 through 13, begin a new paragraph and insert:

"**Sec. 9. A person shall serve on the control board until the person no longer holds the elective office that qualifies the person to serve on the control board under section 8 of this chapter.**".

Page 15, line 18, after "unit" insert "**or school corporation**".
Page 15, line 19, after "unit" insert "**or school corporation**".
Page 15, line 20, after "unit" insert "**or school corporation**".
Page 15, line 21, after "unit" insert "**or school corporation**".
Page 15, line 22, after "unit" insert "**or school corporation**".
Page 15, line 24, after "unit" insert "**or school corporation**".
Page 17, line 30, before "capital" delete "government".
Page 17, line 31, delete "property tax".
Page 17, line 40, before "capital" delete "government".
Page 17, line 40, delete "property tax".
Page 21, line 20, delete "government".
Page 21, line 20, delete "property tax".
Page 21, line 23, delete "department of local government finance" and insert "**local capital project control board for the county in which a school corporation is located as**".
Page 22, line 3, delete ":" and insert "~~department of local government finance.~~".
Page 22, line 4, delete "(1)".
Page 22, line 4, delete "government".
Page 22, line 4, delete "property tax".
Page 22, run in lines 3 through 4.
Page 22, line 5, delete "," and insert "**.**".
Page 22, line 5, delete "if the".
Page 22, delete lines 6 through 8.
Page 22, line 13, delete "government".
Page 22, line 13, delete "property tax".
Page 22, line 15, delete "government".
Page 22, line 15, delete "property tax".
Page 22, delete lines 25 through 42.
Delete page 23.
Page 24, delete lines 1 through 5.
Page 75, line 11, delete "government".
Page 75, line 11, delete "property".
Page 75, line 12, delete "tax".
Page 75, line 20, delete "government".
Page 75, line 21, delete "property tax".
Page 75, line 33, delete "government".
Page 75, line 34, delete "property tax".
Page 77, line 12, delete "government".
Page 77, line 12, delete "property".
Page 77, line 13, delete "tax".
Page 78, line 27, delete "government".
Page 78, line 28, delete "property tax".
Page 78, line 30, delete "government".
Page 78, line 30, delete "property tax".
Page 78, line 35, delete "government".
Page 78, line 35, delete "property tax".
Page 78, line 38, delete "government".
Page 78, line 38, delete "property tax".
Page 78, line 42, delete "government".
Page 78, line 42, delete "property tax".
Page 79, line 25, delete "government".
Page 79, line 25, delete "property tax".
Page 79, line 28, delete "government".
Page 79, line 29, delete "property tax".
Page 85, line 13, delete "government".
Page 85, line 13, delete "property".
Page 85, line 14, delete "tax".
Page 85, line 31, delete "government".
Page 85, line 31, delete "property".
Page 85, line 32, delete "tax".
Page 86, line 5, delete "government".
Page 86, line 5, delete "property tax".
Page 86, line 18, delete "government".
Page 86, line 18, delete "property".
Page 86, line 19, delete "tax".
Page 87, line 19, delete "government".
Page 87, line 19, delete "property tax".
Page 88, line 14, delete "government".
Page 88, line 14, delete "property tax".
Page 88, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 67. IC 20-46-7-8, AS AMENDED BY P.L.192-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) A school corporation must file a petition requesting approval from the ~~department of local government finance~~ **local capital project control board** to:
(1) incur bond indebtedness;
(2) enter into a lease rental agreement; or
(3) repay from the debt service fund loans made for the purchase of school buses under IC 20-27-4-5;

not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances.

(b) A school corporation must obtain approval from the ~~department of local government finance~~ **local capital project control board** before the school corporation may:
(1) incur the indebtedness;
(2) enter into the lease agreement; or
(3) repay the school bus purchase loan.

(c) This restriction does not apply to property taxes that a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974. In addition, this restriction does not apply to a lease agreement or a purchase agreement entered into between a school corporation and the Indiana bond bank for the lease or purchase of a school bus under IC 5-1.5-4-1(a)(5), if the lease agreement or purchase agreement conforms with the school corporation's ten (10) year school bus replacement plan approved by the department of local government finance under IC 21-2-11.5-3.1.

(d) This section does not apply to school bus purchase loans

made by a school corporation that will be repaid solely from the general fund of the school corporation.

SECTION 68. IC 20-46-7-9, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) This section applies only to an obligation described in section 8 of this chapter.

(b) The ~~department of local government finance~~ **local capital project control board** may:

(1) approve;

(2) disapprove; or

(3) modify then approve;

a school corporation's proposed lease rental agreement, bond issue, or school bus purchase loan. Before the ~~department of local government finance~~ **local capital project control board** approves or disapproves a proposed lease rental agreement, bond issue, or school bus purchase loan, the ~~department of local government finance~~ **local capital project control board** may seek the recommendation of the tax control board.

(c) The ~~department of local government finance~~ **local capital project control board** shall render a decision not more than three (3) months after the date the ~~department of local government finance~~ **local capital project control board** receives a request for approval under section 8 of this chapter. However, the ~~department of local government finance~~ **local capital project control board** may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the ~~department of local government finance~~ **local capital project control board** sends notice of the extension to the executive officer of the school corporation.

SECTION 69. IC 20-46-7-10, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) This section applies only to an obligation described in section 8 of this chapter.

(b) The ~~department of local government finance~~ **local capital project control board** may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

(1) establishes that additional classroom space is necessary; and

(2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-30-2-7)) rather than expanding classroom space.

(c) A taxpayer may petition for judicial review of the final determination of the ~~department of local government finance~~ **local capital project control board** under this section. The petition must be filed in the tax court not more than thirty (30) days after the ~~department of local government finance~~ **local capital project control board** enters its order under this section.

SECTION 70. IC 20-46-7-11, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The ~~department of local government finance~~ **local capital project control board** in determining whether to approve or disapprove a school building construction project and the tax control board in determining whether to recommend approval or disapproval of a school building construction project shall consider the following factors:

(1) The current and proposed square footage of school building space per student.

(2) Enrollment patterns within the school corporation.

(3) The age and condition of the current school facilities.

(4) The cost per square foot of the school building construction project.

(5) The effect that completion of the school building construction project would have on the school corporation's tax rate.

(6) Any other pertinent matter.

SECTION 71. IC 20-46-7-12, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. The ~~department of local government finance~~ **local capital project control board** in determining whether to approve or disapprove a school building construction project and the tax control board in determining whether to recommend approval or disapproval of a school building construction project may not approve or recommend the approval of a project that is financed through the issuance of bonds if the bonds mature more than twenty-five (25) years after the date of the issuance of the bonds.".

Page 92, line 12, delete "government".
Page 92, line 12, delete "property tax".
Page 92, line 29, delete "government".
Page 92, line 29, delete "property tax".
Page 95, line 17, delete "government".
Page 95, line 18, delete "property tax".
Page 97, line 16, delete "government".
Page 97, line 17, delete "property tax".
Page 97, line 19, delete "government".
Page 97, line 19, delete "property tax".
Page 97, line 24, delete "government".
Page 97, line 24, delete "property tax".
Page 97, line 31, delete "government".
Page 97, line 31, delete "property tax".
Page 98, line 11, delete "government".
Page 98, line 11, delete "property".
Page 98, line 12, delete "tax".
Page 98, line 14, delete "government".
Page 98, line 15, delete "property tax".
Page 99, line 27, delete "government".
Page 99, line 27, delete "property tax".
Page 99, line 30, delete "government".
Page 99, line 30, delete "property tax".
Page 99, line 34, delete "government".
Page 99, line 35, delete "property tax".
Page 99, line 41, delete "government".
Page 99, line 42, delete "property tax".
Page 100, line 21, delete "government".
Page 100, line 21, delete "property".
Page 100, line 22, delete "tax".
Page 100, line 24, delete "government".
Page 100, line 25, delete "property tax".
Page 101, line 36, delete "government".
Page 101, line 36, delete "property tax".
Page 101, line 39, delete "government".
Page 101, line 39, delete "property tax".
Page 102, line 1, delete "government".
Page 102, line 2, delete "property tax".
Page 102, line 8, delete "government".
Page 102, line 9, delete "property tax".
Page 102, line 30, delete "government".
Page 102, line 30, delete "property".
Page 102, line 31, delete "tax".
Page 102, line 33, delete "government".
Page 102, line 34, delete "property tax".
Page 103, line 15, delete "government".
Page 103, line 15, delete "property tax".
Page 104, line 20, delete "government".
Page 104, line 20, delete "property tax".
Page 104, line 22, delete "government".
Page 104, line 23, delete "property tax".
Page 104, line 27, delete "government".
Page 104, line 27, delete "property tax".
Page 104, line 34, delete "government".
Page 104, line 34, delete "property tax".
Page 105, line 12, delete "government".

Page 105, line 12, delete "property".
Page 105, line 13, delete "tax".
Page 105, line 15, delete "government".
Page 105, line 16, delete "property tax".
Page 106, line 24, delete "government".
Page 106, line 25, delete "property tax".
Page 107, line 16, delete "government".
Page 107, line 16, delete "property".
Page 107, line 17, delete "tax".
Page 107, line 41, delete "government".
Page 107, line 41, delete "property".
Page 107, line 42, delete "tax".
Page 108, line 2, delete "government".
Page 108, line 3, delete "property tax".
Page 108, line 5, delete "government".
Page 108, line 5, delete "property tax".
Page 108, line 10, delete "government".
Page 108, line 10, delete "property tax".
Page 108, line 16, delete "government".
Page 108, line 16, delete "property tax".
Page 108, line 18, delete "government".
Page 108, line 18, delete "property tax".
Page 108, line 36, delete "government".
Page 108, line 36, delete "property".
Page 108, line 37, delete "tax".
Page 109, line 36, delete "government".
Page 109, line 36, delete "property tax".
Page 109, line 39, delete "government".
Page 109, line 39, delete "property tax".
Page 112, line 5, delete "government".
Page 112, line 5, delete "property tax".
Page 112, line 7, delete "government".
Page 112, line 8, delete "property tax".
Page 112, line 12, delete "government".
Page 112, line 12, delete "property tax".
Page 112, line 19, delete "government".
Page 112, line 19, delete "property".
Page 112, line 20, delete "tax".
Page 112, line 27, delete "government".
Page 112, line 28, delete "property tax".
Page 112, line 29, delete "government".
Page 112, line 30, delete "property tax".
Page 113, line 34, delete "government".
Page 113, line 34, delete "property tax".
Page 115, line 14, delete "government".
Page 115, line 14, delete "property tax".
Page 117, line 4, delete "government".
Page 117, line 5, delete "property tax".
Page 118, line 25, delete "government".
Page 118, line 25, delete "property".
Page 118, line 26, delete "tax".
Page 119, line 25, delete "government".
Page 119, line 25, delete "property".
Page 119, line 26, delete "tax".
Page 119, line 34, delete "government".
Page 119, line 34, delete "property".
Page 119, line 35, delete "tax".
Page 119, line 37, delete "government".
Page 119, line 37, delete "property tax".
Page 120, line 13, delete "government".
Page 120, line 13, delete "property tax".
Page 120, line 16, delete "government".
Page 120, line 16, delete "property tax".
Page 120, line 18, delete "government".
Page 120, line 18, delete "property tax".

Page 120, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 4. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2007]: IC 6-1.1-20-6; IC 6-1.1-20-9.".

Page 123, line 20, delete "government".
Page 123, line 20, delete "property tax".
Renumber all SECTIONS consecutively.
(Reference is to HB 1007 as printed February 8, 2007.)

BORROR

Upon request of Representatives Borror and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 87: yeas 49, nays 50. Motion failed.

HOUSE MOTION
(Amendment 1007–9)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 3, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 2. IC 5-1-16-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 42. (a) When the authority, the board of trustees or board of managers of the hospital, the board of commissioners of the county, and a majority of the county council have agreed upon the terms and conditions of any lease proposed to be entered into under section 38 or 39 of this chapter, and before the final execution of the lease, the county auditor shall give notice by publication of a public hearing to be held in the county by the board of commissioners. The hearing shall take place on a day not earlier than ten (10) days after the publication of the notice. The notice of the hearing shall be published one (1) time in a newspaper of general circulation printed in the English language and published in the county. The notice shall do the following:

(1) Name the day, place, and hour of the hearing.
(2) Set forth a brief summary of the principal terms of the lease agreed upon, including the character and location of the property to be leased, the lease rental to be paid, and the number of years the contract is to be in effect.
(3) State a location where the proposed lease, drawings, plans, specifications, and estimates may be examined.

The proposed lease and the drawings, plans, specifications, and estimates of construction cost for the building shall be open to inspection by the public during the ten (10) day period and at the hearing. All interested persons shall have a right to be heard at the hearing on the necessity for the execution of the lease and whether the lease rental under the lease is fair and reasonable. The hearing may be adjourned to a later date with the place of the hearing fixed prior to adjournment. Following the hearing, the board of commissioners may either authorize the execution of the lease as originally agreed upon or may make modifications that are agreed upon by the authority, the board of trustees or board of managers of the hospital, and the county council. The authorization shall be by an order that is entered in the official records of the board of commissioners. The lease contract shall be executed on behalf of the county by the board of commissioners.

(b) If the execution of the lease as originally agreed upon or as modified by agreement is authorized, notice of the signing of the lease shall be given on behalf of the county by publication one (1) time in a newspaper of general circulation printed in the English language and published in the county. Except as provided in subsection (d), ten (10) or more taxpayers in the county whose tax rate will be affected by the proposed lease and who may be of the opinion that no necessity exists for the execution of the lease or that the lease rental under the lease is not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after publication of notice of the execution of the lease that sets forth the taxpayers' objections and facts supporting those objections. Upon the filing of a petition, the county auditor shall immediately certify a copy of the petition together with such other data as may be necessary in order to present the questions involved to the department of local government finance. Upon receipt of the certified petition

and information, the department of local government finance shall fix a time and place in the affected county for the hearing of the matter that is not less than five (5) or more than fifteen (15) days after receipt. Notice of the hearing shall be given by the department of local government finance to the board of county commissioners and to the first ten (10) taxpayer petitioners upon the petition by certified mail sent to the addresses listed on the petition at least five (5) days before the date of the hearing.

(c) No action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease shall be instituted at any time later than thirty (30) days after publication of notice of the execution of the lease, or if an appeal has been taken to the department of local government finance, then within thirty (30) days after the decision of the department.

(d) The authority for taxpayers to object to a proposed lease under subsection (b) does not apply if the authority complies with the procedures for the issuance of bonds and other evidences of indebtedness described in ~~IC 6-1.1-20-3.1 and IC 6-1.1-20-3.2.~~ **IC 6-1.1-20.**".

Page 15, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 13. IC 6-1.1-18-3, AS AMENDED BY P.L.2-2006, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

(1) forty-one and sixty-seven hundredths cents ($0.4167) on each one hundred dollars ($100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) sixty-six and sixty-seven hundredths cents ($0.6667) on each one hundred dollars ($100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

(1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.

(2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.

(3) To pay the principal or interest upon:

(A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or

(B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

(4) To pay the principal or interest upon an obligation issued in the manner provided in:

**(A)** IC 6-1.1-20-3 (before its repeal); ~~or~~

**(B)** IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2 **(in the case of a preliminary determination made before July 1, 2007, to issue bonds or enter into a lease); or**

**(C) IC 6-1.1-20-3.5 through IC 6-1.1-20-3.6 (in the case of a preliminary determination made after June 30, 2007, to issue bonds or enter into a lease).**

(5) To pay a judgment rendered against the political subdivision.

(6) To meet the requirements of the family and children's fund for child services (as defined in IC 12-19-7-1).

(7) To meet the requirements of the county hospital care for the indigent fund.

(8) To meet the requirements of the children's psychiatric residential treatment services fund for children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1).

(c) Except as otherwise provided in IC 6-1.1-19, IC 6-1.1-18.5, IC 20-45, or IC 20-46, a county board of tax adjustment, a county auditor, or the department of local government finance may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.".

Page 17, line 35, strike "IC 6-1.1-20-3.1(2);" and insert "**IC 6-1.1-20-3.1(b)(2);**".

Page 17, line 35, delete "or".

Page 17, between lines 35 and 36, begin a new line block indented and insert:

"**(2) IC 6-1.1-20-3.5(b)(2); or**".

Page 17, line 36, delete "(2)" and insert "**(3)**".

Page 19, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 17. IC 6-1.1-20-1.1, AS AMENDED BY P.L.2-2006, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.1. As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

(1) A project for which the political subdivision reasonably expects to pay:

(A) debt service; or

(B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or IC 20-45-3. A project is not a controlled project even though the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient.

(2) A project that will not cost the political subdivision more than ~~two million dollars ($2,000,000).~~ **the lesser of:**

**(A) two percent (2%) of the political subdivision's total gross certified assessed value; or**

**(B) fifty million dollars ($50,000,000).**

(3) A project that is being refinanced for the purpose of providing gross or net present value savings to taxpayers.

(4) A project for which bonds were issued or leases were entered into before January 1, 1996, or where the state board of tax commissioners has approved the issuance of bonds or the execution of leases before January 1, 1996.

(5) A project that is required by a court order holding that a federal law mandates the project.

SECTION 18. IC 6-1.1-20-3.1, AS AMENDED BY P.L.2-2006, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.1. **(a) This section applies only to a controlled project for which the proper officers of a political subdivision make a preliminary determination before July 1, 2007, to issue bonds or enter into a lease.**

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

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

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

(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a political subdivision

make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

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

(B) first class mail to the organizations described in subdivision (1)(B).

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

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

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

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

(D) The purpose of the bonds or lease.

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

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

(i) a new school facility; or

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

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

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

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

(A) one hundred (100) owners of real property within the political subdivision; or

(B) five percent (5%) of the owners of real property within the political subdivision.

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

(A) the carrier and signers must be owners of real property;

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

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

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

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners.

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

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

(8) The county auditor must file a certificate and each petition with:

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

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

within fifteen (15) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the political subdivision.

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

Page 19, delete lines 8 through 27, begin a new paragraph and insert:

"SECTION 19. IC 6-1.1-20-3.2, AS AMENDED BY P.L.2-2006, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.2. **(a) This section applies only to a controlled project for which the proper officers of a political subdivision make a preliminary determination before July 1, 2007, to issue bonds or enter into a lease.**

**(b)** If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

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

(B) first class mail to the organizations described in ~~section 3.1(1)(B)~~ **section 3.1(b)(1)(B)** of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.".

Page 21, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 20. IC 6-1.1-20-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.5. (a) This section applies only to a controlled project for which the proper officers of a political subdivision make a preliminary determination after June 30, 2007, to issue bonds or enter into a lease.**

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

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

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

**(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices;**

**of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the ordinance or resolution.**

**(2) Whenever the proper officers of a political**

**subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:**

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

**(B) first class mail to the organizations described in subdivision (1)(B).**

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

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

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

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

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

**(E) A statement that any owners of real property within the political subdivision who want to initiate a local public question on the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.**

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

**(i) a new school facility; or**

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

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

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

**(4) After notice is given, a petition requesting the initiation of a local public question may be filed by the lesser of:**

**(A) five hundred (500) owners of real property within the political subdivision; or**

**(B) five percent (5%) of the owners of real property within the political subdivision.**

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

**(A) the carrier and signers must be owners of real property;**

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

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

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

**Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners.**

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

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

**(8) The county auditor must file a certificate and each petition with:**

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

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

**within fifteen (15) business days of the filing of the petition requesting a local public question. The certificate must state the number of petitioners that are owners of real property within the political subdivision.**

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

SECTION 21. IC 6-1.1-20-3.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.6. (a) This section applies only to a controlled project for which the proper officers of a political subdivision make a preliminary determination after June 30, 2007, to issue bonds or enter into a lease.**

**(b) If a sufficient petition requesting a local public question has been filed by owners of real property as set forth in section 3.5 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals unless the political subdivision's proposed debt service or lease rental is approved in an election on a local public question held under this section.**

**(c) The following question shall be submitted to the voters at the election conducted under this section:**

**"Shall _____ (insert the name of the political subdivision) issue bonds or enter into a lease to finance _____ (insert the name of the controlled project)?".**

**(d) The county auditor shall certify the public question described in subsection (c) under IC 3-10-9-3 to the county election board of the county that contains the greatest percentage of population of the political subdivision. After the public question is certified, the public question shall be placed on the ballot at the next primary or general election in which all voters of the political subdivision are entitled to vote.**

**(e) The circuit court clerk shall certify the results of the public question to the following:**

**(1) The county auditor of each county in which the political subdivision is located.**

**(2) The department of local government finance.**

**(f) If a majority of the voters voting on the public question vote in favor of the public question, the department of local government finance shall take prompt and appropriate steps to notify the political subdivision that the political subdivision may issue the proposed bonds or enter into the proposed lease rental.**

**(g) If a majority of the voters voting on the public question vote in opposition to the public question, both of the following apply:**

**(1) The political subdivision may not issue the proposed bonds or enter into the proposed lease rental.**

**(2) Another public question under this section on the same or a substantially similar project may not be submitted to the voters earlier than one (1) year after the date of the election.**

**(h) IC 3, to the extent not inconsistent with this section,**

**applies to an election held under this section.**".

Page 23, delete lines 28 through 33, begin a new line blocked left and insert:

"until ~~the expiration of the latter of:~~ **after:**

(1) **the expiration of** the time period within which taxpayers may file a petition for review of or a remonstrance against the proposed issue **in the case of a proposed issue that is subject to section 3.1 of this chapter;**

**(2) the proposed issue is approved in an election on a local public question held under section 3.6 of this chapter in the case of a proposed issue that is subject to section 3.5 of this chapter;** or

~~(2)~~ **(3)** the time period during which a petition for review of the proposed issue is pending before the department of local government finance.".

Page 24, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 23. IC 6-1.1-20-10, AS AMENDED BY P.L.162-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) This section applies **only** to a political subdivision that adopts an ordinance or a resolution making a preliminary determination **before July 1, 2007,** to issue bonds or enter into a lease. During the period commencing with the adoption of the ordinance or resolution and, if a petition and remonstrance process is commenced under section 3.2 of this chapter, continuing through the sixty (60) day period commencing with the notice under ~~section 3.2(1)~~ **section 3.2(b)(1)** of this chapter, the political subdivision seeking to issue bonds or enter into a lease for the proposed controlled project may not promote a position on the petition or remonstrance by doing any of the following:

(1) Allowing facilities or equipment, including mail and messaging systems, owned by the political subdivision to be used for public relations purposes to promote a position on the petition or remonstrance, unless equal access to the facilities or equipment is given to persons with a position opposite to that of the political subdivision.

(2) Making an expenditure of money from a fund controlled by the political subdivision to promote a position on the petition or remonstrance or to pay for the gathering of signatures on a petition or remonstrance. This subdivision does not prohibit a political subdivision from making an expenditure of money to an attorney, an architect, a construction manager, or a financial adviser for professional services provided with respect to a controlled project.

(3) Using an employee to promote a position on the petition or remonstrance during the employee's normal working hours or paid overtime, or otherwise compelling an employee to promote a position on the petition or remonstrance at any time.

(4) In the case of a school corporation, promoting a position on a petition or remonstrance by:

(A) using students to transport written materials to their residences or in any way directly involving students in a school organized promotion of a position; or

(B) including a statement within another communication sent to the students' residences.

However, this section does not prohibit an employee of the political subdivision from carrying out duties with respect to a petition or remonstrance that are part of the normal and regular conduct of the employee's office or agency.

(b) A person may not solicit or collect signatures for a petition or remonstrance on property owned or controlled by the political subdivision.

(c) The staff and employees of a school corporation may not personally identify a student as the child of a parent or guardian who supports or opposes a petition or remonstrance.

(d) A person or an organization that has a contract or arrangement (whether formal or informal) with a school corporation for the use of any of the school corporation's facilities may not spend any money to promote a position on the petition or remonstrance. A person or an organization that violates this subsection commits a Class A infraction.

(e) An attorney, an architect, a construction manager, or a financial adviser for professional services provided with respect to a controlled project may not spend any money to promote a position on the petition or remonstrance. A person who violates this subsection:

(1) commits a Class A infraction; and

(2) is barred from performing any services with respect to the controlled project.

SECTION 24. IC 6-1.1-20-10.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 10.1. (a) This section applies only to a political subdivision that, after June 30, 2007, adopts an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease.**

**(b) During the period beginning with the adoption of the ordinance or resolution and continuing through the day on which a local public question is submitted to the voters of the political subdivision under section 3.6 of this chapter, the political subdivision seeking to issue bonds or enter into a lease for the proposed controlled project may not promote a position on the local public question by doing any of the following:**

**(1) Allowing facilities or equipment, including mail and messaging systems, owned by the political subdivision to be used for public relations purposes to promote a position on the local public question, unless equal access to the facilities or equipment is given to persons with a position opposite to that of the political subdivision.**

**(2) Making an expenditure of money from a fund controlled by the political subdivision to promote a position on the local public question. This subdivision does not prohibit a political subdivision from making an expenditure of money to an attorney, an architect, a construction manager, or a financial adviser for professional services provided with respect to a controlled project.**

**(3) Using an employee to promote a position on the local public question during the employee's normal working hours or paid overtime, or otherwise compelling an employee to promote a position on the local public question at any time.**

**(4) In the case of a school corporation, promoting a position on a local public question by:**

**(A) using students to transport written materials to their residences or in any way directly involving students in a school organized promotion of a position; or**

**(B) including a statement within another communication sent to the students' residences.**

**However, this section does not prohibit an employee of the political subdivision from carrying out duties with respect to a local public question that are part of the normal and regular conduct of the employee's office or agency.**

**(c) The staff and employees of a school corporation may not personally identify a student as the child of a parent or guardian who supports or opposes a controlled project subject to a local public question held under section 3.6 of this chapter.**

**(d) A person or an organization that has a contract or arrangement (whether formal or informal) with a school corporation for the use of any of the school corporation's facilities may not spend any money to promote a position on a local public question. A person or an organization that**

**violates this subsection commits a Class A infraction.**

**(e) An attorney, an architect, a construction manager, or a financial adviser for professional services provided with respect to a controlled project may not spend any money to promote a position on a local public question. A person who violates this subsection:**

**(1) commits a Class A infraction; and**

**(2) is barred from performing any services with respect to the controlled project.**".

Page 75, delete lines 7 through 8, begin a new line block indented and insert:

"(2) the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**".

Page 76, line 26, delete "," and insert "**(before its repeal),**".

Page 76, line 29, delete "," and insert "**(before its repeal),**".

Page 77, delete lines 6 through 16, begin a new paragraph and insert:

"(d) The provisions of IC 6-1.1-20 and IC 5-1 relating to:

**(1)** the filing of a petition requesting the issuance of bonds and giving notice of them;

**(2)** the giving of notice of determination to issue bonds;

**(3)** the giving of notice of hearing on the appropriation of the proceeds of bonds and the right of taxpayers to appeal and be heard on the proposed appropriation;

**(4)** the approval of the appropriation by the ~~department of local government finance,~~ **local government capital project property tax control board under IC 6-1.1-17.5;**

**(5)** the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;** and

**(6)** the sale of bonds at public sale for not less than par value;

are applicable to proceedings under this chapter for the issuance of general obligation bonds.".

Page 85, delete lines 15 through 16, begin a new line block indented and insert:

"(5) The right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question.**".

Page 85, delete lines 33 through 34, begin a new line block indented and insert:

"(5) The right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question.**".

Page 86, delete lines 20 through 21, begin a new line block indented and insert:

"(5) The right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question.**".

Page 86, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 68. IC 14-33-11-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) Before offering bonds for sale, the board shall give notice in the same manner as is ~~provided~~ **required by IC 6-1.1-20** for the sale of bonds by municipal corporations.

(b) Persons affected are entitled to:

**(1)** remonstrate against issuance of the bonds **(in the case of a preliminary determination made before July 1, 2007, to issue bonds); or**

**(2) vote on the proposed issuance of bonds in an election on a local public question (in the case of a preliminary determination made after June 30, 2007, to issue bonds).**

**(c)** An action to question the validity of the bonds may not be instituted after the date fixed for sale, and the bonds are incontestable after that time.

SECTION 69. IC 14-33-11-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. If the board is denied the right to issue bonds as a result of remonstrance proceedings **or an election on a local public question held under IC 6-1.1-20-3.6:**

(1) all contracts let by the board for work to be paid from the sale of bonds are void; and

(2) no liability accrues to the district or to the board.

SECTION 70. IC 16-22-6-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) If the execution of the original or a modified lease is authorized, notice of the signing shall be published on behalf of the county one (1) time in a newspaper of general circulation and published in the county. Except as provided in subsection (b), at least ten (10) taxpayers in the county whose tax rate will be affected by the proposed lease may file a petition with the county auditor not more than thirty (30) days after publication of notice of the execution of the lease. The petition must set forth the objections to the lease and facts showing that the execution of the lease is unnecessary or unwise or that the lease rental is not fair and reasonable.

(b) The authority for taxpayers to object to a proposed lease described in subsection (a) does not apply if the authority complies with the procedures for the issuance of bonds and other evidences of indebtedness described in ~~IC 6-1.1-20-3.1 and IC 6-1.1-20-3.2.~~ **IC 6-1.1-20.**".

Page 87, delete line 21, begin a new line block indented and insert:

"(5) The right to:

**(A)** remonstrate; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question.**".

Page 88 between lines 21 and 22, begin a new paragraph and insert:

"SECTION 73. IC 20-46-7-8, AS AMENDED BY P.L.192-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) A school corporation must file a petition requesting approval from the department of local government finance to:

(1) incur bond indebtedness;

(2) enter into a lease rental agreement; or

(3) repay from the debt service fund loans made for the purchase of school buses under IC 20-27-4-5;

not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under ~~IC 6-1.1-20-3.1(2),~~ **IC 6-1.1-20-3.1(b)(2) or IC 6-1.1-20-3.5(b)(2), whichever is applicable,** unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances.

(b) A school corporation must obtain approval from the department of local government finance before the school corporation may:

(1) incur the indebtedness;

(2) enter into the lease agreement; or

(3) repay the school bus purchase loan.

(c) This restriction does not apply to property taxes that a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974. In addition, this restriction does not apply to a lease agreement or a purchase agreement entered into between a school corporation and the Indiana bond bank for the lease or purchase of a school bus under IC 5-1.5-4-1(a)(5), if the lease agreement or purchase agreement conforms with the school corporation's ten (10) year school bus ~~replacement~~ **acquisition** plan approved by the

department of local government finance under IC 21-2-11.5-3.1 **(before its repeal) or IC 20-46-5.**

(d) This section does not apply to school bus purchase loans made by a school corporation that will be repaid solely from the general fund of the school corporation.

SECTION 74. IC 20-47-4-6, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) A lessor corporation may acquire and finance an existing school building, other than as provided in section 5 of this chapter, and lease the existing school building to a school corporation. A school corporation shall comply with:

**(1)** IC 20-47-2 or IC 20-47-3; and

**(2) either:**

**(A)** the petition and remonstrance provisions under IC 6-1.1-20 **(in the case of a preliminary determination made before July 1, 2007, to enter into a lease); or**

**(B) the local public question provisions under IC 6-1.1-20 (in the case of a preliminary determination made after June 30, 2007, to enter into a lease).**

(b) A lease made under this section may provide for the payment of lease rentals by the school corporation for the use of the existing school building.

(c) Lease rental payments made under the lease do not constitute a debt of the school corporation for purposes of the Constitution of the State of Indiana.

(d) A new school building may be substituted for the existing school building under the lease if the substitution was included in the notices given under IC 20-47-2, IC 20-47-3, and IC 6-1.1-20. A new school building must be substituted for the existing school building upon completion of the new school building.

SECTION 75. IC 20-48-1-8, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. The provisions of all general statutes and rules relating to:

(1) filing petitions requesting the issuance of bonds and giving notice of the issuance of bonds;

(2) giving notice of determination to issue bonds;

(3) giving notice of a hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appear and be heard on the proposed appropriation;

(4) the approval of the appropriation by the department of local government finance; and

(5) the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**

apply to proceedings for the issuance of bonds and the making of an emergency loan under this article and IC 20-26-1 through IC 20-26-5. An action to contest the validity of the bonds or emergency loans may not be brought later than five (5) days after the acceptance of a bid for the sale of the bonds.".

Page 92, delete lines 6 through 14, begin a new paragraph and insert:

"(e) Bonds of a special taxing district are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to **the following:**

**(1)** The filing of a petition requesting the issuance of bonds and giving notice of the petition.

**(2)** The giving of notice of a hearing on the appropriation of the proceeds of bonds.

**(3)** The right of taxpayers to appear and be heard on the proposed appropriation.

**(4)** The approval of the appropriation by the ~~department of local government finance.~~ **local government capital project property tax control board under IC 6-1.1-17.5.**

**(5)** The right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; ~~and~~ **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question.**

**(6)** The sale of bonds at public sale.".

Page 92, delete lines 23 through 32, begin a new paragraph and insert:

"(c) Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to **the following:**

**(1)** The filing of a petition requesting the issuance of bonds and giving notice of the petition.

**(2)** The giving of notice of a hearing on the appropriation of the proceeds of bonds.

**(3)** The right of taxpayers to appear and be heard on the proposed appropriation.

**(4)** The approval of the appropriation by the ~~department of local government finance.~~ **local government capital project property tax control board under IC 6-1.1-17.5.**

**(5)** The right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; ~~and~~ **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question.**

**(6)** The sale of bonds at public sale for not less than their par value.".

Page 95, delete lines 22 through 27, begin a new paragraph and insert:

"(l) All laws relating to:

**(1)** the filing of petitions requesting the issuance of bonds; and

**(2)** the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**

apply to bonds issued under this chapter, except for bonds payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.".

Page 98, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 78. IC 36-7-14.5-12.5, AS AMENDED BY P.L.1-2006, SECTION 567, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

(b) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may create an economic development area:

(1) by following the procedures set forth in IC 36-7-14-41 for the establishment of an economic development area by a redevelopment commission; and

(2) with the same effect as if the economic development area was created by a redevelopment commission.

The area established under this section shall be established only in the area where a United States government military base that is scheduled for closing or is completely or partially inactive or closed is or was located.

(c) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may do the following in a manner that serves an economic development area created under this section:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of economic development areas located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of economic development areas on the

terms and conditions that the authority considers best for the unit and the unit's inhabitants.
(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.
(4) Clear real property acquired for redevelopment purposes.
(5) Repair and maintain structures acquired for redevelopment purposes.
(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.
(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.
(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:
(A) real property acquired or being acquired for redevelopment purposes; or
(B) any economic development area within the jurisdiction of the authority.
(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.
(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.
(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.
(12) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.
(13) Appoint clerks, guards, laborers, and other employees the authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.
(14) Prescribe the duties and regulate the compensation of employees of the authority.
(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.
(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).
(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.
(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.
(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:
(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.
(B) Any structure that enhances development or economic development.
(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).
(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.
(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.
(23) Take any action necessary to implement the purpose of the authority.
(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11 of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:
(1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefiting that allocation area.
(2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).
(3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.
(4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefiting that allocation area.
(5) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:
STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

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

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

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

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under IC 36-7-14-39.5 in the same year.

(6) Pay expenses incurred by the authority for local public improvements or structures that are in the allocation area or serving or benefiting the allocation area.

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

(A) in the allocation area; and

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

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

(e) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or ~~benefitting~~ **benefiting** an economic development area created by an authority under this section, and in anticipation of the taxes allocated under subsection (d), other revenues of the authority, or any combination of these sources, the authority may, by resolution, issue the bonds of the special taxing district in the name of the unit. Bonds issued under this section may be issued in any amount without limitation. The following apply if such a resolution is adopted:

(1) The authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(2) The bonds must be executed by the appropriate officer of the unit and attested by the unit's fiscal officer.

(3) The bonds are exempt from taxation for all purposes.

(4) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(5) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the authority:

(A) from the tax proceeds allocated under subsection (d);

(B) from other revenues available to the authority; or

(C) from a combination of the methods stated in clauses (A) and (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(7) Laws relating to:

**(A)** the filing of petitions requesting the issuance of bonds; and

**(B)** the right of taxpayers to:

**(i)** remonstrate against the issuance of bonds; **or**

**(ii) vote on the proposed issuance of bonds in an election on a local public question;**

do not apply to bonds issued under this section.

(8) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(9) If bonds are issued under this chapter that are payable solely or in part from revenues to the authority from a project or projects, the authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority. The authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the authority that are payable solely from revenues of the authority shall contain a statement to that effect in the form of bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under ~~section 11 of~~ this chapter may provide, or be amended to provide, that the board of directors of the authority shall be composed of not fewer than three (3) nor more than eleven (11) members, who must be residents of the unit appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority under this section is not subject to the provisions of IC 5-22, IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

SECTION 79. IC 36-7-15.1-17, AS AMENDED BY P.L.185-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 19 of this chapter, the taxes allocated under section 26 of this chapter, or other revenues of the redevelopment district, the commission may, by resolution, issue the bonds of the redevelopment district in the name of the consolidated city and in accordance with IC 36-3-5-8. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition

and redevelopment of the property, including:

(1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;

(2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;

(4) the total cost of all clearing and construction work provided for in the resolution; and

(5) expenses that the commission is required or permitted to pay under IC 8-23-17.

(b) If the commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, the commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable subject to the requirements of the bond resolution for the registration of the bonds. The resolution authorizing the bonds must state:

(1) the denominations of the bonds;

(2) the place or places at which the bonds are payable; and

(3) the term of the bonds, which may not exceed fifty (50) years.

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the commission.

(d) The commission shall certify a copy of the resolution authorizing the bonds to the fiscal officer of the consolidated city, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds shall be executed by the city executive and attested by the fiscal officer. The interest coupons, if any, shall be executed by the facsimile signature of the fiscal officer.

(f) The bonds are exempt from taxation as provided by IC 6-8-5.

(g) The city fiscal officer shall sell the bonds according to law. Notwithstanding IC 36-3-5-8, bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

(h) The bonds are not a corporate obligation of the city but are an indebtedness of the redevelopment district. The bonds and interest are payable:

(1) from a special tax levied upon all of the property in the redevelopment district, as provided by section 19 of this chapter;

(2) from the tax proceeds allocated under section 26(b)(2) of this chapter;

(3) from other revenues available to the commission; or

(4) from a combination of the methods stated in subdivisions (1) through (3);

and from any revenues of the designated project. If the bonds are payable solely from the tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(i) Proceeds from the sale of the bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issue.

(j) Notwithstanding IC 36-3-5-8, the laws relating to:

**(1)** the filing of petitions requesting the issuance of bonds; and

**(2)** the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**

applicable to bonds issued under this chapter do not apply to bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to the commission from a project or projects, the commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond.".

Page 100, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 81. IC 36-7-15.1-45, AS AMENDED BY P.L.185-2005, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 45. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 50 of this chapter, the taxes allocated under section 53 of this chapter, or other revenues of the redevelopment district, a commission may, by resolution, issue the bonds of its redevelopment district in the name of the excluded city. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

(1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;

(2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;

(4) the total cost of all clearing and construction work provided for in the resolution; and

(5) expenses that the commission is required or permitted to pay under IC 8-23-17.

(b) If a commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, a commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable subject to the requirements concerning registration of the bonds. The resolution authorizing the bonds must state:

(1) the denominations of the bonds;

(2) the place or places at which the bonds are payable; and

(3) the term of the bonds, which may not exceed fifty (50) years.

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the commission.

(d) The commission shall certify a copy of the resolution authorizing the bonds to the fiscal officer of the excluded city, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds shall be executed by the excluded city executive and attested by the excluded city fiscal officer. The interest coupons, if any, shall be executed by the facsimile signature of the excluded city fiscal officer.

(f) The bonds are exempt from taxation as provided by IC 6-8-5.

(g) The excluded city fiscal officer shall sell the bonds according to law. Bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

(h) The bonds are not a corporate obligation of the excluded city but are an indebtedness of the redevelopment district. The bonds and interest are payable:

(1) from a special tax levied upon all of the property in the redevelopment district, as provided by section 50 of this chapter;

(2) from the tax proceeds allocated under section 53(b)(2) of this chapter;

(3) from other revenues available to the commission; or

(4) from a combination of the methods described in subdivisions (1) through (3);

and from any revenues of the designated project. If the bonds are payable solely from the tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(i) Proceeds from the sale of the bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issue.

(j) The laws relating to:

**(1)** the filing of petitions requesting the issuance of bonds; and

**(2)** the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds applicable to bonds issued under this chapter; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**

do not apply to bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to a commission from a project or projects, a commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond.".

Page 103, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 85. IC 36-7-30-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or benefiting a military base reuse area, and in anticipation of the taxes allocated under section 25 of this chapter, other revenues of the district, or any combination of these sources, the reuse authority may by resolution issue the bonds of the special taxing district in the name of the unit.

(b) The reuse authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(c) The bonds must be executed by the appropriate officer of the unit, and attested by the unit's fiscal officer.

(d) The bonds are exempt from taxation for all purposes.

(e) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(f) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the reuse authority, from any of the following:

(1) The tax proceeds allocated under section 25 of this chapter.

(2) Other revenues available to the reuse authority.

(3) A combination of the methods stated in subdivisions (1) through (2).

If the bonds are payable solely from the tax proceeds allocated under section 25 of this chapter, other revenues of the reuse authority, or any combination of these sources, the bonds may be issued in any amount without limitation.

(g) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years after the date of issuance.

(h) All laws relating to:

**(1)** the filing of petitions requesting the issuance of bonds; and

**(2)** the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**

do not apply to bonds issued under this chapter.

(i) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(j) If bonds are issued under this chapter that are payable solely or in part from revenues of the reuse authority, the reuse authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign revenues of the reuse authority and properties becoming available to the reuse authority under this chapter. The resolution or trust indenture may also contain provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including a covenant setting forth the duties of the reuse authority. The reuse authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set the fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Revenue bonds issued by the reuse authority that are payable solely from revenues of the reuse authority shall contain a statement to that effect in the form of the bond.

SECTION 86. IC 36-7-30.5-23, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. (a) In addition to other methods of raising money for property acquisition, redevelopment, reuse, or economic development

activities in or directly serving or ~~benefitting~~ **benefiting** a military base development area, and in anticipation of the taxes allocated under section 30 of this chapter, other revenues of the district, or any combination of these sources, the development authority may by resolution issue the bonds of the development authority.

(b) The secretary-treasurer of the development authority shall prepare the bonds. The seal of the development authority must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(c) The bonds must be executed by the president of the development authority and attested by the secretary-treasurer.

(d) The bonds are exempt from taxation for all purposes.

(e) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(f) The bonds are not a corporate obligation of a unit but are an indebtedness of only the development authority. The bonds and interest are payable, as set forth in the bond resolution of the development authority, from any of the following:

(1) The tax proceeds allocated under section 30 of this chapter.

(2) Other revenues available to the development authority.

(3) A combination of the methods stated in subdivisions (1) through (2).

The bonds issued under this section may be issued in any amount without limitation.

(g) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years after the date of issuance.

(h) All laws relating to:

**(1)** the filing of petitions requesting the issuance of bonds; and

**(2)** the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**

do not apply to bonds issued under this chapter.

(i) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(j) If bonds are issued under this chapter that are payable solely or in part from revenues of the development authority, the development authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign revenues of the development authority and properties becoming available to the development authority under this chapter. The resolution or trust indenture may also contain provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including a covenant setting forth the duties of the development authority. The development authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set the fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Revenue bonds issued by the development authority that are payable solely from revenues of the development authority shall contain a statement to that effect in the form of the bond.".

Page 106, delete lines 19 through 27, begin a new paragraph and insert:

"(f) General obligation bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to **the following:**

**(1)** The filing of a petition requesting the issuance of bonds.

**(2)** The appropriation of the proceeds of bonds.

**(3)** The right of taxpayers to appeal and be heard on the proposed appropriation.

**(4)** The approval of the appropriation by the ~~department of local government finance.~~ **local government capital project property tax control board under IC 6-1.1-17.5.**

**(5)** The right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; ~~and~~ **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question.**

**(6)** The sale of bonds for not less than their par value.".

Page 107, delete lines 11 through 19, begin a new paragraph and insert:

"(c) The provisions of IC 6-1.1-20 relating to:

**(1)** filing petitions requesting the issuance of bonds and giving notice of those petitions;

**(2)** giving notice of a hearing on the appropriation of the proceeds of the bonds;

**(3)** the right of taxpayers to appear and be heard on the proposed appropriation;

**(4)** the approval of the appropriation by the department of local government finance; and

**(5)** the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**

apply to the issuance of bonds under this chapter.".

Page 113, delete lines 28 through 36, begin a new paragraph and insert:

"(c) The bonds and the interest on them are exempt from taxation as prescribed by IC 6-8-5-1. Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to:

**(1)** the filing of a petition requesting the issuance of bonds;

**(2)** the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**

**(3)** the appropriation of the proceeds of the bonds and approval by the department of local government finance; and

**(4)** the sale of bonds at public sale for not less than their par value.".

Page 114, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 88. IC 36-10-4-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 35. (a) In order to pay for:

(1) land to be acquired for any of the purposes of this chapter;

(2) an improvement authorized by this chapter; or

(3) both;

the board shall issue the bonds of the district in the name of the city in anticipation of the special benefits tax to be levied under this chapter. The amount of the bonds may not exceed the estimated cost of all land to be acquired and the estimated cost of all improvements provided in the resolution, including all expenses necessarily incurred in the proceedings and a sum sufficient to pay the estimated costs of supervision and inspection during the period of construction. Expenses include all expenses actually incurred preliminary to acquisition of the land and the construction work, such as the estimated cost of the necessary record, engineering expenses, publication of notices, preparation of bonds, and other expenses necessary to letting the contract and selling the bonds.

(b) The total amount of any benefits that have been assessed by the board and confirmed against lots and parcels of land, exclusive of improvements, lying within two thousand (2,000) feet on either side of the land to be acquired or of the improvement, however, shall be deducted from the estimated cost.

(c) If more than one (1) resolution or proceeding of the board under section 25 of this chapter is confirmed whereby different

parcels of land are to be acquired or more than one (1) contract for work is let by the board at approximately the same time, the estimated cost involved under all of the resolutions and proceedings may be contained in one (1) issue of bonds.

(d) The bonds shall be issued in any denomination up to five thousand dollars ($5,000) each. The bonds are negotiable instruments and bear interest at a rate established by the board and approved by the city legislative body.

(e) After adopting a resolution ordering the bonds, the board shall certify a copy of the resolution to the fiscal officer of the city. The fiscal officer shall then prepare the bonds, which shall be executed by the city executive and attested by the fiscal officer. The bonds are exempt from taxation for all purposes and are subject to IC 6-1.1-20 concerning:

**(1)** the filing of a petition requesting the issuance of bonds; and

**(2)** the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question.**

(f) All bonds shall be sold at not less than par value plus accrued interest to date of delivery by the city fiscal officer to the highest bidder after giving notice of the sale of the bonds by publication in accordance with IC 5-3-1.

(g) The bonds are subject to approval by the city legislative body, in the manner it prescribes by ordinance or resolution.

(h) The bonds are not corporate obligations or indebtedness of the city, but are an indebtedness of the district as a special taxing district. The bonds and interest are payable only out of a special tax levied upon all property of the district. The bonds must recite these terms upon their face, together with the purposes for which they are issued.

(i) An action to question the validity of bonds of the district or to prevent their issue may not be brought after the date set for the sale of the bonds.

(j) The board may, instead of selling the bonds in series, sell the bonds to run for a period of five (5) years from the date of issue for the purposes of this chapter at any rate of interest payable semiannually, also exempt from taxation for all purposes. The board may sell bonds in series to refund the five (5) year bonds.".

Page 116, delete lines 40 through 42, begin a new paragraph and insert:

"(c) The bonds and the interest on the bonds are exempt from taxation as prescribed by IC 6-8-5-1. Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to:

**(1)** the filing of a petition requesting the issuance of bonds;

**(2)** the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**

**(3)** the appropriation of the proceeds of the bonds with the approval of the department of local government finance; and

**(4)** the sale of bonds at public sale for not less than the par value of the bonds.".

Page 117, delete lines 1 through 6.

Page 118, line 6 , strike "as" and insert "**at**".

Page 118, delete lines 17 through 18, begin a new line block indented and insert:

"(2) the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**".

Page 119, delete lines 17 through 18, begin a new line block indented and insert:

"(2) the right of taxpayers to:

**(A)** remonstrate against the issuance of bonds; **or**

**(B) vote on the proposed issuance of bonds in an election on a local public question;**".

Page 123, line 34, delete "IC 6-1.1-20-3.1(2);" and insert "**IC 6-1.1-20-3.1(b)(2);**".

Page 123, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 99. [EFFECTIVE JULY 1, 2007] **IC 6-1.1-20-1.1, as amended by this act, applies to a preliminary determination made after June 30, 2007, by a political subdivision to issue bonds or enter into a lease.**

SECTION 100. [EFFECTIVE UPON PASSAGE] **Notwithstanding any statute that:**

**(1) is amended by this act;**

**(2) is scheduled by this act to take effect upon passage; and**

**(3) contains a reference to a local public question to approve or reject the issuance of bonds or lease rentals to finance a controlled project (as defined by IC 6-1.1-20-1.1, as amended by this act);**

**a preliminary determination to issue bonds or enter a lease is subject to approval in a local public question only if the preliminary determination occurs after June 30, 2007.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

ESPICH

Upon request of Representatives Espich and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 88: yeas 49, nays 50. Motion failed.

HOUSE MOTION
(Amendment 1007–10)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 45, between lines 37 and 38, begin a new line block indented and insert:

"**(11) "Residential" has the meaning set forth in IC 6-3.5-7-26.**".

Page 45, line 38, delete "(11)" and insert "**(12)**".

Page 45, line 40, delete "(12)" and insert "**(13)**".

Page 47, line 8, delete "homestead".

Page 47, line 10, delete "homesteads." and insert "**residential property.**".

Page 59, between lines 40 and 41, begin a new line block indented and insert:

"**(11) "Residential" has the meaning set forth in IC 6-3.5-7-26.**".

Page 59, line 41, delete "(11)" and insert "**(12)**".

Page 60, line 1, delete "(12)" and insert "**(13)**".

Page 61, line 6, delete "homestead".

Page 61, line 8, delete "homesteads." and insert "**residential property.**".

(Reference is to HB 1007 as printed February 8, 2007.)

LEONARD

Upon request of Representatives Leonard and Whetstone, the Speaker ordered the roll of the House to be called. Roll Call 89: yeas 49, nays 50. Motion failed.

HOUSE MOTION
(Amendment 1007–5)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 45, between lines 37 and 38, begin a new line block indented and insert:

"**(11) "Residential" has the meaning set forth in IC 6-3.5-7-26.**".

Page 45, line 38, delete "(11)" and insert "**(12)**".

Page 45, line 40, delete "(12)" and insert "**(13)**".

Page 46, line 39, delete "or".

Page 46, between lines 39 and 40, begin a new line block indented and insert:

"**(2) a credit percentage against the part of the net total county levy imposed by civil taxing units and school corporations on residential property; or**".

Page 46, line 40, delete "(2)" and insert "**(3)**".

Page 47, line 1, delete "both," and insert "**any combination of these credits,**".

Page 47, line 12, delete "both" and insert "**any combination of**".

Page 47, line 12, delete "and" and insert "**, a credit against property taxes on residential property, or**".

Page 59, between lines 40 and 41, begin a new line block indented and insert:

"**(11) "Residential" has the meaning set forth in IC 6-3.5-7-26.**".

Page 59, line 41, delete "(11)" and insert "**(12)**".

Page 60, line 1, delete "(12)" and insert "**(13)**".

Page 60, line 37, delete "or".

Page 60, between lines 37 and 38, begin a new line block indented and insert:

"**(2) a credit percentage against the part of the net total county levy imposed by civil taxing units and school corporations on residential property; or**".

Page 60, line 38, delete "(2)" and insert "**(3)**".

Page 60, line 41, delete "both," and insert "**any combination of these credits,**".

Page 61, line 10, delete "both" and insert "**any combination of**".

Page 61, line 10, delete "and" and insert "**, a credit against property taxes on residential property, or**".

(Reference is to HB 1007 as printed February 8, 2007.)

THOMPSON

Upon request of Representatives Thompson and Whetstone, the Speaker ordered the roll of the House to be called. Roll Call 90: yeas 49, nays 50. Motion failed.

HOUSE MOTION
(Amendment 1007–6)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 16, delete lines 18 through 42.

Page 17, delete lines 1 through 19.

Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

THOMPSON

Upon request of Representatives Thompson and Whetstone, the Speaker ordered the roll of the House to be called. Roll Call 91: yeas 49, nays 49. Motion failed.

HOUSE MOTION
(Amendment 1007–18)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 3, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-1-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 6.5. "Fair market value" means the price at which a willing buyer and a willing seller would arrive, after negotiation for a sale, where neither is acting under compulsion and both have a reasonable knowledge of all the facts affecting value.**

SECTION 3. IC 6-1.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. All tangible property ~~which~~ **that** is subject to assessment shall be assessed on a just valuation basis and in a uniform and equal manner. Personal property ~~which is~~ **and real property that are** subject to assessment ~~and taxation~~ shall be assessed annually in the manner prescribed in this article. ~~Real property which is subject to assessment and taxation shall be assessed in the manner and at the times prescribed in this article.~~

SECTION 4. IC 6-1.1-4-3.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.1. (a) A taxpayer shall, on or before the filing date of each year (except as provided in IC 6-1.1-8-24.5), file a real property return with the county assessor of each county in which the taxpayer's real property is subject to assessment.**

**(b) The county assessor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's return if:**

**(1) the taxpayer submits a written application for an extension before the filing date; and**

**(2) the taxpayer is prevented from filing a timely return because of sickness, absence from the county, or any other good and sufficient reason.**

SECTION 5. IC 6-1.1-4-3.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.2. (a) In completing a real property return for a year, a taxpayer shall make a complete disclosure of all information required by the department of local government finance that is related to the value, nature, or location of the real property reported on the return.**

**(b) The taxpayer shall certify to the truth of:**

**(1) all information appearing in a real property return; and**

**(2) all data accompanying the return.**

SECTION 6. IC 6-1.1-4-3.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.3. The county assessor may:**

**(1) examine and verify; or**

**(2) allow a contractor under IC 6-1.1-36-12 to examine and verify;**

**the accuracy of each real property return filed with the county assessor by a taxpayer. If appropriate, the county assessor or contractor under IC 6-1.1-36-12 shall compare a return with the books of the taxpayer and with real property owned, held, possessed, controlled, or occupied by the taxpayer.**

SECTION 7. IC 6-1.1-4-3.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.4. (a) On or before July 1 of each year, each county assessor shall certify to the county auditor the assessed value of the real property in every taxing district in the county.**

**(b) The department of local government finance shall prescribe the forms required for the certification under this section.**

SECTION 8. IC 6-1.1-4-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.5. (a) While a county property tax assessment board of appeals is in session, each county assessor shall make the following information available to the board:**

**(1) Real property returns.**

**(2) Documents related to the returns.**

**(3) Any information in the possession of the county assessor that is related to the identity of the owners or possessors of the real property or the values of the real property.**

**(b) Upon written request of the county property tax assessment board of appeals, the county assessor shall furnish the information referred to in subsection (a) to any member of the board either directly or through employees of the board.**

SECTION 9. IC 6-1.1-4-3.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.6. If a:**

**(1) county property tax assessment board of appeals; or**

**(2) member of a county property tax assessment board of appeals;**

**changes a valuation made by a person on the person's real property return or adds real property and its value to a return, the board or member shall, by mail, immediately give the person notice of the action taken.**

SECTION 10. IC 6-1.1-4-3.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.7. Subject to IC 6-1.1-35-9, the county assessor shall preserve and make available for public inspection:**

**(1) all real property returns and lists; and**

**(2) any other documents and information related to the determination of real property assessments.**

SECTION 11. IC 6-1.1-4-12.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12.4. (a) For purposes of this section, the term "oil or gas interest" includes, but is not limited to:

(1) royalties;

(2) overriding royalties;

(3) mineral rights; or

(4) working interest; in any oil or gas located on or beneath the surface of land which lies within this state.

(b) Oil or gas interest is subject to assessment and taxation as real property. ~~Notwithstanding the provisions of IC 1971, 6-1.1-4-4,~~ **The true tax value of** each oil or gas interest shall be ~~assessed~~ **reported** annually **under section 3.1 of this chapter** by ~~the assessor of the township in which the oil or gas is located. The township assessor shall assess the oil or gas interest to~~ the person who owns or operates the interest.

(c) A piece of equipment is an appurtenance to land if it is incident to and necessary for the production of oil and gas from the land covered by the oil or gas interest. This equipment includes, but is not limited to, wells, pumping units, lines, treaters, separators, tanks, and secondary recovery facilities. These appurtenances are subject to ~~assesment~~ **assessment** as real property. ~~Notwithstanding the provisions of IC 1971, 6-1.1-4-4, each of these appurtenances shall be assessed annually by the assessor of the township in which the appurtenance is located. The township assessor shall assess the appurtenance to the~~ person who owns or operates the working interest in the oil or gas interest **shall report the appurtenances with the person's return filed under section 3.1 of this chapter.**

SECTION 12. IC 6-1.1-4-12.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12.6. (a) For purposes of this section, the term "secondary recovery method" includes but is not limited to the stimulation of oil production by means of the injection of water, steam, hydrocarbons, or chemicals, or by means of in situ combustion.

(b) The total assessed value of all interests in the oil located on or beneath the surface of a particular tract of land equals the product of:

(1) the average daily production of the oil; multiplied by

(2) three hundred sixty-five (365); and multiplied by

(3) the posted price of oil on the assessment date.

However, if the oil is being extracted by use of a secondary recovery method, the total assessed value of all interests in the oil equals one-half (½) the assessed value computed under the formula prescribed in this subsection. The appropriate ~~township~~ **county** assessor shall, in the manner prescribed by the department of local government finance, apportion the total assessed value of all interests in the oil among the owners of those interests.

(c) The appropriate ~~township~~ **county** assessor shall, in the manner prescribed by the department of local government finance, determine and apportion the total assessed value of all interests in the gas located beneath the surface of a particular tract of land.

(d) The department of local government finance shall prescribe a ~~schedule for township assessors to use in assessing~~ **rule for determining the true tax value of** the appurtenances described in section 12.4 (c) of this chapter.

SECTION 13. IC 6-1.1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

~~(b) The department of local government finance shall give written notice to each county assessor of:~~

~~(1) the availability of the United States Department of Agriculture's soil survey data; and~~

~~(2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.~~

~~All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land.~~

~~(c)~~ **(b)** The department of local government finance shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.

~~(d) This section does not apply to land purchased for industrial, commercial, or residential uses.~~

SECTION 14. IC 6-1.1-4-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 14. (a) Except as provided in subsection (b) of this section, land may not be assessed to an adjacent property holder if it:

(1) is occupied by and is within the right-of-way of a railroad, interurban, or street railway;

(2) is within the line of a levee constructed and maintained either by a levee association or under any law of this state;

(3) is used and occupied as part of a public drainage ditch, including land that:

(A) is adjacent to the ditch; and

(B) cannot be used for farmland or any other purpose because of a need for access to the ditch; or

(4) is within a right-of-way that is used and occupied as a public highway.

(b) Where land described in subsection (a)(1), (a)(2), or (a)(3) has not been transferred by deed to a person who holds the land for railroad, interurban, street railway, levee, drainage, or public highway purposes, the land shall be assessed to the adjacent property owner. However, the assessed value of the land so assessed shall be deducted from the assessed value of the land assessed to the adjacent property owner.

(c) If an assessor and a landowner fail to agree on the amount of land described in subsection (a)(1), (a)(2), (a)(3), or (a)(4), the **county** assessor shall have the county surveyor make a survey to determine the amount of land so described.".

Page 4, line 12, strike "The county assessor".

Page 4, line 14, strike "may".

Page 4, line 15, strike "employ a professional appraiser to act as a technical advisor".

Page 4, strike line 16.

Page 4, line 24, delete "or any".

Page 4, line 25, delete "other period.".

Page 4, line 25, strike "Subject to the limitations in section 18.5 of this chapter,".

Page 4, line 26, strike "the".

Page 4, line 26, delete "county".

Page 4, line 26 strike "assessor".

Page 4, strike line 27.

Page 4, line 28, strike "supply technical advice".

Page 4, line 28, strike "for".

Page 4, line 29, delete "one (1) or more".

Page 4, line 29, strike "townships in the county. A

proportionate part of the".

Page 4, line 30, strike "appropriation to".

Page 4, line 30, delete "each township served under the".

Page 4, line 31, delete "contract".

Page 4, line 31, strike "for assessing purposes shall be used to pay for the technical".

Page 4, strike line 32.

Page 4, line 33, strike "(c)" and insert "**(b)**".

Page 4, line 42, strike "which" and insert "**that**".

Page 5, line 37, strike "to:" and insert "**to the county assessor.**".

Page 5, line 38, delete "(A)".

Page 5, line 38, strike "the".

Page 5, line 38, delete "county assessor; and".

Page 5, line 39, delete "(B) the".

Page 5, line 39, strike "township".

Page 5, line 39, delete "assessor of each".

Page 5, delete line 40.

Page 6, delete lines 24 through 42.

Page 7, delete lines 1 through 35, begin a new paragraph and insert:

"SECTION 18. IC 6-1.1-4-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 22. ~~(a)~~ If any ~~assessing official~~ **county assessor** or any county property tax assessment board of appeals assesses ~~or reassesses~~ any real property under ~~the provisions of~~ this article, the ~~official~~ **county assessor** or county property tax assessment board of appeals shall give notice to the taxpayer, ~~and the county assessor,~~ by mail, of the amount of the assessment. ~~or reassessment.~~

~~(b) During a period of general reassessment, each township assessor shall mail the notice required by this section within ninety (90) days after he:~~

~~(1) completes his appraisal of a parcel; or~~

~~(2) receives a report for a parcel from a professional appraiser or professional appraisal firm.~~

SECTION 19. IC 6-1.1-4-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 24. Immediately following an assessment ~~or reassessment~~ of real property, the county property tax assessment board of appeals shall notify the county auditor of the assessed value of the land and improvements so assessed. The county property tax assessment board of appeals shall give the notice on the form and in the manner prescribed by the department of local government finance.

SECTION 20. IC 6-1.1-4-25, AS AMENDED BY P.L.177-2005, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 25. (a) Each ~~township~~ **county** assessor shall keep the assessor's ~~reassessment~~ **real property assessment** data and records current by: ~~securing the necessary field data~~

**(1) reviewing returns filed under section 3.1 of this chapter;**

**(2) assessing real property for which no return is filed under section 3.1 of this chapter;** and ~~by~~

**(3)** making changes in the assessed value of real property ~~as changes occur in the use of the real property.~~ **if the assessor determines that the assessed value reported on a return filed under section 3.1 of this chapter is incorrect.**

The ~~township~~ **county** assessor's records shall at all times show the assessed value of real property in accordance with ~~the provisions of~~ this chapter. ~~The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.~~

(b) The ~~township assessor in a county having a consolidated city, or the~~ county assessor ~~in every other county,~~ shall:

(1) maintain an electronic data file of:

(A) the parcel characteristics and parcel assessments of all parcels **by return;** and

(B) the personal property return characteristics and assessments by return;

for each township in the county as of each assessment date;

(2) maintain the electronic file in a form that formats the information in the file with the standard data, field, and record coding required and approved by:

(A) the legislative services agency; and

(B) the department of local government finance;

(3) transmit the data in the file with respect to the assessment date of each year before October 1 of the year to:

(A) the legislative services agency; and

(B) the department of local government finance;

in a manner that meets the data export and transmission requirements in a standard format, as prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency; and

(4) resubmit the data in the form and manner required under this subsection, upon request of the legislative services agency or the department of local government finance, if data previously submitted under this subsection does not comply with the requirements of this subsection, as determined by the legislative services agency or the department of local government finance.

An electronic data file maintained for a particular assessment date may not be overwritten with data for a subsequent assessment date until a copy of an electronic data file that preserves the data for the particular assessment date is archived in the manner prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency.

SECTION 21. IC 6-1.1-4-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 26. The department of local government finance may adopt or promulgate regulations, appraisal manuals, rules, bulletins, directives, and forms for the assessment ~~and reassessment~~ of real property.

SECTION 22. IC 6-1.1-4-31, AS AMENDED BY P.L.228-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of

~~(1) a general reassessment of property;~~

~~(2) work required to be performed by local officials under 50 IAC 21; and~~

~~(3) other~~ **real** property assessment activities in the county ~~as determined by the department.~~

**to determine whether the county assessor is performing the duties prescribed in section 25 of this chapter.** The department of local government finance may inform ~~township assessors,~~ county assessors and the presidents of county ~~councils~~ **fiscal bodies** in writing if its check reveals that ~~the general reassessment or other~~ **real** property assessment activities are not being properly conducted. ~~work required to be performed by local officials under 50 IAC 21 is not being properly conducted, or property assessments are not being properly made.~~

(b) The failure of the department of local government finance to inform local officials under subsection (a) shall not be construed as an indication by the department that

~~(1) the general reassessment or other~~ **real** property assessment activities are being properly conducted.

~~(2) work required to be performed by local officials under 50 IAC 21 is being properly conducted; or~~

~~(3) property assessments are being properly made.~~

(c) If the department of local government finance:

(1) determines under subsection (a) that ~~a general reassessment or other~~ **real property** assessment activities ~~for a general reassessment year or any other year~~ are not being properly conducted; and

(2) informs:

~~(A) the township assessor of each affected township;~~
~~(B)~~ **(A)** the county assessor; and
~~(C)~~ **(B)** the president of the county ~~council;~~ **fiscal body;**
in writing under subsection (a);
the department may order a state conducted ~~assessment or reassessment~~ **review of real property assessments** under section 31.5 of this chapter to begin not less than sixty (60) days after the date of the notice under subdivision (2). If the department determines during the period between the date of the notice under subdivision (2) and the proposed date for beginning the state conducted assessment ~~or reassessment~~ that the ~~general reassessment or other~~ **real property** assessment activities ~~for the general reassessment~~ are being properly conducted, the department may rescind the order.
~~(d) If the department of local government finance:~~
~~(1) determines under subsection (a) that work required to be performed by local officials under 50 IAC 21 is not being properly conducted; and~~
~~(2) informs:~~
~~(A) the township assessor of each affected township;~~
~~(B) the county assessor; and~~
~~(C) the president of the county council;~~
~~in writing under subsection (a);~~
~~the department may conduct the work or contract to have the work conducted to begin not less than sixty (60) days after the date of the notice under subdivision (2). If the department determines during the period between the date of the notice under subdivision (2) and the proposed date for beginning the work or having the work conducted that work required to be performed by local officials under 50 IAC 21 is being properly conducted, the department may rescind the order.~~
~~(e) If the department of local government finance contracts to have work conducted under subsection (d), the department shall forward the bill for the services to the county and the county shall pay the bill under the same procedures that apply to county payments of bills for assessment or reassessment services under section 31.5 of this chapter.~~".

Page 7, line 38, strike "(a) As used in this section, "assessment".
Page 7, strike lines 39 through 42.
Page 8, line 1, strike "(b)" and insert "**(a)**".
Page 8, line 3, strike "(c)" and insert "**(b)**".
Page 8, line 3, strike "local" and insert "**the county assessor**".
Page 8, line 4, strike "officials".
Page 8, line 5, after "conducted" insert "**review of**".
Page 8, line 5, strike "assessment or reassessment" and insert "**real property assessments**".
Page 8, line 7, strike "(d)" and insert "**(c)**".
Page 8, line 7, after "conducted" insert "**review of**".
Page 8, line 7, strike "assessment or".
Page 8, line 8, strike "reassessment" and insert "**real property assessments**".
Page 8, strike line 9.
Page 8, line 10, strike "this chapter, an assessment official" and insert "**county assessor under section 25 of this chapter. A county assessor**".
Page 8, line 11, after "not" insert "**review the assessments of real property or**".
Page 8, line 11, after "assess" insert "**real**".
Page 8, line 11, strike "or have property".
Page 8, line 12, strike "assessed for the assessment or general reassessment.".
Page 8, line 13, strike "assessment or reassessment" and insert "**review**".
Page 8, line 14, strike "or reassessment".
Page 8, line 14, strike "an assessment official in".
Page 8, line 15, after "county" insert "**assessor**".
Page 8, line 18, strike "(e)" and insert "**(d)**"
Page 8, line 18, strike "a county's assessment officials," and insert "**the county assessor,**".
Page 8, line 20, strike "assessment or reassessment" and insert "**review of real property assessments**".
Page 8, line 20, strike "the county's assessment".
Page 8, line 21, strike "officials,".
Page 8, line 21, after "body," insert "**the county assessor,**".
Page 8, line 26, strike "(f) Township and county officials" and insert "**(e) The county assessor**".
Page 8, line 37, strike "or reassessment".
Page 8, line 41, strike "or a general".
Page 8, line 42, strike "reassessment".
Page 9, line 1, strike "(g)" and insert "**(f)**".
Page 9, line 2, strike "an assessment or reassessment" and insert "**a review of real property assessments**".
Page 9, line 4, strike "conduct" and insert "**review**".
Page 9, line 5, strike "assessment or reassessment" and insert "**real property assessments**".
Page 9, line 6, strike "assessment or reassessment" and insert "**review**'.
Page 9, line 10, strike "(h)" and insert "**(g)**".
Page 9, line 11, strike "(g)," and insert "**(f),**".
Page 9, line 11, after "department" insert "**may revise any real property assessment in the county and**".
Page 9, line 13, strike "assessment or reassessment.".
Page 9, line 13, delete "of assessment or" and insert "of assessment: ~~of~~".
Page 9, strike line 14.
Page 9, line 19, strike "(i)" and insert "**(h)**".
Page 9, line 20, strike "(g)" and insert "**(f)**".
Page 9, line 21, strike "reassessment" and insert "**review of real property assessments**".
Page 9, line 22, strike "(j)." and insert "**(i).**".
Page 9, line 23, strike "(j)" and insert "**(i).**".
Page 9, line 24, strike "(g)," and insert "**(f),**".
Page 9, line 25, strike "property reassessment" and insert "**general**".
Page 10, line 20, strike "(k)" and insert "**(j)**".
Page 10, strike lines 27 through 42.
Page 11, strike lines 1 through 4.
Page 11, line 5, strike "(n)" and insert "**(k)**".
Page 11, line 12, strike "(j)" and insert "**(i)**".
Page 11, line 15, strike "(j)" and insert "**(i)**".
Page 11, line 21, strike "(o)" and insert "**(l)**".
Page 11, line 21, strike "(n)" and insert "**(k)**".
Page 11, line 25, strike "(n)(1)" and insert "**(k)(1)**".
Page 11, line 26, strike "(n)(2);" and insert "**(k)(2);**".
Page 11, line 28, strike "(n)(3);" and insert "**(k)(3);**".
Page 11, line 30 strike "(j)(2)(A)" and insert "**(i)(2)(A)**".
Page 11, line 31, strike "(n)." and insert "**(k).**".
Page 11, line 32, strike "(p)" and insert "**(m)**".
Page 11, line 33, strike "(o)," and insert "**(l),**".
Page 11, line 38, strike "(q)" and insert "**(n)**".
Page 11, line 41, strike "(n)" and insert "**(k)**".
Page 11, line 42, strike "(p)." and insert "**(m).**".
Page 12, line 3, strike "(r)" and insert "**(o)**".
Page 12, line 3, strike "(n) through (q)" and insert "**(k) through (n)**".
Page 12, line 5, strike "(s)" and insert "**(p)**".
Page 12, line 6, strike "(n) through (q)." and insert "**(k) through (n).**".
Page 12, line 7, strike "(n) through (q)" and insert "**(k) through (n)**".
Page 12, line 11, strike "(t)" and insert "**(q)**".
Page 12, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 24. IC 6-1.1-4-31.6, AS ADDED BY P.L.228-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 31.6. (a) Subject to the other requirements of this section, the department

of local government finance may:

(1) negotiate an addendum to a contract referred to in ~~section 31.5(g)~~ **section 31.5(f)** of this chapter that is treated as a contract of the department; or

(2) include provisions in a contract entered into by the department under ~~section 31.5(g)~~ **section 31.5(f)** of this chapter;

to require the contractor of the department to represent the department in appeals initiated under section 31.7 of this chapter and to afford to taxpayers an opportunity to attend an informal hearing.

(b) The purpose of the informal hearing referred to in subsection (a) is to:

(1) discuss the specifics of the taxpayer's assessment; ~~or reassessment;~~

~~(2) review the taxpayer's property record card;~~

~~(3)~~ **(2)** explain to the taxpayer how the assessment ~~or reassessment~~ was determined;

~~(4)~~ **(3)** provide to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment; ~~or reassessment;~~

~~(5)~~ **(4)** note and consider objections of the taxpayer;

~~(6)~~ **(5)** consider all errors alleged by the taxpayer; and

~~(7)~~ **(6)** otherwise educate the taxpayer about:

(A) the taxpayer's assessment; ~~or reassessment;~~

(B) the assessment ~~or reassessment~~ process; and

(C) the assessment ~~or reassessment~~ appeal process under section 31.7 of this chapter.

(c) Following an informal hearing referred to in subsection (b), the contractor shall:

(1) make a recommendation to the department of local government finance as to whether a change in the ~~reassessment~~ **assessment** is warranted; and

(2) if recommending a change under subdivision (1), provide to the department a statement of:

(A) how the changed assessment ~~or reassessment~~ was determined; and

(B) the amount of the changed assessment. ~~or reassessment.~~

(d) To preserve the right to appeal under section 31.7 of this chapter, a taxpayer must initiate the informal hearing process by notifying the department of local government finance or its designee of the taxpayer's intent to participate in an informal hearing referred to in subsection (b) not later than forty-five (45) days after the department of local government finance gives notice under ~~section 31.5(h)~~ **section 31.5(g)** of this chapter to taxpayers of the amount of the ~~reassessment.~~ **assessment.**

(e) The informal hearings referred to in subsection (b) must be conducted:

(1) in the county where the property is located; and

(2) in a manner determined by the department of local government finance.

(f) The department of local government finance shall:

(1) consider the recommendation of the contractor under subsection (c); and

(2) if the department accepts a recommendation that a change in the assessment ~~or reassessment~~ is warranted, accept or modify the recommended amount of the changed assessment. ~~or reassessment.~~

(g) The department of local government finance shall send a notice of the result of each informal hearing to:

(1) the taxpayer;

(2) the county auditor; **and**

(3) the county assessor. ~~and~~

~~(4) the township assessor of the township in which the property is located.~~

(h) A notice under subsection (g) must:

(1) state whether the assessment ~~or reassessment~~ was changed as a result of the informal hearing; and

(2) if the assessment ~~or reassessment~~ was changed as a result of the informal hearing:

(A) indicate the amount of the changed assessment; ~~or reassessment;~~ and

(B) provide information on the taxpayer's right to appeal under section 31.7 of this chapter.

(i) If the department of local government finance does not send a notice under subsection (g) not later than two hundred seventy (270) days after the date the department gives notice of the amount of the assessment ~~or reassessment~~ under ~~section 31.5(h)~~ **section 31.5(g)** of this chapter:

(1) the department may not change the amount of the assessment ~~or reassessment~~ under the informal hearing process described in this section; and

(2) the taxpayer may appeal the assessment ~~or reassessment~~ under section 31.7 of this chapter.

(j) The department of local government finance may adopt rules to establish procedures for informal hearings under this section.

(k) Payment for an addendum to a contract under subsection (a)(1) is made in the same manner as payment for the contract under ~~section 31.5(i)~~ **section 31.5(h)** of this chapter.

SECTION 25. IC 6-1.1-4-31.7, AS ADDED BY P.L.228-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 31.7. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).

(b) The notice of assessment ~~or reassessment~~ under ~~section 31.5(h)~~ **section 31.5(g)** of this chapter is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance do not apply to an appeal under this subsection. The Indiana board may establish applicable procedures and time limitations under subsection (l).

(c) In order to appeal under subsection (b), the taxpayer must:

(1) participate in the informal hearing process under section 31.6 of this chapter;

(2) except as provided in section 31.6(i) of this chapter, receive a notice under section 31.6(g) of this chapter; and

(3) file a petition for review with the appropriate county assessor not later than thirty (30) days after:

(A) the date of the notice to the taxpayer under section 31.6(g) of this chapter; or

(B) the date after which the department may not change the amount of the assessment or reassessment under the informal hearing process described in section 31.6 of this chapter.

(d) The Indiana board may develop a form for petitions under subsection (c) that outlines:

(1) the appeal process;

(2) the burden of proof; and

(3) evidence necessary to warrant a change to an assessment. ~~or reassessment.~~

(e) The Indiana board may contract with, appoint, or otherwise designate the following to serve as special masters to conduct evidentiary hearings and prepare reports required under subsection (g):

(1) Independent, licensed appraisers.

(2) Attorneys.

(3) Certified level two Indiana assessor-appraisers (including administrative law judges employed by the Indiana board).

(4) Other qualified individuals.

(f) Each contract entered into under subsection (e) must specify the appointee's compensation and entitlement to reimbursement for expenses. The compensation and reimbursement for expenses are paid from the county ~~property reassessment~~ **general** fund.

(g) With respect to each petition for review filed under subsection (c), the special masters shall:

(1) set a hearing date;

(2) give notice of the hearing at least thirty (30) days before the hearing date, by mail, to:

(A) the taxpayer;

(B) the department of local government finance;

~~(C) the township assessor;~~ and

~~(D)~~ **(C)** the county assessor;

(3) conduct a hearing and hear all evidence submitted under this section; and

(4) make evidentiary findings and file a report with the Indiana board.

(h) At the hearing under subsection (g):

(1) the taxpayer shall present:

(A) the taxpayer's evidence that the assessment ~~or reassessment~~ is incorrect;

(B) the method by which the taxpayer contends the assessment ~~or reassessment~~ should be correctly determined; and

(C) comparable sales, appraisals, or other pertinent information concerning valuation as required by the Indiana board; and

(2) the department of local government finance shall present its evidence that the assessment ~~or reassessment~~ is correct.

(i) The Indiana board may dismiss a petition for review filed under subsection (c) if the evidence and other information required under subsection (h)(1) is not provided at the hearing under subsection (g).

(j) The ~~township assessor and the~~ county assessor may attend and participate in the hearing under subsection (g).

(k) The Indiana board may:

(1) consider the report of the special masters under subsection (g)(4);

(2) make a final determination based on the findings of the special masters without:

(A) conducting a hearing; or

(B) any further proceedings; and

(3) incorporate the findings of the special masters into the board's findings in resolution of the appeal.

(l) The Indiana board may adopt rules under IC 4-22-2-37.1 to:

(1) establish procedures to expedite:

(A) the conduct of hearings under subsection (g); and

(B) the issuance of determinations of appeals under subsection (k); and

(2) establish deadlines:

(A) for conducting hearings under subsection (g); and

(B) for issuing determinations of appeals under subsection (k).

(m) A determination by the Indiana board of an appeal under subsection (k) is subject to appeal to the tax court under IC 6-1.1-15.".

Page 14, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 28. IC 6-1.1-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. Except as provided in section 9 of this chapter, the county auditor of each county shall annually prepare and deliver to the ~~township~~ **county** assessor a list of all real property entered in the ~~township~~ **county** as of the assessment date. The county auditor shall deliver the list within thirty (30) days after the assessment date. The county auditor shall prepare the list in the form prescribed or approved by the department of local government finance.

SECTION 29. IC 6-1.1-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. Except as provided in section 4(b) of this chapter, for all civil townships in which a consolidated city is situated, the ~~township~~ **county** assessor has the duties and authority described in sections 1 through 8 of this chapter. These duties and authority include effecting the transfer of title to real property and preparing, maintaining, approving, correcting, indexing, and publishing the list or record of, or description of title to, real property. If a court renders a judgment for the partition or transfer of real property located in one (1) of these townships, the clerk of the court shall deliver the transcript to the ~~township~~ **county** assessor.

SECTION 30. IC 6-1.1-5-9.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9.1. ~~(a) Except:~~

~~(1) as provided in subsection (b); and~~

~~(2) for civil townships described in section 9 of this chapter;~~

~~and notwithstanding the provisions of sections 1 through 8 of this chapter, for all other civil townships having a population of thirty-five thousand (35,000) or more, for a civil township that falls below a population of thirty-five thousand (35,000) at a federal decennial census that takes effect after December 31, 2001, and for all other civil townships in which a city of the second class is located, the township assessor shall make the real property lists and the plats described in sections 1 through 8 of this chapter.~~

~~(b) In a civil township that attains a population of thirty-five thousand (35,000) or more at a federal decennial census that takes effect after December 31, 2001, the county auditor shall make the real property lists and the plats described in sections 1 through 8 of this chapter unless the township assessor determines to assume the duty from the county auditor.~~

~~(c)~~ With respect to townships in which the ~~township~~ **county** assessor makes the real property lists and the plats described in sections 1 through 8 of this chapter, the county auditor shall, upon completing the tax duplicate, return the real property lists to the ~~township~~ **county** assessor for the continuation of the lists by the assessor. If land located in one (1) of these townships is platted, the plat shall be presented to the ~~township~~ **county** assessor instead of the county auditor, before it is recorded. The ~~township~~ **county** assessor shall then enter the lots or parcels described in the plat on the tax lists in lieu of the land included in the plat.

SECTION 31. IC 6-1.1-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. If a ~~township~~ **county** assessor believes that it is necessary to obtain an accurate description of a specific lot or tract which is situated in the ~~township he serves,~~ **county,** the assessor may demand in writing that the owner or occupant of the lot or tract deliver all the title papers in ~~his~~ **the** possession **of the owner or occupant** to the assessor for ~~his~~ examination. If the person fails to deliver the title papers to the **county** assessor at ~~his~~ **the assessor's** office within five (5) days after the demand is mailed, the assessor shall prepare the real property list according to the best information ~~he can obtain.~~ **available.** For that purpose, the **county** assessor may examine, under oath, any person whom ~~he~~ **the assessor** believes has any knowledge relevant to the issue.

SECTION 32. IC 6-1.1-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. (a) In order to determine the quantity of land contained within a tract, ~~an~~ **a county** assessor shall follow the rules contained in this section.

(b) Except as provided in subsection (c) of this section, the **county** assessor shall recognize the quantity of land stated in a deed or patent if the owner or person in whose name the property is listed holds the land by virtue of:

(1) a deed from another party or from this state; or

(2) a patent from the United States.

(c) If land described in subsection (b) of this section has been surveyed subsequent to the survey made by the United States and if the ~~township~~ **county** assessor is satisfied that the tract contains a different quantity of land than is stated in the patent or deed,

the assessor shall recognize the quantity of land stated in the subsequent survey.

(d) Except as provided in subsection (e) of this section, a ~~township~~ **county** assessor shall demand in writing that the owner of a tract, or person in whose name the land is listed, have the tract surveyed and that ~~he~~ **the person** return a sworn certificate from the surveyor stating the quantity of land contained in the tract if:

(1) the land was within the French or Clark's grant; and

(2) the party holds the land under original entry or survey.

If the party fails to return the certificate within thirty (30) days after the demand is mailed, the **county** assessor shall have a surveyor survey the land. The expenses of a survey made under this subsection shall be paid for from the county treasury. However, the county auditor shall charge the survey expenses against the land, and the expenses shall be collected with the taxes payable in the succeeding year.

(e) A ~~township~~ **county** assessor shall not demand a survey of land described in subsection (d) of this section if:

(1) the owner or holder of the land has previously had it surveyed and presents to the assessor a survey certificate which states the quantity of land; or

(2) the assessor is satisfied from other competent evidence, given under oath or affirmation, that the quantity of land stated in the original survey is correct.

SECTION 33. IC 6-1.1-5-14, AS AMENDED BY P.L.88-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 14. ~~Not later than May 15, each assessing official shall prepare and deliver to the county assessor a detailed list of the real property listed for taxation in the township.~~ On or before July 1 of each year, each county assessor shall, under oath, prepare and deliver to the county auditor a detailed list of the real property listed for taxation in the county. ~~In a county with an elected township assessor in every township the township assessor shall prepare the real property list.~~ The ~~assessing officials and the~~ county assessor shall prepare the list in the form prescribed by the department of local government finance. ~~The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.~~

SECTION 34. IC 6-1.1-5-15, AS AMENDED BY P.L.228-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 15. (a) Except as provided in subsection (b), before an owner of real property demolishes, structurally modifies, or improves it at a cost of more than five hundred dollars ($500) for materials or labor, or both, the owner or the owner's agent shall file with the area plan commission or the county assessor in the county where the property is located an assessment registration notice on a form prescribed by the department of local government finance.

(b) If the owner of the real property or the person performing the work for the owner is required to obtain a permit from an agency or official of the state or a political subdivision for the demolition, structural modification, or improvement, the owner or the person performing the work for the owner is not required to file an assessment registration notice.

(c) Each state or local government official or agency shall, before the tenth day of each month, deliver a copy of each permit described in subsection (b) to the assessor of the county in which the real property to be improved is situated. Each area plan commission shall, before the tenth day of each month, deliver a copy of each assessment registration notice described in subsection (a) to the assessor of the county where the property is located.

~~(d) Before the last day of each month, the county assessor shall distribute a copy of each assessment registration notice filed under subsection (a) or permit received under subsection (b) to the assessor of the township in which the real property to be demolished, modified, or improved is situated.~~

~~(e)~~ **(d)** A fee of five dollars ($5) shall be charged by the area plan commission or the county assessor for the filing of the assessment registration notice. All fees collected under this subsection shall be deposited in the county ~~property reassessment~~ **general** fund.

~~(f)~~ **(e)** A ~~township or~~ county assessor shall immediately notify the county treasurer if the assessor discovers property that has been improved or structurally modified at a cost of more than five hundred dollars ($500) and the owner of the property has failed to obtain the required building permit or to file an assessment registration notice.

~~(g)~~ **(f)** Any person who fails to:

(1) file the registration notice required by subsection (a); or

(2) obtain a building permit described in subsection (b);

before demolishing, structurally modifying, or improving real property is subject to a civil penalty of one hundred dollars ($100). The county treasurer shall include the penalty on the person's property tax statement and collect it in the same manner as delinquent personal property taxes under IC 6-1.1-23. However, if a person files a late registration notice, the person shall pay the fee, if any, and the penalty to the area plan commission or the county assessor at the time the person files the late registration notice.

SECTION 35. IC 6-1.1-5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 16. If an owner of existing contiguous parcels makes a written request that includes a legal description of the existing contiguous parcels sufficient for the ~~assessing official~~ **county assessor** to identify each parcel and the area of all contiguous parcels, the ~~assessing official~~ **county assessor** shall consolidate more than one (1) existing contiguous parcel into a single parcel to the extent that the existing contiguous parcels are in a single taxing district and the same section. For existing contiguous parcels in more than one (1) taxing district or one (1) section, the ~~assessing official~~ **county assessor** shall, upon written request by the owner, consolidate the existing contiguous parcels in each taxing district and each section into a single parcel. ~~An assessing official~~ **The county assessor** shall consolidate more than one (1) existing contiguous parcel into a single parcel if the ~~assessing official~~ **assessor** has knowledge that an improvement to the real property is located on or otherwise significantly affects the parcels.

SECTION 36. IC 6-1.1-5.5-3, AS AMENDED BY P.L.228-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) For purposes of this section, "party" includes:

(1) a seller of property that is exempt under the seller's ownership; or

(2) a purchaser of property that is exempt under the purchaser's ownership;

from property taxes under IC 6-1.1-10.

(b) Before filing a conveyance document with the county auditor under IC 6-1.1-5-4, all the parties to the conveyance must complete and sign a sales disclosure form as prescribed by the department of local government finance under section 5 of this chapter. All the parties may sign one (1) form, or if all the parties do not agree on the information to be included on the completed form, each party may sign and file a separate form.

(c) ~~Except as provided in subsection (d),~~ The auditor shall forward each sales disclosure form to the county assessor. The county assessor shall retain the forms for five (5) years. The county assessor shall forward the sales disclosure form data to the department of local government finance and the legislative services agency:

(1) before January 1, 2005, in an electronic format, if possible; and

(2) after December 31, 2004, in an electronic format specified jointly by the department of local government finance and the legislative services agency.

~~The county assessor shall forward a copy of the sales disclosure~~

~~forms to the township assessors in the county.~~ The forms may be used by the county ~~assessing officials,~~ **assessor,** the department of local government finance, and the legislative services agency for ~~the purposes established in IC 6-1.1-4-13.6,~~ sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized purpose.

~~(d) In a county containing a consolidated city, the auditor shall forward the sales disclosure form to the appropriate township assessor. The township assessor shall forward the sales disclosure form to the department of local government finance and the legislative services agency:~~

~~(1) before January 1, 2005, in an electronic format, if possible, and~~

~~(2) after December 31, 2004, in an electronic format specified jointly by the department of local government finance and the legislative services agency.~~

~~The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized purpose.~~

~~(c)~~ **(d)** If a sales disclosure form includes the telephone number or Social Security number of a party, the telephone number or Social Security number is confidential.

SECTION 37. IC 6-1.1-5.5-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4.5. (a) The fiscal body of each county shall establish a sales disclosure fund. The county auditor shall deposit into the fund the money received under section 4 of this chapter. Money in the sales disclosure fund may be expended only for:

(1) administration of this chapter;

(2) verification of the information contained on a sales disclosure form;

(3) training of assessing officials **and county assessors;** or

(4) purchasing computer software or hardware for a property record system.

(b) The county fiscal body shall appropriate the money in the sales disclosure fund for the purposes stated in subsection (a) based on requests by assessing officials in the county.

SECTION 38. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.228-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4.7. (a) The assessment training and administration fund is established for the purpose of receiving fees deposited under section 4 of this chapter. Money in the fund may be used by:

(1) the department of local government finance to cover expenses incurred in the development and administration of programs for the training of ~~assessment~~ **assessing** officials, **county assessors,** and employees of the department, including the examination and certification program required by IC 6-1.1-35.5; or

(2) the Indiana board to:

(A) conduct appeal activities; or

(B) pay for appeal services.

(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 39. IC 6-1.1-5.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) A party to a conveyance who:

(1) is required to file a sales disclosure form under this chapter; and

(2) fails to file a sales disclosure form at the time and in the manner required by this chapter;

is subject to a penalty in the amount determined under subsection (b).

(b) The amount of the penalty under subsection (a) is the greater of:

(1) one hundred dollars ($100); or

(2) twenty-five thousandths percent (0.025%) of the sale price of the real property transferred under the conveyance document.

(c) The ~~township assessor in a county containing a consolidated city, or the~~ county assessor ~~in any other county,~~ shall:

(1) determine the penalty imposed under this section;

(2) assess the penalty to the party to a conveyance; and

(3) notify the party to the conveyance that the penalty is payable not later than thirty (30) days after notice of the assessment.

(d) The county auditor shall:

(1) collect the penalty imposed under this section;

(2) deposit penalty collections as required under section 4 of this chapter; and

(3) notify the county prosecuting attorney of delinquent payments.

(e) The county prosecuting attorney shall initiate an action to recover a delinquent penalty under this section. In a successful action against a person for a delinquent penalty, the court shall award the county prosecuting attorney reasonable attorney's fees.

SECTION 40. IC 6-1.1-8-24, AS AMENDED BY P.L.88-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 24. (a) Each year a township assessor shall assess the **part of** fixed property **that consists of personal property,** which as of the assessment date of that year is:

(1) owned or used by a public utility company; and

(2) located in the township the township assessor serves.

(b) The township assessor shall determine the assessed value of **the part of** fixed property **that consists of personal property.** The township assessor shall certify the assessed values to the county assessor on or before April 1 of the year of assessment. However, in a county with an elected township assessor in every township the township assessor shall certify the list to the department of local government finance. The county assessor shall:

**(1)** review the assessed values; and ~~shall~~

**(2)** certify the assessed values to the department of local government finance on or before April 10 of the year of assessment.

SECTION 41. IC 6-1.1-8-24.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 24.5. A public utility company shall file a real property return with the county auditor as required by IC 6-1.1-4, except that the company shall file the return before March 15 of each year. The county assessor shall:**

**(1) review the real property returns; and**

**(2) certify the assessed values to the department of local government finance on or before April 10 of the year of assessment.**

SECTION 42. IC 6-1.1-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. If:

**(1)** a ~~township assessor,~~ county assessor or county property tax assessment board of appeals believes that any taxable tangible property; **or**

**(2) a township assessor believes that any personal property;**

has been omitted from or undervalued on the assessment rolls or the tax duplicate for any year or years, the official or board shall give written notice under IC 6-1.1-3-20 or IC 6-1.1-4-22 of the assessment or increase in assessment. The notice shall contain a general description of the property and a statement describing the taxpayer's right to a preliminary conference and to a review with

the county property tax assessment board of appeals under IC 6-1.1-15-1.

SECTION 43. IC 6-1.1-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) Subject to subsections (e) and (f), an owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually on or before May 15 on forms prescribed by the department of local government finance. Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

(1) A description of the property claimed to be exempt in sufficient detail to afford identification.

(2) A statement showing the ownership, possession, and use of the property.

(3) The grounds for claiming the exemption.

(4) The full name and address of the applicant.

(5) For the year that ends on the assessment date of the property, identification of:

(A) each part of the property used or occupied; and

(B) each part of the property not used or occupied;

for one (1) or more exempt purposes under IC 6-1.1-10 during the time the property is used or occupied.

(6) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real property under subsection (a) or section 5 of this chapter a copy of the ~~township~~ **county** assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation of the assessed value of the real property for the assessment date for which the exemption is claimed. ~~Upon receipt of the exemption application, the county assessor shall examine that record and determine if the real property for which the exemption is claimed is properly assessed. If the county assessor determines that the real property is not properly assessed, the county assessor shall direct the township assessor of the township in which the real property is located to:~~

~~(1) properly assess the real property; and~~

~~(2) notify the county assessor and county auditor of the proper assessment.~~

(f) If the county assessor determines that the applicant has not filed with an application for exemption a copy of the record referred to in subsection (e), the county assessor shall notify the applicant in writing of that requirement. The applicant then has thirty (30) days after the date of the notice to comply with that requirement. The county property tax assessment board of appeals shall deny an application described in this subsection if the applicant does not comply with that requirement within the time permitted under this subsection.

SECTION 44. IC 6-1.1-12-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 19. The deduction from assessed value provided by section 18 of this chapter is first available in the year in which the increase in assessed value resulting from the rehabilitation occurs and shall continue for the following four (4) years. In the sixth ~~(6th)~~ year, the county auditor shall add the amount of the deduction to the assessed value of the real property. ~~A general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction.~~

SECTION 45. IC 6-1.1-12-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 21. When real property is reassessed because it has been rehabilitated, the ~~assessing official~~ **county assessor** who, or the county property tax assessment board of appeals which, makes the reassessment shall give the owner notice of the property tax deductions provided by sections 18 and 22 of this chapter. The ~~official~~ **county assessor** or county property tax assessment board of appeals shall attach the notice to the reassessment notice required by IC 6-1.1-4-22.

SECTION 46. IC 6-1.1-12-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 23. The deduction from assessed value provided by section 22 of this chapter is first available after the first assessment date following the rehabilitation and shall continue for the taxes first due and payable in the following five (5) years. In the sixth ~~(6th)~~ year, the county auditor shall add the amount of the deduction to the assessed value of the property. ~~Any general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction.~~

SECTION 47. IC 6-1.1-12.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) Except as provided in section 2(i)(4) of this chapter, the amount of the deduction which the property owner is entitled to receive under section 3 of this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the rehabilitation or redevelopment; multiplied by

(2) the percentage prescribed in the table set forth in subsection (d).

(b) ~~The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:~~

~~(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.~~

~~(2)~~ If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction **determined under subsection (a)** shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a one (1) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |

(2) For deductions allowed over a two (2) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 50% |

(3) For deductions allowed over a three (3) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 66% |
| 3rd | 33% |

(4) For deductions allowed over a four (4) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 75% |
| 3rd | 50% |
| 4th | 25% |

(5) For deductions allowed over a five (5) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 80% |
| 3rd | 60% |
| 4th | 40% |
| 5th | 20% |

(6) For deductions allowed over a six (6) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 85% |
| 3rd | 66% |
| 4th | 50% |
| 5th | 34% |
| 6th | 17% |

(7) For deductions allowed over a seven (7) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 85% |
| 3rd | 71% |
| 4th | 57% |
| 5th | 43% |
| 6th | 29% |
| 7th | 14% |

(8) For deductions allowed over an eight (8) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 88% |
| 3rd | 75% |
| 4th | 63% |
| 5th | 50% |
| 6th | 38% |
| 7th | 25% |
| 8th | 13% |

(9) For deductions allowed over a nine (9) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 88% |
| 3rd | 77% |
| 4th | 66% |
| 5th | 55% |
| 6th | 44% |
| 7th | 33% |
| 8th | 22% |
| 9th | 11% |

(10) For deductions allowed over a ten (10) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 95% |
| 3rd | 80% |
| 4th | 65% |
| 5th | 50% |
| 6th | 40% |
| 7th | 30% |
| 8th | 20% |
| 9th | 10% |
| 10th | 5% |

SECTION 48. IC 6-1.1-12.4-2, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to a development, redevelopment, or rehabilitation that is first assessed after March 1, 2005, and before March 2, 2009. Except as provided in subsection ~~(h)~~ **(g)** and sections 4, 5, and 8 of this chapter, an owner of real property that:

(1) develops, redevelops, or rehabilitates the real property; and

(2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

(c) The deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

(1) two million dollars ($2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by

(B) the percentage from the following table:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 75% |
| 2nd | 50% |
| 3rd | 25% |

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor shall:

(1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and

(2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

~~(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:~~

~~(1) a general reassessment of real property under IC 6-1.1-4-4; or~~

~~(2) an annual adjustment under IC 6-1.1-4-4.5.~~

~~(g)~~ **(f)** If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

~~(h)~~ **(g)** The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

SECTION 49. IC 6-1.1-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. Each county assessor shall transmit to the department of local government finance **before the time prescribed by the department:**

**(1)** each business personal property return ~~which~~ **that** the township assessor is required to deliver to the county assessor under IC 6-1.1-3-18(b);

**(2) each real property return that is filed with the**

**county assessor under IC 6-1.1-4-3.1;** and

**(3)** any supporting data supplied by the taxpayer with ~~the~~ **a** return ~~The return and supporting data shall be transmitted to the department of local government finance on or before the time prescribed by the department.~~ **referred to in subdivision (1) or (2).**

SECTION 50. IC 6-1.1-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. Each year the department of local government finance:

**(1)** shall review the business personal property tax returns of taxpayers who report a total assessed value of fifteen thousand dollars ($15,000) or more; **and**

**(2) may review any real property return transmitted to the department under section 2 of this chapter.**

The department of local government finance shall determine the returns in which the assessment appears to be improper.

SECTION 51. IC 6-1.1-15-1, AS AMENDED BY P.L.199-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

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

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

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must request in writing a preliminary conference with the county or township official referred to in subsection (a):

(1) not later than forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or

(2) on or before May 10 of that year;

whichever is later. The preliminary conference required under this subsection is a prerequisite to a review by the county property tax assessment board of appeals under subsection (i).

(c) A change in an assessment made as a result of an appeal filed:

(1) in the same year that notice of a change in the assessment is given to the taxpayer; and

(2) after the time prescribed in subsection (b);

becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real property assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(e) The written request for a preliminary conference that is required under subsection (b) 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.

(f) The county or township official referred to in subsection (a) shall, not later than thirty (30) days after the receipt of a written request for a preliminary conference, attempt to hold a preliminary conference with the taxpayer to resolve as many issues as possible by:

(1) discussing the specifics of the taxpayer's ~~reassessment;~~ **assessment;**

~~(2) reviewing the taxpayer's property record card;~~

~~(3)~~ **(2)** explaining to the taxpayer how the ~~reassessment~~ **assessment** was determined;

~~(4)~~ **(3)** providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the ~~reassessment;~~ **assessment;**

~~(5)~~ **(4)** noting and considering objections of the taxpayer;

~~(6)~~ **(5)** considering all errors alleged by the taxpayer; and

~~(7)~~ **(6)** otherwise educating the taxpayer about:

(A) the taxpayer's ~~reassessment;~~ **assessment;**

(B) the ~~reassessment~~ **assessment** process; and

(C) the ~~reassessment~~ **assessment** appeal process.

Not later than ten (10) days after the conference, the county or township official referred to in subsection (a) shall forward to the county auditor and the county property tax assessment board of appeals 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 official and the taxpayer shall each retain a copy of the form for their records.

(g) The form submitted to the county property tax assessment board of appeals under subsection (f) must specify the following:

~~(1) The physical characteristics of the property in issue that bear on the assessment determination.~~

~~(2)~~ **(1)** All ~~other~~ facts relevant to the assessment determination.

~~(3)~~ **(2)** A list of the reasons the taxpayer believes that the assessment determination by the county or township official referred to in subsection (a) is incorrect.

~~(4)~~ **(3)** An indication of the agreement or disagreement by the official with each item listed under subdivision ~~(3).~~ **(2).**

~~(5)~~ **(4)** The reasons the official believes that the assessment determination is correct.

(h) If after the conference there are no items listed on the form submitted to the county property tax assessment board of appeals under subsection (f) on which there is disagreement:

(1) the county or township official referred to in subsection (a) shall give notice to the taxpayer, the county property tax assessment board of appeals, and the county assessor of the assessment in the amount agreed to by the taxpayer and the official; and

(2) the county property tax assessment board of appeals may reserve the right to change the assessment under IC 6-1.1-13.

(i) If after the conference there are items listed in the form submitted under subsection (f) on which there is disagreement, the county property tax assessment board of appeals shall hold a hearing. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the board of appeals. Except as provided in ~~subsections~~ **subsection** (k), ~~and (l),~~ the hearing must be held not later than ninety (90) days after the official's receipt of the taxpayer's written request for a preliminary conference under subsection (b). The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The county or township official referred to in subsection (a) must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the taxpayer's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item not later than sixty (60) days after the hearing, except as provided in ~~subsections~~ **subsection** (k). ~~and (l).~~

(j) If the township assessor does not attempt to hold a preliminary conference, the taxpayer may file a request in writing with the county assessor for a hearing before the property tax assessment board of appeals. If the board determines that the county or township official referred to in subsection (a) did not attempt to hold a preliminary conference, the board shall hold a hearing. The taxpayer and the county or township official whose original determination is under review are parties to the proceeding before the board of appeals. The hearing must be

held not later than ninety (90) days after the receipt by the board of appeals of the taxpayer's hearing request under this subsection. The requirements of subsection (i) with respect to:

(1) participation in the hearing by the taxpayer and the township assessor or county assessor; and

(2) the procedures to be followed by the county board;

apply to a hearing held under this subsection.

(k) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

(1) hold its hearing not later than one hundred eighty (180) days instead of ninety (90) days after the filing of the petition; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item not later than one hundred twenty (120) days after the hearing.

~~(l) This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:~~

~~(1) hold its hearing not later than one hundred eighty (180) days instead of ninety (90) days after the filing of the petition; and~~

~~(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item not later than one hundred twenty (120) days after the hearing.~~

~~(m)~~ **(l)** The county property tax assessment board of appeals:

(1) may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (i) or (j); and

(2) may amend the form submitted under subsection (f) if the board determines that the amendment is warranted.

~~(n)~~ **(m)** Upon receiving a request for a preliminary conference under subsection (b), the county or township official referred to in subsection (a) shall notify the county auditor in writing that the assessment is under appeal. With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the appellant's name and address, the assessed value of the appealed items for the assessment date immediately preceding the assessment date for which the appeal was filed, and the assessed value of the appealed items on the most recent assessment date. If the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

**(n) The county assessor is recused from any action the county property tax assessment board of appeals takes with respect to an appeal under this section of a determination by the county assessor.**

**(o) A member of a county property tax assessment board of appeals is recused from any action the board takes with respect to an appeal under this section of a determination by the member.**

SECTION 52. IC 6-1.1-15-4, AS AMENDED BY P.L.199-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and

(2) correct any errors that may have been made, and adjust the assessment in accordance with the correction.

(b) If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board is not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the following:

(1) The action of the county property tax assessment board of appeals with respect to the appealed items.

(2) A statement that a taxing unit receiving the notice from the county auditor under subsection (c) may:

(A) attend the hearing; and

(B) offer testimony.

A taxing unit that receives a notice from the county auditor under subsection (c) is not a party to the appeal. The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the ~~property reassessment~~ **county general** fund. ~~under IC 6-1.1-4-27.5.~~ The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit.

(c) If, after receiving notice of a hearing under subsection (b), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

(d) If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

(e) The Indiana board shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form must require the Indiana board to indicate agreement or disagreement with each item that is:

(1) if the county or township official held a preliminary conference under section 1(f) of this chapter, indicated on the petition submitted under that section by the taxpayer and the official; and

(2) included in the county property tax assessment board of appeals' findings, record, and determination under section 2.1(d) of this chapter.

The form must also require the Indiana board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

(f) After the hearing the Indiana board shall give the petitioner, the township assessor, the county assessor, the county auditor, and the affected taxing units required to be notified under subsection (c):

(1) notice, by mail, of its final determination;

(2) a copy of the form completed under subsection (e); and

(3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(g) ~~Except as provided in subsection (h),~~ The Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

~~(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.~~

~~(i) Except as provided in subsection (j),~~ **(h) Subject to subsection (i),** the Indiana board shall make a determination not later than the later of:

(1) ninety (90) days after the hearing; or

(2) the date set in an extension order issued by the Indiana board.

~~(j) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of:~~

~~(1) one hundred eighty (180) days after the hearing; or~~

~~(2) the date set in an extension order issued by the Indiana board.~~

~~(k) Except as provided in subsection (p),~~ **(i)** The Indiana board may not extend the final determination date under subsection ~~(i) or (j)~~ **(h)** by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this subsection, the entity that initiated the petition may:

(1) take no action and wait for the Indiana board to make a final determination; or

(2) petition for judicial review under section 5(g) of this chapter.

~~(l)~~ **(j)** A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

~~(m)~~ **(k)** The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

~~(n)~~ **(l)** The Indiana board:

(1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

~~(o)~~ **(m)** A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection ~~(n)~~ **(l)** if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection ~~(n).~~ **(l).**

~~(p)~~ **(n)** The county assessor may:

(1) appear as an additional party if the notice of appearance is filed before the review proceeding; or

(2) with the approval of the township assessor, represent the township assessor;

in a review proceeding under this section.

~~(q)~~ **(o)** The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

(1) order that a final determination under this subsection has no precedential value; or

(2) specify a limited precedential value of a final determination under this subsection.

SECTION 53. IC 6-1.1-15-5, AS AMENDED BY P.L.199-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) Not later than fifteen (15) days after the Indiana board gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the Indiana board under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the Indiana board. The Indiana board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing not later than fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:

(1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and

(2) shall issue a final determination not later than ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

If the Indiana board fails to make a final determination within the time allowed under subdivision (2), the entity that initiated the petition for rehearing may take no action and wait for the Indiana board to make a final determination or petition for judicial review under subsection (g).

(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court under IC 4-21.5-5. Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of

appeals in filing the amicus curiae brief shall be paid from the ~~property reassessment~~ **county general** fund. ~~under IC 6-1.1-4-27.5.~~ In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. The department of local government finance may intervene in an action taken under this subsection if the interpretation of a rule of the department is at issue in the action. A township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section is a party to the review under this section to defend the determination.

(c) Except as provided in subsection (g), to initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) not later than:

(1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or

(2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section 4(h) ~~or 4(i)~~ of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor, the elected township assessor, or an affected taxing unit. If an appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.

(f) If the county executive determines upon a request under this subsection to not appeal to the tax court:

(1) the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget; and

(2) the petitioner may not be represented by the attorney general in an action described in subdivision (1).

(g) If the maximum time elapses for the Indiana board to give notice of its final determination under subsection (a) or section 4 of this chapter, a person may initiate a proceeding for judicial review by taking the action required by subsection (b) at any time after the maximum time elapses. If:

(1) a judicial proceeding is initiated under this subsection; and

(2) the Indiana board has not issued a determination;

the tax court shall determine the matter de novo.

SECTION 54. IC 6-1.1-15-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

(1) The description of the real property was in error.

(2) The assessment was against the wrong person.

(3) Taxes on the same property were charged more than one (1) time in the same year.

(4) There was a mathematical error in computing the taxes or penalties on the taxes.

(5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.

(6) The taxes, as a matter of law, were illegal.

(7) There was a mathematical error in computing an assessment.

(8) Through an error of omission by any state or county officer the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the ~~state board of tax commissioners (before the board was abolished) or the~~ department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the ~~state board of tax commissioners (before the board was abolished) or the~~ department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by ~~at least two (2) of the following officials:~~

~~(1) The township assessor.~~

~~(2)~~ the county auditor

~~(3)~~ **and** the county assessor.

If **the** two (2) ~~of these~~ officials do not approve such a correction, the county auditor shall refer the matter to the county property tax assessment board of appeals for determination. The county property tax assessment board of appeals shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county property tax assessment board of appeals to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor.

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

~~(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28.~~

~~(i) A taxpayer that files a statement under IC 6-1.1-8-23 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead file an amended statement not more than six (6) months after the due date of the statement.~~

SECTION 55. IC 6-1.1-16-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 1.5. (a) Except as provided in section 2 of this chapter, a county assessor, county property tax assessment board of appeals, or member of a county property tax assessment board of appeals may not change the assessed value claimed by a taxpayer on a real property return unless the person or board takes the action and gives the notice required by IC 6-1.1-4-3.6 within the following periods:**

**(1) A county assessor, county property tax assessment board of appeals, or member of a county property tax**

**assessment board of appeals must make a change in the assessed value, including the final determination by the board of an assessment changed by the county assessor, and give the notice of the change on or before the later of:**

**(A) October 30 of the year for which the assessment is made; or**

**(B) five (5) months after the date the real property return is filed if the return is filed after May 15 of the year for which the assessment is made.**

**(2) The department of local government finance must make a preliminary change in the assessed value and give the notice of the change on or before the later of:**

**(A) October 1 of the year immediately following the year for which the assessment is made; or**

**(B) sixteen (16) months after the date the real property return is filed if the return is filed after May 15 of the year for which the assessment is made.**

**(b) Except as provided in section 2 of this chapter, if a county assessor, county property tax assessment board of appeals, or member of a county property tax assessment board of appeals fails to change an assessment and give notice of the change within the time prescribed by this section, the assessed value claimed by the taxpayer on the real property return is final.**

**(c) This section does not limit the authority of a county auditor to correct errors in a tax duplicate under IC 6-1.1-15-12.**

**(d) This section does not apply if the taxpayer:**

**(1) fails to file a real property return that substantially complies with this article and the rules of the department of local government finance; or**

**(2) files a fraudulent real property return with the intent to evade the payment of property taxes.**

**(e) A taxpayer may appeal a preliminary determination of the department of local government finance under subsection (a)(2) to the Indiana board. An appeal under this subdivision shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. A preliminary determination that is not appealed under this subsection is a final unappealable order of the department of local government finance.**

SECTION 56. IC 6-1.1-16-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) If a county property tax assessment board of appeals fails to change an assessed value claimed by a taxpayer on a personal property return and give notice of the change within the time prescribed in section 1(a)(2) of this chapter, the township assessor or the county assessor may file a petition for review of the assessment by the Indiana board.

**(b) If a county property tax assessment board of appeals fails to change an assessed value claimed by a taxpayer on a real property return and give notice of the change within the time prescribed in section 1.5(a)(1) of this chapter, the county assessor may file a petition for review of the assessment by the Indiana board.**

**(c)** The:

**(1)** township assessor or the county assessor **under subsection (a); or**

**(2) county assessor under subsection (b);**

must file the petition for review in the manner provided in IC 6-1.1-15-3(c). The ~~time~~ period for filing the petition begins to run on the last day that the county board is permitted to act on the assessment under section 1(a)(2) **or 1.5(a)(1)** of this chapter as though the board acted and gave notice of its action on that day.

~~(b)~~ **(d)** Notwithstanding section 1(a)(3) **or 1.5(a)(2)** of this chapter, the department of local government finance shall reassess tangible property when an appealed assessment of the property is remanded to the board under IC 6-1.1-15-8.

SECTION 57. IC 6-1.1-16-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) If a county property tax assessment board of appeals is unable to take action on an assessment within the ~~time~~ period prescribed in section 1(a)(2) **or 1.5(a)(1)** of this chapter because the board is no longer in session, the board shall file with the department of local government finance a written petition requesting permission to conduct a special session for the purpose of reviewing the assessment within the required ~~time~~ period. If the department of local government finance approves the petition, ~~it~~ **the department** shall specify:

(1) the number of session days granted to the county property tax assessment board of appeals; and

(2) the termination date of the special session.

(b) The county auditor shall pay the expenses and per diem allowances resulting from the special session. The county auditor shall draw warrants for these items on county funds not otherwise appropriated, without further appropriations being required for the disbursements.

SECTION 58. IC 6-1.1-17-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and the department of local government finance. The statement shall contain:

(1) information concerning the assessed valuation in the political subdivision for the next calendar year;

(2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;

(3) the current assessed valuation as shown on the abstract of charges;

(4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years, ~~excluding years in which a general reassessment occurs,~~ determined according to procedures established by the department of local government finance; and

(5) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.".

Page 17, strike lines 14 through 19.

Page 19, between lines 7 and 8, begin a new paragraph and insert: "SECTION 64. IC 6-1.1-18.5-9.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9.8. ~~(a)~~ For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

(1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars ($100) of assessed valuation that the civil taxing unit may impose for the particular calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town); or

(2) the excess, if any, of:

(A) the property taxes imposed by the city, town, or county under the authority of:

IC 3-11-6-9;
IC 8-16-3;
IC 8-16-3.1;
IC 8-22-3-25;
IC 14-27-6-48;
IC 14-33-9-3;
IC 16-22-8-41;
IC 16-22-5-2 through IC 16-22-5-15;
IC 16-23-1-40;
IC 36-8-14;
IC 36-9-4-48;
IC 36-9-14;
IC 36-9-14.5;
IC 36-9-15;
IC 36-9-15.5;
IC 36-9-16;
IC 36-9-16.5;
IC 36-9-17;
IC 36-9-26;
IC 36-9-27-100;
IC 36-10-3-21; or
IC 36-10-4-36;

that are first due and payable during the ensuing calendar year; over

(B) the property taxes imposed by the city, town, or county under the authority of the citations listed in clause (A) that were first due and payable during calendar year 1984.

~~(b) The maximum property tax rate levied under the statutes listed in subsection (a) must be adjusted each time a general reassessment of property takes effect.~~

~~(c) The new maximum rate under a statute listed in subsection (a) is the tax rate determined under STEP SEVEN of the following formula:~~

~~STEP ONE: Determine the maximum rate for the political subdivision levying a property tax under the statute for the year preceding the year in which the general reassessment takes effect.~~

~~STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective.~~

~~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 does not first become effective.~~

~~STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value 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 result of the STEP TWO percentage minus the STEP FIVE percentage.~~

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

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

SECTION 65. IC 6-1.1-18.5-13, AS AMENDED BY P.L.73-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

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

(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and three-hundredths (1.03):

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

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

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

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

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

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

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter

based on the assessed value growth quotient determined under section 2 of this chapter.

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

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

(B) twenty percent (20%) of:

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

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

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

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

(6) Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

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

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars ($100) of assessed valuation before the increase.

(7) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

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

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

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

(8) Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

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

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

(9) Permission for a county:

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

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

(i) was issued by a federal district court; and

(ii) has not been terminated;

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

(i) American Correctional Association Jail Construction Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

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

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

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

(11) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

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

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

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

Page 31, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 71. IC 6-1.1-21-4, AS AMENDED BY P.L.228-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (½) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (½) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section

from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (g) and subject to subsection (h), the department shall not distribute under subsection (b) and section 10 of this chapter a percentage, determined by the department, of the money that would otherwise be distributed to the county under subsection (b) and section 10 of this chapter if:

(1) by the date the distribution is scheduled to be made, the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance;

(2) by the deadline under IC 36-2-9-20, the county auditor has not transmitted data as required under that section;

(3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a);

(4) the county assessor has not forwarded to the department of local government finance in a timely manner sales disclosure forms under IC 6-1.1-5.5-3(b);

(5) local assessing officials have not provided information to the department of local government finance in a timely manner under IC 4-10-13-5(b);

(6) the county auditor has not paid a bill for services under IC 6-1.1-4-31.5 to the department of local government finance in a timely manner;

(7) the ~~elected township assessors in the county, the elected township assessors and the county assessor, or the~~ county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b);

(8) the county has not established a parcel index numbering system under 50 IAC 12-15-1 in a timely manner; or

(9) a township or county official has not provided other information to the department of local government finance in a timely manner as required by the department.

(f) Except as provided in subsection (i), money not distributed for the reasons stated in subsection (e) shall be distributed to the county when the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

has been corrected.

(g) The restrictions on distributions under subsection (e) do not apply if the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

(h) The department shall give the county auditor at least thirty (30) days notice in writing before withholding a distribution under subsection (e).

(i) Money not distributed for the reason stated in subsection (e)(6) may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not subject to distribution under subsection (f).

SECTION 72. IC 6-1.1-21.2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. (a) Not later than September 1 of ~~a~~ **each** year, ~~in which a general reassessment does not become effective,~~ the governing body shall estimate the tax increment replacement amount for each allocation area under the jurisdiction of the governing body for the next calendar year. ~~In a year in which a general reassessment becomes effective, the department of local government finance may extend the deadline under this subsection by giving written notice to the governing body before the deadline.~~

(b) The tax increment replacement amount is the amount determined in STEP THREE of the following formula:

STEP ONE: The governing body shall estimate the amount of tax increment revenues it would receive in the next calendar year if the property tax replacement credits payable with respect to the general fund levies imposed by all school corporations with jurisdiction in the allocation area were determined under IC 6-1.1-21 as in effect on January 1, 2001.

STEP TWO: The governing body shall estimate the amount of tax increment revenues it will receive in the next calendar year after implementation of the increase in the property tax credits payable under IC 6-1.1-21, as amended by the general assembly in 2002, with respect to general fund levies imposed by all school corporations with jurisdiction in the allocation area.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

SECTION 73. IC 6-1.1-21.2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 14. (a) The department of local government finance shall approve an appeal filed under section 13 of this chapter if the department determines that:

(1) the governing body's estimate of the tax replacement amount under section 11 of this chapter is reasonable;

(2) a tax levy in excess of the amount determined under section 12(d) of this chapter would:

(A) create a significant financial hardship on taxpayers residing in the district in which the governing body exercises jurisdiction;

(B) significantly reduce the benefits from the increase in the property tax credits payable under IC 6-1.1-21, as amended by the general assembly in 2002, with respect to general fund levies imposed by all school corporations with jurisdiction in the district; or

(C) have a disproportionate impact on small businesses or low income families or individuals; and

(3) the governing body has made reasonable efforts to limit its use of the special fund for the allocation area to appropriations for payments of:

(A) the principal and interest on loans or bonds;

(B) lease rentals on leases;

(C) amounts due on other contractual obligations; and

(D) additional credits described in IC 8-22-3.5-10(a), IC 36-7-14-39.5(c), IC 36-7-14.5-12.5(d)(5), IC 36-7-15.1-26.5(e), IC 36-7-15.1-35(d), or IC 36-7-30-25(b)(2)(E).

(b) ~~In a year in which a general reassessment does not become effective,~~ The department of local government finance shall make a final determination on an appeal filed under this section by December 1 of the year. ~~In a year in which a general reassessment becomes effective, the department may extend the deadline under this subsection by giving written notice to the appellant before the deadline.~~

(c) If the department approves an appeal filed under this section, it shall order a distribution from the property tax replacement fund in the amount determined under section 13(b) of this chapter in the same manner as distributions are made under IC 6-1.1-21-4.

(d) If the department denies an appeal filed under section 13 of this chapter, or does not grant the maximum permissible distribution under section 13(b) of this chapter, the legislative body of the unit that established the district may increase the levy imposed under this chapter to an amount that, when combined with any distribution received under this chapter, does not exceed

the tax increment replacement amount.

SECTION 74. IC 6-1.1-21.7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. The lost revenue for a fund is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the property tax levy approved by the department of local government finance for the base year, as adjusted by the following:

(A) If the taxpayer made payments in lieu of taxes in the base year that were not included in the property tax levy for the base year, add the amount of the payments in lieu of taxes made by the taxpayer in the base year to the amount of the tax levy.

(B) If part of the taxpayer's property that was used in the base year to compute the taxpayer's payments to the taxing unit is not in the taxing unit or would not otherwise be the basis for taxpayer payments to the taxing unit in the current year, reduce the amount determined in this STEP to reflect the removal of the property.

(C) If the taxpayer's property used to compute the property taxes or payments in lieu of property taxes paid in the base year is depreciable property that would have had a lower assessed value in the current year, reduce the amount determined in this STEP to reflect the lower amount of property taxes or payments in lieu of property taxes that the taxpayer would have paid in the current year for the same property.

STEP TWO: Determine the current levy using the tax rate used for the base year as follows:

(A) Determine the assessed value of all taxable property on which property taxes will be collected:

(i) in the current year; and

(ii) for the smaller of the geographic area in which the taxing unit imposed property taxes for collection in the base year or the geographic area in which the taxing unit imposes property taxes in the current year.

~~If a general reassessment has become effective in a year after the base year, adjust the assessed value determined in this clause to neutralize the effects of reassessment.~~

(B) Multiply the assessed value determined for the current year under clause (A) by the tax rate for the fund in the base year.

(C) Divide the result under clause (B) by one hundred (100).

(D) Subtract the amount of any:

(i) property tax payment; or

(ii) payment in lieu of property taxes;

made by the taxpayer to the fund for the current year that is not included in the amount determined under clause (C).

STEP THREE: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP ONE amount minus the STEP TWO amount.

SECTION 75. IC 6-1.1-28-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. ~~(a)~~ The county property tax assessment board shall remain in session until the board's duties are complete.

~~(b) All expenses and per diem compensation resulting from a session of a county property tax assessment board that is called by the department of local government finance under subsection (c) shall be paid by the county auditor, who shall, without an appropriation being required, draw warrants on county funds not otherwise appropriated.~~

~~(c) The department of local government finance may also call a session of the county property tax assessment board after completion of a general reassessment of real property. The department of local government finance shall fix the time for and duration of the session.~~

SECTION 76. IC 6-1.1-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. ~~(a) With respect to the assessment of real property, the rules of the department of local government finance shall provide for:~~

~~(1) the classification of land on the basis of:~~

~~(i) acreage;~~

~~(ii) lots;~~

~~(iii) size;~~

~~(iv) location;~~

~~(v) use;~~

~~(vi) productivity or earning capacity;~~

~~(vii) applicable zoning provisions;~~

~~(viii) accessibility to highways, sewers, and other public services or facilities; and~~

~~(ix) any other factor that the department determines by rule is just and proper; and~~

~~(2) the classification of improvements on the basis of:~~

~~(i) size;~~

~~(ii) location;~~

~~(iii) use;~~

~~(iv) type and character of construction;~~

~~(v) age;~~

~~(vi) condition;~~

~~(vii) cost of reproduction; and~~

~~(viii) any other factor that the department determines by rule is just and proper.~~

~~(b)~~ **(a)** With respect to the assessment of real property, the rules of the department of local government finance shall include instructions for determining

~~(1) the proper classification of real property;~~

~~(2) the size of real property;~~

~~(3) the effects that location and use have on the value of real property;~~

~~(4) the depreciation, including physical deterioration and obsolescence, of real property;~~

~~(5) the cost of reproducing improvements;~~

~~(6) the productivity or earning capacity of:~~

~~(A) agricultural land; and~~

~~(B) real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;~~

~~(7) sales data for generally comparable properties; and~~

~~(8) the true tax value of real property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.~~ **the fair market value of the real property.**

~~(c)~~ **(b)** With respect to the assessment of real property, true tax value ~~does not mean~~ **means** fair market value. ~~Subject to this article, true tax value is the value determined under the rules of the department of local government finance.~~

SECTION 77. IC 6-1.1-31-7, AS AMENDED BY P.L.214-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the department of local government finance shall provide for the classification of personal property on the basis of:

(1) date of purchase;

(2) location;

(3) use;

(4) depreciation, obsolescence, and condition; and

(5) any other factor that the department determines by rule is just and proper.

(b) With respect to the assessment of personal property, the rules of the department of local government finance shall include instructions for determining:

(1) the proper classification of personal property;

(2) the effect that location has on the value of personal property;

(3) the cost of reproducing personal property;
(4) the depreciation, including physical deterioration and obsolescence, of personal property;
(5) the productivity or earning capacity of mobile homes regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;
(6) the true tax value of mobile homes assessed under IC 6-1.1-7 ~~(other than mobile homes subject to the preferred valuation method under IC 6-1.1-4-39(b))~~ as the least of the values determined using the following:
(A) The National Automobile Dealers Association Guide.
(B) The purchase price of a mobile home if:
(i) the sale is of a commercial enterprise nature; and
(ii) the buyer and seller are not related by blood or marriage.
(C) Sales data for generally comparable mobile homes;
(7) the true tax value at the time of acquisition of computer application software, for the purpose of deducting the value of computer application software from the acquisition cost of tangible personal property whenever the value of the tangible personal property that is recorded on the taxpayer's books and records reflects the value of the computer application software; and
(8) the true tax value of personal property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the department of local government finance shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(d) With respect to the assessment of personal property, true tax value does not mean fair market value. Subject to this article, true tax value is the value determined under rules of the department of local government finance.

SECTION 78. IC 6-1.1-31-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. The ~~state board of tax commissioners~~ **department of local government finance** shall adopt rules under IC 4-22-2 to govern the reduction and increase of assessed valuations by the county assessor under IC 6-1.1-13 to attain a just and equal basis of assessment among the taxpayers in the county. The rules must specify the procedures and standards to be used by the county assessor.

SECTION 79. IC 6-1.1-31.5-3.5, AS AMENDED BY P.L.228-2005, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3.5. (a) Until the system described in subsection (e) is implemented, each county shall maintain a state certified computer system that has the capacity to:
(1) process and maintain assessment records;
(2) process and maintain standardized property tax forms;
(3) process and maintain standardized property assessment notices; **and**
(4) maintain complete and accurate assessment records for the county. ~~and~~
~~(5) process and compute complete and accurate assessments in accordance with Indiana law.~~

The county assessor ~~with the recommendation of the township assessors~~ shall select the computer system used by township assessors and the county assessor. ~~in the county except in a county with an elected township assessor in every township. In a county with an elected township assessor in every township, the elected township assessors shall select a computer system based on a majority vote of the township assessors in the county.~~

(b) All information on a computer system referred to in subsection (a) shall be readily accessible to:
(1) township assessors;
(2) the county assessor;
(3) the department of local government finance; and
(4) members of the county property tax assessment board of appeals.

(c) The certified system referred to in subsection (a) used by the counties must be:
(1) compatible with the data export and transmission requirements in a standard format prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency; and
(2) maintained in a manner that ensures prompt and accurate transfer of data to the department of local government finance and the legislative services agency.

(d) All standardized property forms and notices on the certified computer system referred to in subsection (a) shall be maintained by the township assessor and the county assessor in an accessible location and in a format that is easily understandable for use by persons of the county.

(e) The department shall adopt rules before July 1, 2006, for the establishment of:
(1) a uniform and common property tax management system among all counties that
~~(A) includes a combined mass appraisal and county auditor system integrated with a county treasurer system; and~~
~~(B)~~ replaces the computer system referred to in subsection (a); and
(2) a schedule for implementation of the system referred to in subdivision (1) structured to result in the implementation of the system in all counties with respect to an assessment date:
(A) determined by the department; and
(B) specified in the rule.

(f) The department shall appoint an advisory committee to assist the department in the formulation of the rules referred to in subsection (e). The department shall determine the number of members of the committee. The committee:
(1) must include at least:
(A) one (1) township assessor;
(B) one (1) county assessor;
(C) one (1) county auditor; and
(D) one (1) county treasurer; and
(2) shall meet at times and locations determined by the department.

(g) Each member of the committee appointed under subsection (f) who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the committee appointed under subsection (f) who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(i) The department shall report to the budget committee in writing the department's estimate of the cost of implementation of the system referred to in subsection (e).

SECTION 80. IC 6-1.1-33.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. The division of data analysis shall do the following:
(1) Compile an electronic data base that includes the following:
(A) The local government data base.
(B) Information on sales of real and personal property,

including nonconfidential information from sales disclosure forms filed under IC 6-1.1-5.5.

(C) Personal property assessed values and data entries on personal property return forms.

(D) Real property assessed values and data entries on real property ~~assessment records.~~ **return forms.**

(E) Information on property tax exemptions, deductions, and credits.

(F) Any other data relevant to the accurate determination of real property and personal property tax assessments.

(2) Make available to each county and township software that permits the transfer of the data described in subdivision (1) to the division in a uniform format through a secure connection over the Internet.

(3) Analyze the data compiled under this section for the purpose of performing the functions under section 3 of this chapter.

(4) Conduct continuing studies of personal and real property tax deductions, abatements, and exemptions used throughout Indiana. The division of data analysis shall, before May 1 of each even-numbered year, report on the studies at a meeting of the budget committee and submit a report on the studies to the legislative services agency for distribution to the members of the legislative council. The report must be in an electronic format under IC 5-14-6.

SECTION 81. IC 6-1.1-33.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) With respect to any township or county for any year, the department of local government finance may initiate a review to determine whether to order a special reassessment under this chapter. The review may apply to real property or personal property, or both.

(b) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to the real property within a township or county, or a portion of the real property within a township or county, the division of data analysis of the department shall determine for the real property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the real property within the township or county; and

(2) the total assessed valuation that would result if the real property within the township or county were valued in the manner provided by law.

(c) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to personal property within a township or county, or a part of the personal property within a township or county, the division of data analysis of the department shall determine for the personal property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the personal property within the township or county; and

(2) the total assessed valuation that would result if the personal property within the township or county were valued in the manner provided by law.

(d) The determination of the department of local government finance under section 2 or 3 of this chapter must be based on a statistically valid assessment ratio study.

(e) If a determination of the department of local government finance to order a special reassessment under this chapter is based on a coefficient of dispersion study, the department shall publish the coefficient of dispersion study for the township or county in accordance with IC 5-3-1-2(j).

(f) If:

(1) the variance determined under subsection (b) or (c) exceeds twenty percent (20%); and

(2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

the department shall contract for a special reassessment to be conducted to correct the valuation of the property.

(g) If the variance determined under subsection (b) or (c) is twenty percent (20%) or less, the department of local government finance shall determine whether to correct the valuation of the property under

~~(1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or~~

~~(2)~~ IC 6-1.1-14.

(h) The department of local government finance shall give notice to a taxpayer, by individual notice or by publication at the discretion of the department, of a hearing concerning the department's intent to cause the assessment of the taxpayer's property to be adjusted under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed or published. The department may conduct a single hearing under this section with respect to multiple properties. The notice must state:

(1) the time of the hearing;

(2) the location of the hearing; and

(3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department's intent to adjust the assessment of property under this chapter.

(i) If the department of local government finance determines after the hearing that the assessment of property should be adjusted under this chapter, the department shall:

(1) cause the assessment of the property to be adjusted;

(2) mail a certified notice of its final determination to the county auditor of the county in which the property is located; and

(3) notify the taxpayer as required under IC 6-1.1-14.

(j) A reassessment or adjustment may be made under this section only if the notice of the final determination is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

(k) If the department of local government finance contracts for a special reassessment of property under this chapter, the department shall forward the bill for services of the reassessment contractor to the county auditor, and the county shall pay the bill from the county reassessment fund.

SECTION 82. IC 6-1.1-34-1, AS AMENDED BY P.L.246-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. Each year, ~~in which a general assessment of real property becomes effective,~~ the department of local government finance shall compute a new assessment ratio for each school corporation and a new state average assessment ratio. ~~In all other years, the department shall compute a new assessment ratio for a school corporation and a new state average assessment ratio if the department finds that there has been sufficient reassessment or adjustment of one (1) or more classes of property in the school district.~~ When the department of local government finance computes a new assessment ratio for a school corporation, the department shall publish the new ratio.

SECTION 83. IC 6-1.1-34-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. ~~(a)~~ Each year in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals:

(1) the state average assessment ratio for a year; divided by

(2) the school corporation's assessment ratio for that year.

The department of local government finance shall notify the school corporation of its new adjustment factor before March 2

of the year in which the department calculates the new adjustment factor.

~~(b) This subsection applies in a calendar year in which a general reassessment takes effect. If the department of local government finance has not computed:~~

~~(1) a new assessment ratio for a school corporation; or~~

~~(2) a new state average assessment ratio;~~

~~the school corporation's adjustment factor is the number one (1) until the department of local government finance notifies the school corporation of the school corporation's new adjustment factor.~~

SECTION 84. IC 6-1.1-35-1.1, AS AMENDED BY P.L.88-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1.1. (a) Each county assessor ~~and each elected township assessor~~ who has not attained the certification of a level two assessor-appraiser under IC 6-1.1-35.5 must employ at least one (1) certified level two assessor-appraiser.

(b) Each county assessor ~~and each township assessor~~ must:

(1) attain the certification of a level one assessor-appraiser not later than one (1) year after taking office; and

(2) attain the certification of a level two assessor-appraiser not later than two (2) years after taking office.

(c) A county assessor ~~or elected township assessor~~ who does not comply with subsection (b) is subject to forfeiture of the part of the assessor's annual compensation that relates to real property assessment duties. The county fiscal body may reduce the appropriations for the annual compensation of a ~~township assessor or~~ county assessor under this subsection in an amount that bears the same proportion to the assessor's annual compensation that the time during the year required for the performance of the assessor's real property assessment duties bears to the time during the year required for the performance of the assessor's overall duties. The assessor's annual compensation is reduced by the amount of the appropriation reduction.

~~(d) A trustee assessor who does not comply with subsection (b) relinquishes all duties relating to real property assessment to the county assessor until the trustee assessor complies with subsection (b).~~

~~(e) Not later than six (6) months after taking office, a trustee assessor must notify the county assessor in writing concerning whether the trustee assessor intends to comply with subsection (b). A trustee assessor who notifies the county assessor that the trustee assessor does not intend to comply with subsection (b) relinquishes all duties relating to real property assessment to the county assessor until the trustee assessor complies with subsection (b).~~".

Page 34, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 87. IC 6-1.1-35.2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. A county that is required to make a payment to an assessing official, a county assessor, or member of, and hearing officers for, the county property tax assessment board of appeals under this chapter must make the payment regardless of an appropriation. The payment may be made from the county's ~~cumulative reassessment~~ **general** fund.".

Page 34, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 89. IC 6-1.1-39-5, AS AMENDED BY P.L.4-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

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

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

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

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

(2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

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

(2) the base assessed value.

(f) The state board of accounts and department of local

government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. ~~After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1.~~

(g) As used in this section, "property taxes" means:

(1) taxes imposed under this article on real property; and

(2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

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

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 90. IC 6-1.1-42-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 28. (a) Subject to this section, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the remediation and redevelopment in the zone or the location of personal property in the zone, or both; multiplied by

(2) the percentage determined under subsection (b).

(b) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a three (3) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 66% |
| 3rd | 33% |

(2) For deductions allowed over a six (6) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 85% |
| 3rd | 66% |
| 4th | 50% |
| 5th | 34% |
| 6th | 17% |

(3) For deductions allowed over a ten (10) year period:

| YEAR OF DEDUCTION | PERCENTAGE |
|---|---|
| 1st | 100% |
| 2nd | 95% |
| 3rd | 80% |
| 4th | 65% |
| 5th | 50% |
| 6th | 40% |
| 7th | 30% |
| 8th | 20% |
| 9th | 10% |
| 10th | 5% |

(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

~~(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.~~

~~(2)~~ **(1)** If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

~~(3)~~ **(2)** The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

~~(4)~~ **(3)** The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

(A) has an ownership interest in an entity that contributed; or

(B) has contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.".

Page 93, delete lines 10 through 19.

Page 120, line 26, after "JANUARY 1, 2008]:" insert "IC 6-1.1-1-3.5; IC 6-1.1-4-4; IC 6-1.1-4-4.5; IC 6-1.1-4-4.7; IC 6-1.1-4-5; IC 6-1.1-4-6; IC 6-1.1-4-9; IC 6-1.1-4-10; IC 6-1.1-4-12; IC 6-1.1-4-13.6; IC 6-1.1-4-13.8; IC 6-1.1-4-15; IC 6-1.1-4-16; IC 6-1.1-4-20; IC 6-1.1-4-21; IC 6-1.1-4-27.5; IC 6-1.1-4-28.5; IC 6-1.1-4-29; IC 6-1.1-4-30; IC 6-1.1-4-32; IC 6-1.1-4-33; IC 6-1.1-4-34; IC 6-1.1-4-35; IC 6-1.1-4-36; IC 6-1.1-4-37; IC 6-1.1-4-38; IC 6-1.1-4-39; IC 6-1.1-4-40; IC 6-1.1-4-41; IC 6-1.1-8.5; IC 6-1.1-8.7; IC 6-1.1-15-16; IC 6-1.1-18-12; IC 6-1.1-31-9; IC 6-1.1-37-10.5;".

Page 120, lines 30, delete "IC 12-19-7-33." and insert "IC 12-19-7-33; IC 36-2-7-13; IC 36-6-8-5.".

Page 120, between lines 30 and 31, begin a new paragraph and insert: "SECTION 156. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 6-1.1-1 apply throughout this SECTION.**

**(b) IC 6-1.1-1-6.5, IC 6-1.1-4-3.1, IC 6-1.1-4-3.2, IC 6-1.1-4-3.3, IC 6-1.1-4-3.4, IC 6-1.1-4-3.5, IC 6-1.1-4-3.6, IC 6-1.1-4-3.7, IC 6-1.1-8-24.5, and IC 6-1.1-16-1.5, as added by this act, and IC 6-1.1-2-2, IC 6-1.1-4-12.4, IC 6-1.1-4-12.6, IC 6-1.1-4-13, IC 6-1.1-4-14, IC 6-1.1-17, IC 6-1.1-4-18.5, IC 6-1.1-4-19.5, IC 6-1.1-4-22, IC 6-1.1-4-24, IC 6-1.1-4-25, IC 6-1.1-4-26, IC 6-1.1-4-31, IC 6-1.1-4-31.5, IC 6-1.1-4-31.6, IC 6-1.1-4-31.7, IC 6-1.1--5-8, IC 6-1.1-5-10, IC 6-1.1-5-11, IC 6-1.1-5-14, IC 6-1.1-5-15, IC 6-1.1-5-16, IC 6-1.1-5.5-3, IC 6-1.1-5.5-4.5, IC 6-1.1-5.5-4.7, IC 6-1.1-5.5-12, IC 6-1.1--8-24, IC 6-1.1-9-1, IC 6-1.1-11-3, IC 6-1.1-12-19, IC 6-1.1-12-21, IC 6-1.1-12-23, IC 6-1.1-12.1-4, IC 6-1.1-12.4-2, IC 6-1.1-14-2, IC 6-1.1-14-3, IC 6-1.1-15-1, IC 6-1.1-15-4, IC 6-1.1-15-5, IC 6-1.1-15-12, IC 6-1.1-16-2, IC 6-1.1-17-1, IC 6-1.1-18.5-9.8, IC 6-1.1-18.5-13, IC 6-1.1-21-4, IC 6-1.1-21.2-11, IC 6-1.1-21.2-14, IC 6-1.1-21.7-10, IC 6-1.1-28-8, IC 6-1.1-31-6, IC 6-1.1-31-7, IC 6-1.1-31-12, IC 6-1.1-31.5-3.5, IC 6-1.1-33.5-2, IC 6-1.1-33.5-6, IC 6-1.1-34-1, IC 6-1.1-34-7, IC 6-1.1-35-1.1,**

**IC 6-1.1-35.2-5, IC 6-1.1-39-5, and IC 6-1.1-42-28, all as amended by this act, apply only to ad valorem property taxes first due and payable for assessment dates after February 29, 2008.**

**(c)The department of local government finance may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement this act. A rule adopted under this SECTION expires on the earliest of the following:**

**(1) The date a rule is adopted by the department of local government finance under IC 4-22-2 that repeals, amends, or supersedes the temporary rule.**

**(2) The date another temporary rule is adopted under this SECTION to replace an earlier rule adopted under this SECTION.**

**(3) The date specified in the temporary rule.**

**(4) December 31, 2008.**

**(d) The department of local government finance shall:**

**(1) adopt rules as required by IC 6-1.1-31-6, as amended by this act, before January 1, 2008, for the use of fair market value in the assessment of real property beginning with the assessment date in 2008; and**

**(2) provide training beginning in 2007 to county assessors and members of county property tax assessment boards of appeals that includes instruction in the determination of real property assessments using the rules referred to in subdivision (1).**

**(b) This SECTION expires January 1, 2008.**

SECTION 157. [EFFECTIVE JULY 1, 2007] **(a) The legislative services agency shall prepare legislation for introduction in the 2007 regular session of the general assembly to make appropriate corrections and changes in statutes affected by this act.**

**(b) This SECTION expires July 1, 2008.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007).

STUTZMAN

Upon request of Representatives Stutzman and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 92: yeas 45, nays 52. Motion failed.

HOUSE MOTION
(Amendment 1007–16)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-10-18-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) Except as provided in subsection (b), if the balance, at the end of a state fiscal year, in the fund exceeds seven percent (7%) of the total state general fund revenues for that state fiscal year, the excess is appropriated from the fund to the ~~property tax replacement~~ **state general** fund. ~~established under IC 6-1.1-21.~~ The auditor of state and the treasurer of state shall transfer the amount so appropriated from the fund to the ~~property tax replacement~~ **state general** fund during the immediately following state fiscal year.

(b) If an appropriation is made out of the fund under section 4 of this chapter for a state fiscal year during which a transfer is to be made from the fund to the ~~property tax replacement~~ **state general** fund **under subsection (a),** the amount of the appropriation made under subsection (a) shall be reduced by the amount of the appropriation made under section 4 of this chapter. However, the amount of the appropriation made under subsection (a) may not be reduced to less than zero (0).".

Page 3, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 4. IC 4-24-7-4, AS AMENDED BY P.L.246-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) Accounts of state institutions described in sections 1 and 3 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of such institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from which county the inmate or patient was admitted.

(2) All accounts accruing between January 1 and June 30 of each year shall be forwarded to the county auditor on or before October 1 of such year.

(3) All accounts accruing between July 1 and December 31 of each year shall be forwarded to the county auditor on or before April 1 of the following year.

(4) Upon receipt of any such account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, and the same shall be paid out of the funds of the county appropriated therefor.

(5) The county council of each county of the state shall annually appropriate sufficient funds to pay such accounts.

(b) All accounts of state institutions described in section 2 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of the institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from the county from which the inmate was admitted.

(2) All accounts accruing after December 31 and before April 1 of each year shall be forwarded to the county auditor on or before May 15 of that year.

(3) All accounts accruing after March 31 and before July 1 of each year shall be forwarded to the county auditor on or before August 15 of that year.

(4) All accounts accruing after June 30 and before October 1 of each year shall be forwarded to the county auditor on or before November 15 of that year.

(5) All accounts accruing after September 30 and before January 1 of each year, and any reconciliations for previous periods, shall be forwarded to the county auditor on or before March 15 of the following year.

(6) Upon receipt of an account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, which shall be paid from the funds of the county that were appropriated for the payment.

(7) The county council of each county shall annually appropriate sufficient funds to pay these accounts.

If a county has not paid an account within six (6) months after the account is forwarded under this subsection, the auditor of state shall, notwithstanding anything to the contrary in ~~IC 6-1.1-21,~~ **IC 6-10-7,** reduce the next distribution of **a certified** property tax replacement ~~credits~~ **distribution** under ~~IC 6-1.1-21~~ **IC 6-10-7** to the county and withhold the amount owed on the account. The auditor of state shall credit the withheld amount to the state general fund for the purpose of curing the default. The account is then considered paid. A county that has the county's distribution reduced under this subsection shall apply the withheld amount only to the county unit's share of the distribution and may not reduce a distribution to any other civil taxing unit or school corporation within the county.

SECTION 5. IC 4-33-13-5, AS AMENDED BY P.L.91-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars ($33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of

the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the ~~property tax replacement~~ **state general** fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the ~~property tax replacement~~ **state general** fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the ~~property tax replacement~~ **state general** fund. ~~established under IC 6-1.1-21.~~

(2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars ($20,000,000), the amount described in this subdivision shall be paid to the ~~property tax replacement~~ **state general** fund. ~~established under IC 6-1.1-21.~~

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular city's or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;

to the ~~property tax replacement~~ **state general** fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the ~~property tax replacement~~ **state general** fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars ($250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the ~~property tax replacement~~ **state general** fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the ~~property tax replacement~~ **state general** fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county

under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the ~~property tax replacement~~ **state general** fund. The amount of the supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

SECTION 6. IC 5-4-1-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 20. (a) A person elected to the office of prosecuting attorney shall execute an individual surety bond for the faithful performance of the duties of the office. The amount of the bond must be at least eight thousand five hundred dollars ($8,500).

(b) A person elected to the office of prosecuting attorney may not take office until that person has filed a bond:

(1) in the office of the county recorder of the county in which the person resides; and

(2) within ten (10) days after the bond is issued.

(c) The cost of a bond shall be paid by the county. ~~For multiple county judicial circuits, the cost shall be paid by each county in the judicial circuit in the manner provided by IC 33-38-5-3.~~

(d) A bond must be:

(1) executed by the person elected prosecuting attorney and one (1) or more freehold sureties; and

(2) payable to the state as provided in section 10 of this chapter.

(e) A bond is not void on first recovery, and suits may be brought on the bond until the penalty is exhausted.

(f) If a bond has been legally certified, any of the following have the same effect in evidence as the bond:

(1) A copy of the bond.

(2) A record of the bond.

(3) A copy of a record of the bond.

(g) The county recorder of the county in which the person elected prosecuting attorney resides shall record the bond in an official bond register.

SECTION 7. IC 5-13-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) All taxes collected by the county treasurer shall be deposited as one (1) fund in the several depositories selected for the deposit of county funds and, except as provided in subsection (b), remain in the depositories until distributed at the following semiannual distribution made by the county auditor.

(b) Every county treasurer who, by virtue of the treasurer's office, is the collector of any taxes for any political subdivision wholly or partly within the county shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county, advance to that political subdivision a portion of the taxes collected before the semiannual distribution. The amount advanced may not exceed the lesser of:

(1) ninety-five percent (95%) of the total amount collected at the time of the advance; or

(2) ninety-five percent (95%) of the amount to be distributed at the semiannual distribution.

(c) Every county treasurer shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county, advance to that political subdivision a part of the distributions received under ~~IC 6-1.1-21-10~~ **IC 6-10-7** from the ~~property tax replacement~~ **state general** fund for the political subdivision. The amount advanced may not exceed the lesser of:

(1) ninety-five percent (95%) of the amount distributed from the fund to the county treasurer for the political subdivision at the time of the advance; or

(2) ninety-five percent (95%) of the total amount to be distributed by the county treasurer to the political subdivision on the next scheduled distribution date.

(d) Upon notice from the county treasurer of the amount to be advanced, the county auditor shall draw a warrant upon the county treasurer for the amount. The amount of the advance must be available immediately for the use of the political subdivision.

(e) At the semiannual distribution all the advances made to any political subdivision under subsection (b) or (c) shall be deducted from the total amount due any political subdivision as shown by the distribution.".

Page 11, line 36, strike "distributions from the property tax".

Page 11, line 37, strike "replacement fund or".

Page 11, line 39, strike, "IC 6-1.1-21-4(b)," and insert "**IC 6-10-7,**".

Page 12, line 2, strike, "IC 6-1.1-21-4(b)" and insert "**IC 6-10-7**".

Page 12, between lines 12 and 13, begin a new paragraph and

insert:

"SECTION 12. IC 6-1.1-4-35, AS AMENDED BY P.L.88-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 35. (a) This section applies to a county other than a county subject to section 32 of this chapter.

(b) This section applies to a general reassessment of real property conducted under section 4(a) of this chapter that is scheduled to become effective for property taxes first due and payable in 2003.

(c) As used in this section, "department" refers to the department of local government finance.

(d) As used in this section, "reassessment official" means:

(1) a county assessor; or

(2) a township assessor.

(e) If:

(1) the department determines that a county's reassessment officials are unable to complete the reassessment in a timely manner; or

(2) the department determines that a county's reassessment officials are likely to complete the reassessment in an inaccurate manner;

the department may order a state conducted reassessment in the county. The department may consider a reassessment in a county untimely if the county does not submit the county's equalization study to the department in the manner prescribed under 50 IAC 14 before October 20, 2003. The department may consider the reassessment work of a county's reassessment officials inaccurate if the department determines from a sample of the assessments completed in the county that there is a variance exceeding ten percent (10%) between the total assessed valuation of the real property within the sample and the total assessed valuation that would result if the real property within the sample were valued in the manner provided by law.

(f) If the department orders a state conducted reassessment in a county, the department shall assume the duties of the county's reassessment officials. Notwithstanding sections 15 and 17 of this chapter, a reassessment official in a county subject to an order issued under this section may not assess property or have property assessed for the general reassessment. Until the state conducted reassessment is completed under this section, the reassessment duties of a reassessment official in the county are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(g) Before assuming the duties of a county's reassessment officials, the department shall transmit a copy of the department's order requiring a state conducted reassessment to the county's reassessment officials, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. If no newspaper is published in the county, the notice shall be published in a newspaper:

(1) of general circulation in the county; and

(2) that is published in an adjacent county.

The department is not required to conduct a public hearing before taking action under this section.

(h) Township and county officials in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

(1) data;

(2) records;

(3) maps;

(4) parcel record cards;

(5) forms;

(6) computer software systems;

(7) computer hardware systems; and

(8) other information;

related to the reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to a general reassessment and is subject to IC 6-1.1-37-2.

(i) The department may enter into a contract with a professional appraising firm to conduct a reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's reassessment before the department orders a state conducted reassessment in the county under this section, the contract:

(1) is as valid as if it had been entered into by the department; and

(2) shall be treated as the contract of the department.

(j) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (i), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment:

(1) is subject to appeal by the taxpayer under section 37 of this chapter; and

(2) must include a statement of the taxpayer's rights under section 37 of this chapter.

(k) The department shall forward a bill for services provided under a contract described in subsection (i) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (l).

(l) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (i), without appropriation, from the county's property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

(1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;

(2) obtains from the department:

(A) approval of the form and amount of the bill; and

(B) a certification that the billed goods and services have been received and comply with the contract; and

(3) files with the county auditor:

(A) a duplicate copy of the bill submitted to the department;

(B) proof of the department's approval of the form and amount of the bill; and

(C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a

claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(m) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

(1) The commissioner of the Indiana department of administration.

(2) The director of the budget agency.

(3) The attorney general.

(n) If the money in a county's property reassessment fund is insufficient to pay for a reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the reassessment.

(o) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's reassessment officials of the land values determined under this subsection.

(p) A contractor of the department may notify the department if:

(1) a county auditor fails to:

(A) certify the contractor's bill;

(B) publish the contractor's claim;

(C) submit the contractor's claim to the county executive; or

(D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (l) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (l) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(q) The department, upon receiving notice under subsection (p) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (p)(1) or (p)(2); or

(B) a person or an entity acted or failed to act as described in subsection (p)(3); and

(2) provide to the treasurer of state the department's approval under subsection (l)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (p).

(r) Upon receipt of the department's approval of a contractor's bill under subsection (q), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions from the property tax replacement fund or distribution of admissions taxes or wagering taxes.

(s) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, ~~IC 6-1.1-21-4(b)~~ or any other law to a county described in a notice provided under subsection (p) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (r). ~~Money shall be withheld first from the money payable to the county under IC 6-1.1-21-4(b) and then from all other sources payable to the county.~~

(t) Compliance with subsections (p) through (s) constitutes compliance with IC 5-11-10.

(u) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (p) through (s). This subsection and subsections (p) through (s) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(v) The provisions of this section are severable as provided in IC 1-1-1-8(b).

(w) This section expires January 1, 2007.".

Page 14, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 14. IC 6-1.1-12-37, AS AMENDED BY P.L.162-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 37. (a) Each year a person who is entitled to receive the homestead credit provided under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for property taxes payable in the following year is entitled to a standard deduction from the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that qualifies for the homestead credit. The auditor of the county shall record and make the deduction for the person qualifying for the deduction.

(b) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

(1) one-half (½) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or

(2) for property taxes first due and payable:

(A) before January 1, 2007, thirty-five thousand dollars ($35,000);

(B) after December 31, 2006, and before January 1, 2008, forty-five thousand dollars ($45,000); and

(C) after December 31, 2007, thirty-five thousand dollars ($35,000).

(c) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

SECTION 15. IC 6-1.1-12-43 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 43. (a) For purposes of this section:

(1) "benefit" refers to:

(A) a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29, 31, 33, or 34 of this chapter; or

(B) the homestead credit under ~~IC 6-1.1-20.9-2,~~ **IC 6-10-4;**

(2) "closing agent" means a person that closes a transaction;

(3) "customer" means an individual who obtains a loan in a transaction; and

(4) "transaction" means a single family residential:

(A) first lien purchase money mortgage transaction; or
(B) refinancing transaction.

(b) Before closing a transaction after December 31, 2004, a closing agent must provide to the customer the form referred to in subsection (c).

(c) Before June 1, 2004, the department of local government finance shall prescribe the form to be provided by closing agents to customers under subsection (b). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

(1) on one (1) side:
(A) list each benefit;
(B) list the eligibility criteria for each benefit; and
(C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real property is refinanced;

(2) on the other side indicate:
(A) each action by; and
(B) each type of documentation from;
the customer required to file for each benefit; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

(1) may reproduce the form referred to in subsection (c);

(2) in reproducing the form, must use a print color prescribed by the department of local government finance; and

(3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

(e) A closing agent to which this section applies shall document its compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

(f) A closing agent is subject to a civil penalty of twenty-five dollars ($25) for each instance in which the closing agent fails to comply with this section with respect to a customer. The penalty:

(1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and

(2) shall be paid into the ~~property tax replacement~~ **state general** fund.

A closing agent is not liable for any other damages claimed by a customer because of the closing agent's mere failure to provide the appropriate document to the customer.

(g) The state agency that has administrative jurisdiction over a closing agent shall:

(1) examine the closing agent to determine compliance with this section; and

(2) impose and collect penalties under subsection (f).

SECTION 16. IC 6-1.1-17-3, AS AMENDED BY P.L.162-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy;

(3) the current and proposed tax levies of each fund; and

(4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before August 10 of the calendar year. A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.

(b) Beginning in 2009, before August 10 of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer book, a statement that includes:

(1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1(b);

(2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:
(A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);
(B) any deductions or exemptions that apply to the assessed valuation of the tangible property;
(C) any credits that apply in the determination of the tax liability; and
(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of the county board of tax adjustment or the department of local government finance;

(3) a prominently displayed notation that:
(A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and
(B) based on various factors, including potential actions by the county board of tax adjustment or the department of local government finance, it is possible that the tax liability as finally determined will differ substantially from the estimate;

(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and

(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a).

(c) The department of local government finance shall:

(1) prescribe a form for; and

(2) provide assistance to county auditors in preparing;

statements under subsection (b). Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b).

(d) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

(1) in any county of the solid waste management district; and

(2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(e) The trustee of each township in the county shall estimate

the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

~~(f) A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:~~

~~(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.~~

~~(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.~~

~~A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.~~

SECTION 17. IC 6-1.1-17-14, AS AMENDED BY P.L.234-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body or the county board of tax adjustment reduces

~~(1)~~ a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance.

~~(2) a family and children's fund tax rate below the rate necessary to collect the levy recommended by the department of child services; or~~

~~(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy recommended by the department of child services.~~".

Page 15, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 19. IC 6-1.1-18-3, AS AMENDED BY P.L.2-2006, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

(1) forty-one and sixty-seven hundredths cents ($0.4167) on each one hundred dollars ($100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) sixty-six and sixty-seven hundredths cents ($0.6667) on each one hundred dollars ($100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

(1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.

(2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.

(3) To pay the principal or interest upon:

(A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or

(B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

(4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

(5) To pay a judgment rendered against the political subdivision.

~~(6) To meet the requirements of the family and children's fund for child services (as defined in IC 12-19-7-1).~~

~~(7)~~ **(6)** To meet the requirements of the county hospital care for the indigent fund.

~~(8) To meet the requirements of the children's psychiatric residential treatment services fund for children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1).~~

(c) Except as otherwise provided in IC 6-1.1-19, IC 6-1.1-18.5, IC 20-45, or IC 20-46, a county board of tax adjustment, a county auditor, or the department of local government finance may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.".

Page 15, delete lines 38 through 42.

Delete page 16.

Page 17, delete lines 1 through 19.

Page 18, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 21. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed under any of the following:

(1) IC 12-16, except IC 12-16-1.

~~(2) IC 12-19-5.~~

~~(3) IC 12-19-7.~~

~~(4) IC 12-19-7.5.~~

~~(5)~~ **(2)** IC 12-20-24.

**(3) IC 36-1-18.**

(b) For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this chapter, a county's or township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under the citations listed in subsection (a).

(c) Section 8(b) of this chapter does not apply to bonded indebtedness that will be repaid through property taxes imposed under IC 12-19.".

Page 19, delete lines 1 through 7.

Page 24, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 24. IC 6-1.1-20.4-1, AS ADDED BY P.L.246-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1.~~ **IC 6-10-2-15.**

SECTION 25. IC 6-1.1-20.4-4, AS ADDED BY P.L.246-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) A political subdivision may adopt an ordinance or resolution each year to provide for the use of revenue for the purpose of providing a homestead credit the following year to homesteads. An ordinance must be adopted under this section before December 31 for credits to be provided in the following year. The ordinance applies only to the immediately following year.

(b) A homestead credit under this chapter is to be applied to the net property tax liability due on the homestead.

(c) A homestead credit under this chapter does not reduce the basis for determining the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3** or the ~~state~~ homestead credit under ~~IC 6-1.1-20.9.~~ **IC 6-10-4.**

SECTION 26. IC 6-1.1-20.6-2, AS ADDED BY P.L.246-2005, SECTION 62, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1.~~ **IC 6-10-2-15.**".

Page 24, delete lines 6 through 42.

Delete pages 25 through 30.

Page 31, delete lines 1 through 32.

Page 31, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 28. IC 6-1.1-21.2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. (a) Not later than September 1 of a year in which a general reassessment does not become effective, the governing body shall estimate the tax increment replacement amount for each allocation area under the jurisdiction of the governing body for the next calendar year. In a year in which a general reassessment becomes effective, the department of local government finance may extend the deadline under this subsection by giving written notice to the governing body before the deadline.

(b) The tax increment replacement amount is the amount determined in STEP THREE of the following formula:

STEP ONE: The governing body shall estimate the amount of tax increment revenues it would receive in the next calendar year if the property tax replacement credits payable with respect to the general fund levies imposed by all school corporations with jurisdiction in the allocation area were determined under ~~IC 6-1.1-21 as in effect on January 1, 2001.~~ **IC 6-10-3.**

STEP TWO: The governing body shall estimate the amount of tax increment revenues it will receive in the next calendar year after implementation of the increase in the property tax credits payable under ~~IC 6-1.1-21, as amended by the general assembly in 2002,~~ **IC 6-10-3** with respect to general fund levies imposed by all school corporations with jurisdiction in the allocation area.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

SECTION 29. IC 6-1.1-21.2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 14. (a) The department of local government finance shall approve an appeal filed under section 13 of this chapter if the department determines that:

(1) the governing body's estimate of the tax replacement amount under section 11 of this chapter is reasonable;

(2) a tax levy in excess of the amount determined under section 12(d) of this chapter would:

(A) create a significant financial hardship on taxpayers residing in the district in which the governing body exercises jurisdiction;

(B) significantly reduce the benefits from the increase in the property tax credits payable under IC 6-1.1-21 **(repealed),** as amended by the general assembly in 2002, with respect to general fund levies imposed by all school corporations with jurisdiction in the district; or

(C) have a disproportionate impact on small businesses or low income families or individuals; and

(3) the governing body has made reasonable efforts to limit its use of the special fund for the allocation area to appropriations for payments of:

(A) the principal and interest on loans or bonds;

(B) lease rentals on leases;

(C) amounts due on other contractual obligations; and

(D) additional credits described in IC 8-22-3.5-10(a), IC 36-7-14-39.5(c), IC 36-7-14.5-12.5(d)(5), IC 36-7-15.1-26.5(e), IC 36-7-15.1-35(d), or IC 36-7-30-25(b)(2)(E).

(b) In a year in which a general reassessment does not become effective, the department of local government finance shall make a final determination on an appeal filed under this section by December 1 of the year. In a year in which a general reassessment becomes effective, the department may extend the deadline under this subsection by giving written notice to the appellant before the deadline.

(c) If the department approves an appeal filed under this section, it shall order a distribution from the ~~property tax replacement~~ **state general** fund in the amount determined under section 13(b) of this chapter in the same manner as distributions are made under ~~IC 6-1.1-21-4.~~ **IC 6-10-7.**

(d) If the department denies an appeal filed under section 13 of this chapter, or does not grant the maximum permissible distribution under section 13(b) of this chapter, the legislative body of the unit that established the district may increase the levy imposed under this chapter to an amount that, when combined with any distribution received under this chapter, does not exceed the tax increment replacement amount.

SECTION 30. IC 6-1.1-21.5-6, AS AMENDED BY P.L.2-2006, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) The receipt by the qualified taxing unit of the loan proceeds is not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3. The receipt by the qualified taxing unit of any payment of delinquent tax owed by a taxpayer in bankruptcy is considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3.

(b) The loan proceeds and any payment of delinquent tax may be expended by the qualified taxing unit only to pay debts of the qualified taxing unit that have been incurred pursuant to duly adopted appropriations approved by the department of local government finance for operating expenses.

(c) In the event the sum of the receipts of the qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and payable in 2001;

exceeds sixteen million dollars ($16,000,000), the excess as received during any calendar year or years shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 20-44-3. In calculating the payment of property taxes as provided in subdivision (2), the amount of property tax credit finally allowed under ~~IC 6-1.1-21-5~~ **IC 6-10-3** in respect to such taxes is considered a payment of such property taxes.

(d) As used in this section, "delinquent tax" means any tax owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and that is not paid during the calendar year for which it was first due and payable.

SECTION 31. IC 6-1.1-21.7-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. Loan proceeds shall be distributed to a taxing unit either on the same schedule as **certified** property tax replacement ~~credits~~ **distributions** are distributed under ~~IC 6-1.1-21~~ **IC 6-10-7** or another schedule to which both the board and the taxing unit agree.

SECTION 32. IC 6-1.1-21.8-6, AS AMENDED BY P.L.2-2006, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) As used in this section, "delinquent tax" means any tax:

(1) owed by a taxpayer in a bankruptcy proceeding initially filed in 2001; and

(2) not paid during the calendar year in which it was first due and payable.

(b) Except as provided in subsection (d), the proceeds of a

loan received by the qualified taxing unit under this chapter are not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3. The receipt by a qualified taxing unit of any payment of delinquent tax owed by a taxpayer in bankruptcy is considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 20-44-3.

(c) The proceeds of a loan made under this chapter must first be used to retire any outstanding loans made by the department of commerce (including any loans made by the department of commerce that are transferred to the Indiana economic development corporation) to cover a qualified taxing unit's revenue shortfall resulting from the taxpayer's default on property tax payments. Any remaining proceeds of a loan made under this chapter and any payment of delinquent taxes by the taxpayer may be expended by the qualified taxing unit only to pay obligations of the qualified taxing unit that have been incurred under appropriations for operating expenses made by the qualified taxing unit and approved by the department of local government finance.

(d) If the sum of the receipts of a qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding and payable in November 2001, May 2002, or November 2002;

exceeds the sum of the taxpayer's property tax liability attributable to the qualified taxing unit for property taxes payable in November 2001, May 2002, and November 2002, the excess as received during any calendar year or years shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 20-44-3. In calculating the payment of property taxes as referred to in subdivision (2), the amount of property tax credit finally allowed under IC 6-1.1-21-5 **(repealed)** in respect to those taxes is considered to be a payment of those property taxes.

SECTION 33. IC 6-1.1-22-9.5, AS AMENDED BY P.L.67-2006, SECTION 8, AND AS AMENDED BY P.L.2-2006, SECTION 65, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9.5. (a) This section applies only to property taxes first due and payable in a year that begins after December 31, 2003:

(1) with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1),~~ **IC 6-10-2-15);** and

(2) that are not payable in one (1) installment under section ~~*9(b)*~~ *9(c)* of this chapter.

(b) At any time before the mailing or transmission of tax statements for a year under section 8 of this chapter, a county may petition the department of local government finance to establish a schedule of installments for the payment of property taxes with respect to:

(1) real property that are based on the assessment of the property in the immediately preceding year; or

(2) a mobile home or manufactured home that is not assessed as real property that are based on the assessment of the property in the current year.

The county fiscal body (as defined in IC 36-1-2-6) ~~*the county auditor, and the county treasurer*~~ must approve a petition under this subsection.

(c) The department of local government finance:

(1) may not establish a date for:

(A) an installment payment that is earlier than May 10 of the year in which the tax statement is mailed or transmitted;

(B) the first installment payment that is later than November 10 of the year in which the tax statement is mailed or transmitted; or

(C) the last installment payment that is later than May 10 of the year immediately following the year in which the tax statement is mailed or transmitted; and

(2) shall:

(A) prescribe the form of the petition under subsection (b);

(B) determine the information required on the form; and

(C) notify the county fiscal body, the county auditor, and the county treasurer of the department's determination on the petition not later than twenty (20) days after receiving the petition.

(d) Revenue from property taxes paid under this section in the year immediately following the year in which the tax statement is mailed or transmitted under section 8 of this chapter:

(1) is not considered in the determination of a levy excess under IC 6-1.1-18.5-17 or ~~*IC 6-1.1-19-1.7*~~ *IC 20-44-3* for the year in which the property taxes are paid; and

(2) may be:

(A) used to repay temporary loans entered into by a political subdivision for; and

(B) expended for any other reason by a political subdivision in the year the revenue is received under an appropriation from;

the year in which the tax statement is mailed or transmitted under section 8 of this chapter.

SECTION 34. IC 6-1.1-29-9, AS AMENDED BY P.L.2-2006, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) A county council may adopt an ordinance to abolish the county board of tax adjustment. This ordinance must be adopted by July 1 and may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 20-45, IC 20-46, ~~IC 12-19-7, IC 12-19-7.5,~~ IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax adjustment under IC 6-1.1-17.

(b) The time requirements set forth in IC 6-1.1-17 govern all filings and notices.

(c) A tax rate, tax levy, or budget that otherwise would be reviewed by the county board of tax adjustment is considered and must be treated for all purposes as if the county board of tax adjustment approved the tax rate, tax levy, or budget. This includes the notice of tax rates that is required under IC 6-1.1-17-12.".

Page 34, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 37. IC 6-1.1-37-10.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10.5. (a) This section applies only to property taxes first due and payable in 2004 with respect to a homestead (as defined in IC 6-1.1-20.9-1 **(repealed))**.

(b) A county may petition the department of local government finance to waive all or part of the penalty imposed under section 10(a) of this chapter. The county fiscal body (as defined in IC 36-1-2-6), the county auditor, and the county treasurer must approve a petition under this subsection.

(c) The department of local government finance shall:

(1) prescribe the form of the petition under subsection (b);

(2) determine the information required on the form; and

(3) notify the county fiscal body, the county auditor, and the county treasurer of the department's determination on the petition not later than thirty (30) days after receipt of the petition.

SECTION 38. IC 6-1.1-39-5, AS AMENDED BY P.L.154-2006, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) A

declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

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

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

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

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

(2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in ~~IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)),~~ **IC 6-10-3-5),** and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

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

(2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

(1) taxes imposed under this article on real property; and

(2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

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

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 39. IC 6-1.1-39-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) An economic development district may be enlarged by the fiscal body by following the same procedure for the creation of an economic development district specified in this chapter. Property taxes that are attributable to the additional area and allocable to the economic development district are not eligible for the property tax replacement credit provided by ~~IC 6-1.1-21-5.~~ **IC 6-10-3.** However, subject to subsection (c) and except as provided in subsection (f), each taxpayer in an additional area is entitled to an additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** that under IC 6-1.1-22-9 ~~are~~ **is** due and payable in May and November of that year. Except as provided in subsection (f), one-half (½) of the credit shall be applied to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22).** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district in a county that contains all or part of the additional area:

STEP ONE: Determine that part of the sum of the amounts

under ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)~~ **IC 6-10-2-34(1)(A) and IC 6-10-2-34(2)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that would have been allocated to a special fund under section 5 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the economic development district and paid into a special fund under section 5(a) of this chapter.

(b) If the additional credit under subsection (a) is not reduced under subsection (c) or (d), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (a) shall be combined on the tax statements sent to each taxpayer.

(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):

(1) does not apply in a specified additional area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified additional area.

(d) Whenever the county fiscal body determines that granting the full additional credit under subsection (a) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the county fiscal body must adopt an ordinance under subsection (c) to deny the additional credit or reduce the additional credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. An ordinance adopted under subsection (c) denies or reduces the additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** first due and payable in any year following the year in which the ordinance is adopted.

(e) An ordinance adopted under subsection (c) remains in effect until the ordinance is rescinded by the body that originally adopted the ordinance. However, an ordinance may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If an ordinance is rescinded and no other ordinance is adopted, the additional credit described in subsection (a) applies to ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** first due and payable in each year following the year in which the resolution is rescinded.

(f) This subsection applies to an additional area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2-15)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an additional area is entitled to an additional credit under subsection (a) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).**

SECTION 40. IC 6-2.5-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit those collections in the following manner:

~~(1) Fifty percent (50%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21.~~

~~(2)~~ **(1)** ~~Forty-nine~~ **Ninety-nine** and one hundred ninety-two thousandths percent ~~(49.192%)~~ **(99.192%)** of the collections shall be paid into the state general fund.

~~(3)~~ **(2)** Six hundred thirty-five thousandths of one percent (0.635%) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

~~(4)~~ **(3)** Thirty-three thousandths of one percent (0.033%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

~~(5)~~ **(4)** Fourteen-hundredths of one percent (0.14%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 41. IC 6-3-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) Each taxable year, a tax at the rate of ~~three~~ **two** and four-tenths percent ~~(3.4%)~~ **(2.4%)** of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person.

(b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the rate of eight and five-tenths percent (8.5%) of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation.

SECTION 42. IC 6-3-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. ~~(a)~~ All revenues derived from collection of the adjusted gross income tax ~~imposed on corporations~~ shall be deposited in the state general fund.

~~(b) All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited as follows:~~

~~(1) Eighty-six percent (86%) in the state general fund.~~

~~(2) Fourteen percent (14%) in the property tax replacement fund.~~

SECTION 43. IC 6-3.1-20-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1.~~ **IC 6-10-2-15.**".

Page 34, delete lines 40 through 42.

Delete pages 35 through 73.

Page 74, before line 1, begin a new paragraph and insert:

"SECTION 45. IC 6-3.5-6-18.5, AS AMENDED BY P.L.234-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

| | |
|---|---|
| Center Township | .0251 |
| Decatur Township | .00217 |
| Franklin Township | .0023 |
| Lawrence Township | .01177 |
| Perry Township | .01130 |
| Pike Township | .01865 |
| Warren Township | .01359 |
| Washington Township | .01346 |
| Wayne Township | .01307 |
| Lawrence-City | .00858 |
| Beech Grove | .00845 |
| Southport | .00025 |
| Speedway | .00722 |
| Indianapolis/Marion County | .86409 |

(2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not less than the following:

| | |
|---|---|
| Center Township | $1,898,145 |
| Decatur Township | $164,103 |
| Franklin Township | $173,934 |
| Lawrence Township | $890,086 |
| Perry Township | $854,544 |
| Pike Township | $1,410,375 |
| Warren Township | $1,027,721 |
| Washington Township | $1,017,890 |
| Wayne Township | $988,397 |
| Lawrence-City | $648,848 |
| Beech Grove | $639,017 |
| Southport | $18,906 |
| Speedway | $546,000 |

(3) For each year after 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month as follows:

STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.

STEP TWO: Determine the total amount of revenue that the department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 ~~IC 12-19-7, and IC 12-19-7.5~~ for each civil taxing unit for the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~IC 12-19-7, and IC 12-19-7.5~~ for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 ~~IC 12-19-7, and IC 12-19-7.5~~ for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~IC 12-19-7, and IC 12-19-7.5~~ for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

SECTION 46. IC 6-3.5-7-5, AS AMENDED BY P.L.162-2006, SECTION 33, AND AS AMENDED BY P.L.184-2006, SECTION 8, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) the county economic development income tax may be imposed at a rate of:

(1) one-tenth percent (0.1%);
(2) two-tenths percent (0.2%);
(3) twenty-five hundredths percent (0.25%);
(4) three-tenths percent (0.3%);
(5) thirty-five hundredths percent (0.35%);
(6) four-tenths percent (0.4%);
(7) forty-five hundredths percent (0.45%); or
(8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), ~~or~~ (s), *or (v),* the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), or (u), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance.

The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year.".

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2-15)** *or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county,* resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

*(v) This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).*

SECTION 47. IC 6-3.5-7-13.1, AS AMENDED BY P.L.47-2006, SECTION 4, AND AS AMENDED BY P.L.137-2006, SECTION 11, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 25, 26, and 27 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) Except as provided in sections 15, 23, 25, 26, and 27 of this chapter, revenues from the county economic development income tax may be used as follows:

(1) By a county, city, or town for economic development projects, for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.

(4) By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), the first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. In a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars ($3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under subdivision (5).

(5) This subdivision applies only in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~ **IC 6-10-2** apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision (4) that is in excess of the first three million five hundred thousand dollars ($3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under this subdivision. The following apply to additional homestead credits provided under this subdivision:

(A) The additional homestead credits must be applied uniformly to increase the homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for homesteads in the county, city, or town.

(B) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3** or the state homestead credit under ~~IC 6-1.1-20.9.~~ **IC 6-10-4.**

(C) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county

economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(6) This subdivision applies only in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000). Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~ **IC 6-10-2** apply to this subdivision. A county or a city or town in the county may use county economic development income tax revenue to provide additional homestead credits in the county, city, or town. The following apply to additional homestead credits provided under this subdivision:

(A) The county, city, or town fiscal body must adopt an ordinance authorizing the additional homestead credits. The ordinance must:

(i) be adopted before September 1 of a year to apply to property taxes first due and payable in the following year; and

(ii) specify the amount of county economic development income tax revenue that will be used to provide additional homestead credits in the following year.

(B) A county, city, or town fiscal body that adopts an ordinance under this subdivision must forward a copy of the ordinance to the county auditor and the department of local government finance not more than thirty (30) days after the ordinance is adopted.

(C) The additional homestead credits must be applied uniformly to increase the homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for homesteads in the county, city, or town.

(D) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3** or the state homestead credit under ~~IC 6-1.1-20.9.~~ **IC 6-10-4.**

(E) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(F) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

*(7) For a regional venture capital fund established under section 13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.*

*~~(7)~~* **(8)** *This subdivision applies only to a county:*

*(A) that has a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); and*

*(B) in which:*

*(i) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and*

*(ii) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.*

*Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars ($3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under subdivision ~~(8).~~* **(9).**

*~~(8)~~* **(9)** *This subdivision applies only to a county described in subdivision ~~(7).~~* **(8).** *Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~* **IC 6-10-2** *apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision ~~(7)~~* **(8)** *that is in excess of the first three million five hundred thousand dollars ($3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under this subdivision. The following apply to additional homestead credits provided under this subdivision:*

*(A) The additional homestead credits must be applied uniformly to increase the homestead credit under ~~IC 6-1.1-20.9~~* **IC 6-10-4** *for homesteads in the county, city, or town.*

*(B) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under ~~IC 6-1.1-21~~* **IC 6-10-3** *or the state homestead credit under ~~IC 6-1.1-20.9.~~* **IC 6-10-4.**

*(C) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.*

*(D) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.*

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;
(H) machinery;
(I) equipment;
(J) furnishings;
(K) facilities;
(L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);
(M) operating expenses authorized under subsection (b)(2)(E); or
(N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

(d) If there are bonds outstanding that have been issued under section 14 of this chapter or leases in effect under section 21 of this chapter, a county, city, or town may not expend money from its economic development income tax fund for a purpose authorized under subsection (b)(3) in a manner that would adversely affect owners of the outstanding bonds or payment of any lease rentals due.

SECTION 48. IC 6-3.5-7-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 23. (a) This section applies only to a county having a population of more than fifty-five thousand (55,000) but less than sixty-five thousand (65,000).

(b) The county council may by ordinance determine that, in order to promote the development of libraries in the county and thereby encourage economic development, it is necessary to use economic development income tax revenue to replace library property taxes in the county. However, a county council may adopt an ordinance under this subsection only if all territory in the county is included in a library district.

(c) If the county council makes a determination under subsection (b), the county council may designate the county economic development income tax revenue generated by the tax rate adopted under section 5 of this chapter, or revenue generated by a portion of the tax rate, as revenue that will be used to replace public library property taxes imposed by public libraries in the county. The county council may not designate for library property tax replacement purposes any county economic development income tax revenue that is generated by a tax rate of more than fifteen-hundredths percent (0.15%).

(d) The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the portion of the tax rate designated for property tax replacement credits under subsection (c) shall be deposited in the library property tax replacement fund before certified distributions are made under section 12 of this chapter. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund.

(e) The amount of county economic development income tax revenue dedicated to providing library property tax replacement credits shall, in the manner prescribed in this section, be allocated to public libraries operating in the county and shall be used by those public libraries as property tax replacement credits. The amount of property tax replacement credits that each public library in the county is entitled to receive during a calendar year under this section equals the lesser of:

(1) the product of:
(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by
(B) a fraction described as follows:
(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.
(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or
(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of county economic development income tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess shall remain in the library property tax replacement fund and shall be used for library property tax replacement purposes in the following calendar year.

(f) Notwithstanding subsection (e), if a public library did not impose a property tax levy during the previous calendar year, that public library is entitled to receive a part of the property tax replacement credits to be distributed for the calendar year. The amount of property tax replacement credits the public library is entitled to receive during the calendar year equals the product of:

(1) the amount of revenue deposited in the library property tax replacement fund; multiplied by
(2) a fraction. The numerator of the fraction equals the budget of the public library for that calendar year. The denominator of the fraction equals the aggregate budgets of public libraries in the county for that calendar year.

If for a calendar year a public library is allocated a part of the property tax replacement credits under this subsection, then the amount of property tax credits distributed to other public libraries in the county for the calendar year shall be reduced by the amount to be distributed as property tax replacement credits under this subsection. The department of local government finance shall make any adjustments required by this subsection and provide the adjustments to the county auditor.

(g) The department of local government finance shall inform the county auditor of the amount of property tax replacement credits that each public library in the county is entitled to receive under this section. The county auditor shall certify to each public library the amount of property tax replacement credits that the public library is entitled to receive during that calendar year. The county auditor shall also certify these amounts to the county treasurer.

(h) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed. The amount that must be allocated to each fund equals:

(1) the amount of property tax replacement credits provided to the public library under this section; multiplied by
(2) the amount determined in STEP THREE of the following formula:
STEP ONE: Determine the property taxes that would have been collected for each fund by the public library during the previous calendar year if the property tax

replacement under this section had not been in effect.

STEP TWO: Determine the sum of the total property taxes that would have been collected for all funds by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP THREE: Divide the STEP ONE amount by the STEP TWO amount.

However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(i) For each public library that receives property tax credits under this section, the department of local government finance shall certify to the county auditor the property tax rate applicable to each fund after the property tax replacement credits are allocated.

(j) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(k) The property tax replacement credits that are received under this section do not reduce the total county tax levy that is used to compute the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21.~~ **IC 6-10-3.** For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 49. IC 6-3.5-7-25, AS AMENDED BY P.L.199-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 25. (a) This section applies only to a county that has adopted an ordinance under IC 6-1.1-12-41(f).

(b) For purposes of this section, "imposing entity" means the entity that adopted the ordinance under IC 6-1.1-12-41(f).

(c) The imposing entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). A county income tax council that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. Except as provided in subsection (j), an ordinance must be adopted under this subsection after January 1 but before June 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted;

(2) must specify the calendar years to which the ordinance applies; and

(3) must specify that the certified distribution must be used to provide for:

(A) uniformly applied increased homestead credits as provided in subsection (f); or

(B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 26 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection (i); and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the imposing entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for a year to offset the effect on homesteads in the county resulting from a county deduction for inventory under IC 6-1.1-12-41.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(3)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) The increased percentage of homestead credit determined by the county auditor under subsection (f) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(h) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(3)(B), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and

(2) an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-41 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-41 in the county for the immediately preceding year's assessment date.

(i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) An entity authorized to adopt:

(1) an ordinance under subsection (c); and

(2) an ordinance under IC 6-1.1-12-41(f);

may consolidate the two (2) ordinances. The limitation under subsection (c) that an ordinance must be adopted after January 1 of a calendar year does not apply if a consolidated ordinance is adopted under this subsection. However, notwithstanding subsection (c)(1), the ordinance must state that it first applies to certified distributions in the calendar year in which property taxes are initially affected by the deduction under IC 6-1.1-12-41.

SECTION 50. IC 6-3.5-7-26, AS AMENDED BY P.L.162-2006, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 26. (a) This section applies only to homestead and property tax replacement credits for property taxes first due and payable after calendar year 2006.

(b) The following definitions apply throughout this section:

(1) "Adopt" includes amend.

(2) "Adopting entity" means:

(A) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or

(B) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(3) "Homestead" refers to tangible property that is eligible for a homestead credit under ~~IC 6-1.1-20.9.~~ **IC 6-10-4.**

(4) "Residential" refers to the following:

(A) Real property, a mobile home, and industrialized housing that would qualify as a homestead if the taxpayer had filed for a homestead credit under ~~IC 6-1.1-20.9.~~ **IC 6-10-4.**

(B) Real property not described in clause (A) designed to provide units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more, regardless of whether the tangible property is subject to assessment under rules of the department of local government finance that apply to:

(i) residential property; or

(ii) commercial property.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1, 2006, and before June 1, 2006, or, in a year following 2006, after January 1 but before April 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and

(2) must specify that the certified distribution must be used to provide for one (1) of the following, as determined by the adopting entity:

(A) Uniformly applied increased homestead credits as provided in subsection (f).

(B) Uniformly applied increased residential credits as provided in subsection (g).

(C) Allocated increased homestead credits as provided in subsection (i).

(D) Allocated increased residential credits as provided in subsection (j).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection (k); and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase:

(1) if the ordinance grants a credit described in subsection (c)(2)(A) or (c)(2)(C), the homestead credit allowed in the county under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for a year; or

(2) if the ordinance grants a credit described in subsection (c)(2)(B) or (c)(2)(D), the property tax replacement credit allowed in the county under ~~IC 6-1.1-21-5~~ **IC 6-10-3** for a year for the residential property;

to offset the effect on homesteads or residential property, as applicable, in the county resulting from the statewide deduction for inventory under IC 6-1.1-12-42. The amount of an additional residential property tax replacement credit granted under this section may not be considered in computing the amount of any homestead credit to which the residential property may be entitled under ~~IC 6-1.1-20.9~~ **IC 6-10-4** or another law other than IC 6-1.1-20.6.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(2)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) If the imposing entity specifies the application of uniform increased residential credits under subsection (c)(2)(B), the county auditor shall determine for each calendar year in which an increased homestead credit percentage is authorized under this section:

(1) the amount of the certified distribution that is available to provide an increased residential property tax replacement credit percentage for the year;

(2) the amount of uniformly applied residential property tax replacement credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of residential property tax replacement credit that equates to the amount of residential property tax replacement credits determined under subdivision (2).

(h) The increased percentage of homestead credit determined by the county auditor under subsection (f) or the increased percentage of residential property tax replacement credit determined by the county auditor under subsection (g) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(i) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(2)(C), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and

(2) except as provided in subsection (l), an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the

amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(j) If the imposing entity specifies the application of allocated increased residential property tax replacement credits under subsection (c)(2)(D), the county auditor shall determine for each calendar year in which an increased residential property tax replacement credit is authorized under this section:

(1) the amount of the certified distribution that is available to provide an increased residential property tax replacement credit for the year; and

(2) except as provided in subsection (l), an increased percentage of residential property tax replacement credit for each taxing district in the county that allocates to the taxing district an amount of increased residential property tax replacement credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(k) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit or residential property tax replacement credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit or residential property tax replacement credit.

(l) Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of:

(1) homestead credit determined under subsection (i)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county; or

(2) residential property tax replacement credit determined under subsection (j)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the residential property in the county.

SECTION 51. IC 6-3.5-8-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) If the fiscal body of a municipality in a qualifying county adopts an ordinance under section 11(a) of this chapter, the department of local government finance may not certify a budget for the municipality under IC 6-1.1-17-16(f) for the 2002 calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the 2001 calendar year. The department of local government finance may not certify a budget for the municipality under IC 6-1.1-17-16(f) for any later calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the calendar year that immediately precedes the later calendar year.

(b) If the fiscal body of a municipality in a qualifying county adopts an ordinance in a calendar year under section 11(c) of this chapter, the department of local government finance may not certify a budget for the municipality under IC 6-1.1-17-16(f) for the calendar year that immediately succeeds the calendar year in which the ordinance is adopted that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the calendar year in which the ordinance was adopted. The department of local government finance may not certify a budget for the municipality under IC 6-1.1-17-16(f) for any later calendar year that is greater than ninety-seven percent (97%) of the budget of the municipality certified by the department for the calendar year that immediately precedes the later calendar year.

(c) Before July 1 of 2002 and of each year thereafter, the department of local government finance shall review the budget approved for each municipality in a qualifying county in which a municipal option income tax is in effect to determine whether the restriction under subsection (a) or (b) has been applied. If the restriction has not been applied:

(1) the municipal option income tax is rescinded as of July 1 of the year in which the review was made;

(2) the municipality may not impose the municipal option income tax for any later year; and

(3) the municipality is:

(A) subject to subsection (d), if the municipality adopted the municipal option income tax in 2002; or

(B) subject to subsection (e), if the municipality adopted the municipal option income tax in a year that succeeds 2002.

(d) In May 2003, the department of state revenue shall determine for each municipality subject to this subsection the amount of tax revenue collected for the municipality after August 31, 2001, and before July 1, 2002. The department of state revenue shall immediately notify the municipality of the amount determined under this subsection. Not later than thirty (30) days after receiving notification from the department of state revenue, the municipality shall transfer the amount determined by the department under this subsection from the municipality's general fund to the county family and children's fund of the qualifying county in which the municipality is located.

(e) In May 2004, and in May of each year thereafter, the department of state revenue shall determine for each municipality subject to this subsection the amount of tax revenue collected for the municipality after June 30 of the calendar year that precedes by two (2) years the calendar year in which the determination is made and before July 1 of the year that immediately precedes the calendar year in which the determination is made. The department of state revenue shall immediately notify the municipality of the amount determined under this subsection. Not later than thirty (30) days after receiving notification from the department of state revenue, the municipality shall transfer the amount determined by the department under this section. **If the transfer is made before January 1, 2008, the municipality shall transfer the amount** from the municipality's general fund to the county family and children's fund of the qualifying county in which the municipality is located. **If the transfer is made after December 31, 2007, the municipality shall transfer the amount to the state child welfare fund established by IC 31-25-2-20.**

~~(f) If a municipality makes a transfer from its general fund to the county's family and children's fund as described in subsection (d) or (e), the department of local government finance shall reduce by the amount transferred the county's maximum family and children's fund levy under IC 6-1.1-18.6 for the calendar year that immediately succeeds the year in which the transfer is made.~~

~~(g)~~ **(f)** This subsection applies if the fiscal body of a municipality in a qualifying county adopts an ordinance under section 11 of this chapter to impose a municipal option income tax. The maximum permissible ad valorem property tax levy of the municipality is not subject to any increase under IC 6-1.1-18.5-3(a) or IC 6-1.1-18.5-3(b) for taxes payable in:

(1) the calendar year that immediately succeeds the calendar year in which the ordinance is adopted; and

(2) each succeeding calendar year in which the municipal option income tax remains in effect.

~~(h)~~ **(g)** This subsection applies if the fiscal body of a municipality in a qualifying county adopts an ordinance under section 14 of this chapter to rescind the municipal option income tax, or if the municipal option income tax in a municipality is rescinded by operation of law. For purposes of IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP ONE, the preceding calendar year is considered to be the calendar year in which an ordinance was adopted under section 11 of this chapter to impose the municipal option income tax.

SECTION 52. IC 6-3.5-8-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 20. (a) The department of local government finance shall each year reduce the general fund property tax levy of a municipality receiving a distribution under this chapter in that year. The municipality's general fund property tax levy shall be reduced by the amount of the distribution received or to be received by the municipality during the year. The department of local government finance shall certify to the auditor of the qualifying county the property tax rate applicable to the municipality's general fund after the property tax reduction under this section.

(b) A municipality shall treat a distribution that the municipality receives or is to receive during a particular calendar year as a part of the municipality's property tax levy for the general fund for that same calendar year for purposes of fixing the municipality's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5. However, the distributions shall not reduce the total county tax levy that is used to compute the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21.~~ **IC 6-10-3.** In addition, for purposes of computing and distributing any excise taxes or income taxes in which the distribution is based on property taxes, the distributions shall be treated as though they were property taxes that were due and payable during that same calendar year.

(c) A municipality may use distributions received under this chapter for any purpose for which the municipality may use property tax revenues.

SECTION 53. IC 6-5.5-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) On or before February 1, May 1, August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year.

(b) For purposes of determining distributions under subsection (c), the department of local government finance shall determine a state welfare allocation for each county calculated as follows:

(1) For 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(A) the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by

(B) the amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under subsection (b) without regard to this subdivision.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

(2) The state welfare allocation shall be deducted from the distributions otherwise payable under subsection (c) to the taxing unit that is a county and shall be deposited in a special account within the state general fund.

(c) **Except as provided in subsection (h),** a taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:

(1) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the department of local government finance, from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus

(3) in the case of a taxing unit that is a county, the amount that would have been received by the taxing unit in the year of the distribution, as determined by the department of local government finance from property taxes that:

(A) were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and

(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

(d) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between:

(A) one-half (½) of the taxes that the department estimates will be paid under this article during the year; minus

(B) the sum of all the guaranteed distributions, before the subtraction of all state welfare allocations under subsection (a), for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (c)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in the county; divided by

(B) the sum of the amounts received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in all counties.

STEP THREE: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the amount determined in STEP TWO.

STEP FOUR: Determine the greater of zero (0) or the difference between:

(A) the amount of supplemental distribution determined in STEP THREE for the county; minus

(B) the amount of refunds granted under IC 6-5-10-7 (repealed) that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13 (repealed).

For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.

(e) Except as provided in ~~subsection~~ **subsections** (g) **and (h),** the amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

(A) the amount received by the taxing unit under

IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; divided by

(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

STEP TWO: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the supplemental distribution for the county, as determined in subsection (d), STEP FOUR.

(f) The county auditor shall distribute the guaranteed and supplemental distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

(g) The amount of a supplemental distribution paid to a taxing unit that is a county shall be reduced by an amount equal to:

(1) the amount the county would receive under subsection (e) without regard to this subsection; minus

(2) an amount equal to:

(A) the amount under subdivision (1); multiplied by

(B) the result of the following:

(i) Determine the amounts appropriated by the county in 1997, 1998, and 1999, from the county's county welfare fund and county welfare administration fund, divided by the total amounts appropriated by all the taxing units in the county in the year.

(ii) Divide the amount determined in item (i) by three (3).

**(h) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:**

**STEP ONE: For 2005, 2006, and 2007, determine the result of:**

**(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2007 will be paid by the state under IC 33-23-15-6; divided by**

**(B) the amounts appropriated by all the taxing units in the county for the year.**

**STEP TWO: Determine the sum of the results determined under STEP ONE.**

**STEP THREE: Divide the STEP TWO result by three (3).**

**STEP FOUR: Determine the amount of the financial institutions tax that would otherwise be distributed to taxing units in the county under this section.**

**STEP FIVE: Determine the result of:**

**(A) the STEP FOUR amount; multiplied by**

**(B) the STEP THREE result.**

**STEP SIX: Determine the greater of:**

**(A) zero (0); or**

**(B) the STEP FIVE amount.**

**The amount deducted under this subsection shall be deposited in the state general fund.**

SECTION 54. IC 6-6-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) **Except as provided in subsection (f),** the county auditor shall determine the total amount of excise taxes collected for each taxing unit in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed. However, for purposes of determining distributions under this section for 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following STEPS:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare administration fund; divided by

(ii) the total amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision.

STEP FIVE: Determine the result of:

(i) the STEP FOUR amount; multiplied by

(ii) the STEP THREE result.

The state welfare allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare allocation to the treasurer of state for deposit in a special account within the state general fund.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from the assessor's records, to the extent such verification can be so made. The assessor shall further identify and verify from the assessor's records the several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

**(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:**

**STEP ONE: For 2005, 2006, and 2007, determine the result of:**

**(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2007 will be paid by the state under IC 33-23-15-6; divided by**

**(B) the amounts appropriated by all the taxing units in the county for the year.**

**STEP TWO: Determine the sum of the results determined under STEP ONE.**

**STEP THREE: Divide the STEP TWO result by three (3).**

**STEP FOUR: Determine the amount of the motor vehicle excise tax that would otherwise be distributed to taxing units in the county under this section.**

**STEP FIVE: Determine the result of:**

**(A) the STEP FOUR amount; multiplied by**

**(B) the STEP THREE result.**

**STEP SIX: Determine the greater of:**

**(A) zero (0); or**

**(B) the STEP FIVE amount.**

**The amount deducted under this subsection shall be deposited in the state general fund.**

SECTION 55. IC 6-6-5.5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 20. (a) **Except as provided in subsection (f),** on or before May 1, the auditor of state shall distribute to each county auditor an amount equal to fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(b) On or before December 1, the auditor of state shall distribute to each county auditor an amount equal to the greater of the following:

(1) Fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(2) The product of the county's distribution percentage multiplied by the total commercial vehicle excise tax revenue deposited in the commercial vehicle excise tax fund.

(c) Upon receipt, the county auditor shall distribute to the taxing units an amount equal to the product of the taxing unit's distribution percentage multiplied by the total distributed to the county under this section. The amount determined shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

(d) In the event that sufficient funds are not available in the commercial vehicle excise tax fund for the distributions required by subsection (a) and subsection (b)(1), the auditor of state shall transfer funds from the commercial vehicle excise tax reserve fund.

(e) The auditor of state shall, not later than July 1 of each year, furnish to each county auditor an estimate of the amounts to be distributed to the counties under this section during the next calendar year. Before August 1, each county auditor shall furnish to the proper officer of each taxing unit of the county an estimate of the amounts to be distributed to the taxing units under this section during the next calendar year and the budget of each taxing unit shall show the estimated amounts to be received for each fund for which a property tax is proposed to be levied.

**(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:**

**STEP ONE: For 2005, 2006, and 2007, determine the result of:**

**(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2007 will be paid by the state under IC 33-23-15-6; divided by**

**(B) the amounts appropriated by all the taxing units in the county for the year.**

**STEP TWO: Determine the sum of the results determined under STEP ONE.**

**STEP THREE: Divide the STEP TWO result by three (3).**

**STEP FOUR: Determine the amount of the commercial vehicle excise tax that would otherwise be distributed to taxing units in the county under this section.**

**STEP FIVE: Determine the result of:**

**(A) the STEP FOUR amount; multiplied by**

**(B) the STEP THREE result.**

**STEP SIX: Determine the greater of:**

**(A) zero (0); or**

**(B) the STEP FIVE amount.**

**The amount deducted under this subsection shall be deposited in the state general fund.**

SECTION 56. IC 6-6-6.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 21. (a) The department shall allocate each aircraft excise tax payment collected by it to the county in which the aircraft is usually located when not in operation or to the aircraft owner's county of residence if based out of state. **Except as provided in subsection (f),** the department shall distribute to each county treasurer on a quarterly basis the aircraft excise taxes which were collected by the department during the preceding three (3) months and which the department has allocated to that county. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall be made in April.

(b) Concurrently with making a distribution of aircraft excise taxes, the department shall send an aircraft excise tax report to the county treasurer and the county auditor. The department shall prepare the report on the form prescribed by the state board of accounts. The aircraft excise tax report must include aircraft identification, owner information, and excise tax payment, and must indicate the county where the aircraft is normally kept when not in operation. The department shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by it.

(c) Except as provided in section 21.5 of this chapter, each county treasurer shall deposit money received ~~by him~~ under this chapter in a separate fund to be known as the "aircraft excise tax fund". The money in the aircraft excise tax fund shall be distributed to the taxing units of the county in the manner prescribed in subsection (d).

(d) In order to distribute the money in the county aircraft excise tax fund to the taxing units of the county, the county auditor shall first allocate the money in the fund among the taxing districts of the county. In making these allocations, the county auditor shall allocate to a taxing district the excise taxes collected with respect to aircraft usually located in the taxing district when not in operation. The money allocated to a taxing district shall be apportioned and distributed among the taxing units of that taxing district in the same manner and at the same time that the property taxes are apportioned and distributed.

(e) Within thirty (30) days following the receipt of excise taxes from the department, the county treasurer shall file a report with the county auditor concerning the aircraft excise taxes collected by the county treasurer. The county treasurer shall file the report on the form prescribed by the state board of accounts. The county treasurer shall, in the manner and at the times prescribed in IC 6-1.1-27, make a settlement with the county auditor for the aircraft excise taxes collected by the county treasurer. The county treasurer shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by ~~him.~~ **the treasurer.**

**(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:**

**STEP ONE: For 2005, 2006, and 2007, determine the result of:**

**(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2007 will be paid by the state under IC 33-23-15-6; divided by**

**(B) the amounts appropriated by all the taxing units in the county for the year.**

**STEP TWO: Determine the sum of the results determined under STEP ONE.**

**STEP THREE: Divide the STEP TWO result by three (3).**

**STEP FOUR: Determine the amount of the aircraft excise tax that would otherwise be distributed to taxing units in the county under this section.**
**STEP FIVE: Determine the result of:**
**(A) the STEP FOUR amount; multiplied by**
**(B) the STEP THREE result.**
**STEP SIX: Determine the greater of:**
**(A) zero (0); or**
**(B) the STEP FIVE amount.**
**The amount deducted under this subsection shall be deposited in the state general fund.**

SECTION 57. IC 6-6-9-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. (a) All revenues collected from the auto rental excise tax shall be deposited in a special account of the state general fund called the auto rental excise tax account.

(b) On or before May 20 and November 20 of each year, all amounts held in the auto rental excise tax account shall be distributed to the county treasurers of Indiana.

(c) **Except as provided in subsection (h),** the amount to be distributed to a county treasurer equals that part of the total auto rental excise taxes being distributed that were initially imposed and collected from within that treasurer's county. The department shall notify each county auditor of the amount of taxes to be distributed to the county treasurer. At the same time each distribution is made to a county treasurer, the department shall certify to the county auditor each taxing district within the county where auto rental excise taxes were collected and the amount of the county distribution that was collected with respect to each taxing district.

(d) The county treasurer shall deposit auto rental excise tax collections into a separate account for settlement at the same time as property taxes are accounted for and settled in June and December of each year.

(e) The county auditor shall apportion and the county treasurer shall distribute the auto rental excise taxes among the taxing units of the county in the same manner that property taxes are apportioned and distributed with respect to property located in the taxing district where the auto rental excise tax was initially imposed and collected. The auto rental excise taxes distributed to a taxing unit shall be allocated among the taxing unit's funds in the same proportions that the taxing unit's property tax collections are allocated among those funds.

(f) Taxing units of a county may request and receive advances of auto rental excise tax revenues in the manner provided under IC 5-13-6-3.

(g) All distributions from the auto rental excise tax account shall be made by warrants issued by the auditor of state to the treasurer of state ordering those payments to the appropriate county treasurer.

**(h) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:**
**STEP ONE: For 2005, 2006, and 2007, determine the result of:**
**(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2007 will be paid by the state under IC 33-23-15-6; divided by**
**(B) the amounts appropriated by all the taxing units in the county for the year.**
**STEP TWO: Determine the sum of the results determined under STEP ONE.**
**STEP THREE: Divide the STEP TWO result by three (3).**
**STEP FOUR: Determine the amount of the auto rental excise tax that would otherwise be distributed to taxing units in the county under this section.**
**STEP FIVE: Determine the result of:**
**(A) the STEP FOUR amount; multiplied by**
**(B) the STEP THREE result.**
**STEP SIX: Determine the greater of:**
**(A) zero (0); or**
**(B) the STEP FIVE amount.**
**The amount deducted under this subsection shall be deposited in the state general fund.**

SECTION 58. IC 6-6-11-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 31. (a) A boat excise tax fund is established in each county. Each county treasurer shall deposit in the fund the taxes received under this chapter.

(b) **Except as provided in subsection (c),** the excise tax money in the county boat excise tax fund shall be distributed to the taxing units of the county. The county auditor shall allocate the money in the fund among the taxing units of the county based on the tax situs of each boat. The money allocated to the taxing units shall be apportioned and distributed among the funds of the taxing units in the same manner and at the same time that property taxes are apportioned and distributed.

**(c) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:**
**STEP ONE: For 2005, 2006, and 2007, determine the result of:**
**(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2007 will be paid by the state under IC 33-23-15-6; divided by**
**(B) the amounts appropriated by all the taxing units in the county for the year.**
**STEP TWO: Determine the sum of the results determined under STEP ONE.**
**STEP THREE: Divide the STEP TWO result by three (3).**
**STEP FOUR: Determine the amount of the boat excise tax that would otherwise be distributed to taxing units in the county under this section.**
**STEP FIVE: Determine the result of:**
**(A) the STEP FOUR amount; multiplied by**
**(B) the STEP THREE result.**
**STEP SIX: Determine the greater of:**
**(A) zero (0); or**
**(B) the STEP FIVE amount.**
**The amount deducted under this subsection shall be deposited in the state general fund.**

SECTION 59. IC 6-8.1-1-1, AS AMENDED BY P.L.162-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the river boat admissions tax (IC 4-33-12); the river boat wagering tax (IC 4-33-13); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle

excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); **the supplemental local property tax replacement income tax (IC 6-10-5);** the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 60. IC 6-10 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]:

**ARTICLE 10. SUPPLEMENTAL LOCAL PROPERTY TAX REPLACEMENT INCOME TAX**

**Chapter 1. Purpose**

**Sec. 1. The purpose of this article is to:**

**(1) provide property tax relief to property taxpayers from a dedicated source of supplemental income tax revenue; and**

**(2) fairly allocate property tax relief back to the property taxpayers in a county in proportion to the supplemental income tax paid by supplemental income taxpayers in the county.**

**Sec. 2. This article shall be liberally constructed to carry out the purposes of this article.**

**Chapter 2. Definitions**

**Sec. 1. The definitions in IC 6-1.1-1 and IC 36-1-2 apply throughout this article.**

**Sec. 2. The definitions in this chapter apply throughout this article.**

**Sec. 3. "2006 certified homestead distribution" refers to the state distribution to a county in 2006 to replace revenue lost as the result of the granting of homestead credits in the county under IC 6-1.1-20.9-2 (repealed), as certified under IC 6-10-7-1(1).**

**Sec. 4. "2006 certified property tax relief distribution" refers to the sum of a county's 2006 certified homestead distribution and 2006 certified property tax replacement distribution, as certified under IC 6-10-7-1(3).**

**Sec. 5. "2006 certified property tax replacement distribution" refers to the state distribution to a county in 2006 to replace revenue lost as the result of the granting of property tax replacement credits in the county under IC 6-1.1-21-5 (repealed), as certified under IC 6-10-7-1(2).**

**Sec. 6. "Additional supplemental income revenue" refers to the amount by which the certified actual supplemental income tax revenue of all counties exceeds the 2006 certified property tax relief distribution amount for all counties, as determined under IC 6-10-7-9.**

**Sec. 7. "Adjusted gross income", for purposes of determining the adjusted gross income of:**

**(1) a resident income taxpayer, means adjusted gross income (as defined in IC 6-3-1-3.5(a) but determined by adding back the deduction permitted under IC 6-3-1-3.5(a)(6)), regardless of where the adjusted gross income is earned; and**

**(2) a nonresident income taxpayer, includes only the individual's adjusted gross income (as defined in IC 6-3-1-3.5(a) but determined by adding back the deduction permitted under IC 6-3-1-3.5(a)(6)) derived from the nonresident income taxpayer's principal place of business or employment.**

**Sec. 8. "Auditor's abstract" means the annual report prepared by each county auditor that, under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.**

**Sec. 9. "Business personal property" means tangible personal property that is being:**

**(1) held for sale in the ordinary course of a trade or business; or**

**(2) held, used, or consumed in connection with the production of income.**

**Sec. 10. "Certified actual supplemental income tax revenue" refers to the amount of supplemental income tax revenue raised in a county for a particular year as certified under IC 6-10-7-5.**

**Sec. 11. "Certified homestead distribution" refers to the amount distributed under IC 6-10-7-3 to a county in a year to replace revenue lost as a result of granting homestead credits in the county under IC 6-10-4.**

**Sec. 12. "Certified property tax replacement distribution" refers to the amount distributed under IC 6-10-7-2 to a county in a year to replace revenue lost as a result of granting property tax replacement credits in the county under IC 6-10-3.**

**Sec. 13. "Dwelling" means any of the following:**

**(1) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.**

**(2) A mobile home that is not assessed as real property that an individual uses as the individual's residence.**

**(3) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.**

**Sec. 14. "Eligible property tax replacement amount" is equal to the sum of the following:**

**(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.**

**(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.**

**(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.**

**Sec. 15. "Homestead" means an individual's principal place of residence that:**

**(1) is located in Indiana;**

**(2) the individual:**

**(A) owns;**

**(B) is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; or**

**(C) has a beneficial interest in, as described in IC 6-10-4-4(c); and**

**(3) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.**

**Sec. 16. "Homestead credit" refers to a credit against property tax liability granted under IC 6-10-4.**

**Sec. 17. "Income tax determination date" means January 1 of the calendar year in which the individual's taxable year begins.**

**Sec. 18. "Mobile home" has the meaning set forth in IC 6-1.1-1-8.7.**

**Sec. 19. "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.**

Sec. 20. "Nonresident income taxpayer" means an individual who:

(1) maintains a principal place of business or employment in a county in Indiana on the income tax determination date for the individual's taxable year; and

(2) is not a resident income taxpayer of any county in Indiana on the income tax determination date for the individual's taxable year.

Sec. 21. "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract that change assessments or add assessments of omitted property affecting taxes for the assessment year.

Sec. 22. (a) "Property tax" means property taxes payable in respect to property assessed under IC 6-1.1. The term includes any special charges that a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(b) The term does not include special assessments, penalties, or interest.

Sec. 23. "Property tax liability" refers to the amount of a property taxpayer's liability for property taxes computed under IC 6-10-3-4.

Sec. 24. "Property tax replacement credit" refers to a credit against a property taxpayer's property tax liability granted under IC 6-10-3.

Sec. 25. "Property taxpayer" means a person who is liable for property taxes.

Sec. 26. "Resident income taxpayer" means an individual who resides, as determined under IC 6-10-5-3, in a county in Indiana on the income tax determination date for the individual's taxable year.

Sec. 27. "Supplemental homestead distribution" refers to the additional supplemental income revenue that is available in a particular year to increase the amount of homestead credits granted in a county, as determined under IC 6-10-7-11.

Sec. 28. "Supplemental income tax" refers to a supplemental local property tax replacement income tax imposed under this article.

Sec. 29. "Supplemental income taxpayer" means the following:

(1) A resident income taxpayer.

(2) A nonresident income taxpayer.

Sec. 30. "Supplemental property tax replacement distribution" refers to the additional supplemental income revenue that is available in a particular year to increase the amount of property tax replacement credits granted in a county, as determined under IC 6-10-7-10.

Sec. 31. "Tax duplicate" means the roll of property taxes that each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

Sec. 32. "Taxing unit" has the meaning set forth in IC 6-1.1-1-21.

Sec. 33. "Taxpayer's property tax replacement credit amount"refers to the amount of a property taxpayer's property tax replacement credit determined under IC 6-10-3-6.

Sec. 34. "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county that are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments that change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5 (repealed), or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (repealed) were satisfied before January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 (repealed) or IC 20-40-8 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 (repealed) or IC 20-40-5 for a racial balance fund; plus

(iii) IC 36-12-12 for a library capital projects fund; plus

(iv) IC 36-10-13-7 for an art association fund; plus

(v) IC 21-2-17 (repealed) or IC 20-46-2 for a special education preschool fund; plus

(vi) IC 21-2-11.6 (repealed) for a referendum tax levy fund; plus

(vii) an appeal filed under IC 6-1.1-19-5.1 (repealed) or IC 20-40-3 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus

(viii) an appeal filed under IC 6-1.1-19-5.4 (repealed) or IC 20-46-4-6 for an increase in a school corporation's maximum permissible transportation fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a

school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19 including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 (repealed) or IC 20-45-3, or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE (as effective January 1, 1990) or IC 6-1.1-18.5-19(b) STEP THREE (as effective January 1, 1990), whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) (as effective before January 1, 1989), filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

Chapter 3. Property Tax Replacement Credit

Sec. 1. Each year the property taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for property taxes that:

(1) under IC 6-1.1-22-9 are due and payable in May and November of that year; or

(2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.

Sec. 2. The credit under this chapter shall be applied to each installment of property taxes.

Sec. 3. The dollar amount of the credit under this chapter for each property taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.

Sec. 4. (a) Subject to subsection (b), the property tax liability of a taxpayer for the purpose of computing the credit under this chapter for a particular year must be based on:

(1) the taxpayer's property tax as evidenced by the tax duplicate for the taxes payable in that year; plus

(2) the amount by which the property tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year;

as adjusted for any change in assessed valuation that may have been made under a postabstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a).

(b) The property tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under IC 6-10-2-34(1)(B), IC 6-10-2-34(1)(C), IC 6-10-2-34(1)(D), IC 6-10-2-34(1)(E), IC 6-10-2-34(1)(F), IC 6-10-2-34(1)(G), IC 6-10-2-34(1)(H), IC 6-10-2-34(1)(I), or IC 6-10-2-34(1)(J) in computing the total county tax levy.

Sec. 5. The credit under this chapter for property taxes payable in a particular year with respect to mobile homes that are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments described in section 4 of this chapter.

Sec. 6. A property taxpayer's property tax replacement credit amount is the amount determined under STEP SEVEN of the following formula:

STEP ONE: Determine the county's certified property tax replacement distribution for the year.

STEP TWO: Determine the county's eligible property tax replacement amount for the year.

STEP THREE: Determine the result of:

(A) the STEP ONE amount; divided by

(B) the STEP TWO amount;

rounded to the nearest ten thousandth (0.0001).

STEP FOUR: Determine the result of:

(A) sixty percent (60%) of a taxpayer's tax liability in a calendar year for property taxes imposed by a school corporation for its general fund for a stated assessment year; multiplied by

(B) the STEP THREE result.

STEP FIVE: Determine the result of:

(A) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the result of:

(A) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property; multiplied by

(B) the STEP THREE result.

STEP SEVEN: Determine the sum of:

(A) the STEP FOUR result;

(B) the STEP FIVE result; and

(C) the STEP SIX result.

Chapter 4. Homestead Credit

Sec. 1. Except as otherwise provided in section 7 of this chapter, an individual who on March 1 of a particular year:

(1) owns the individual's homestead;

(2) is buying the individual's homestead under a contract that:

(A) provides the individual is to pay the property taxes on the homestead; and

(B) is recorded in the office of the county recorder where the homestead is located; or

(3) has a beneficial interest in the individual's homestead, as determined under section 4(c) of this chapter;

is entitled each year to a credit against the individual's property tax liability that the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

Sec. 2. (a) The amount of the credit to which an individual is entitled to under this chapter equals the product of:

(1) the uniform homestead credit percentage determined under section 3 of this chapter; multiplied by

(2) the amount of the individual's property tax liability that is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-10-3.

(b) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

Sec. 3. (a) The department of local government finance shall annually calculate for each county the county's uniform homestead credit percentage. A county's uniform homestead credit percentage is the percentage determined in STEP FOUR of the following formula:

STEP ONE: Determine the amount of the certified homestead distribution for the county in the current calendar year.

STEP TWO: Determine the total amount of the property tax liability first due and payable in the calendar year that is:

(1) attributable to each homestead located in the county during the particular calendar year; and

(2) determined after the application of the property tax replacement credit under IC 6-10-3.

STEP THREE: Determine the quotient of:

(1) the STEP ONE amount; divided by

(2) the STEP TWO amount.

STEP FOUR: Express the STEP THREE quotient as a percentage rounded to the nearest one hundredth percent (0.01%).

(b) The uniform county homestead percentage determined under this section must be used to calculate the amount of the homestead credit allowed to each individual that is entitled to a homestead credit under section 1 of this chapter.

Sec. 4. (a) Before October 1 of each year, the county assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(b) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(c) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Sec. 5. (a) Subject to this section, an individual who desires to claim the credit provided by section 1 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include the parcel number or key number of the real estate and the name of the city, town, or township in which the real estate is located. With respect to real property, the statement must be filed during the twelve (12) months before May 11 of the year before the first year for which the person wishes to obtain the credit for the homestead. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of the first year for which the individual wishes to obtain the credit. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the credit is allowed.

(b) The certified statement referred to in subsection (a) must contain the name of any other county and township in which the individual owns or is buying real property.

(c) If an individual who is receiving the credit provided by this chapter changes the use of the individual's real property, so that part or all of that real property no longer qualifies for the homestead credit provided by this chapter, the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use within sixty (60) days after the date of that change. An individual who changes the use of the individual's real property and fails to file the statement required by this subsection is liable for the amount of the credit the individual was allowed under this chapter for that real property.

(d) An individual who receives the credit provided by section 1 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the credit in the following year is not required to file a statement to reapply for the credit following the removal of the joint owner if:

(1) the individual is the sole owner of the property following the death of the individual's spouse;

(2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or

(3) the individual is awarded sole ownership of the property in a divorce decree.

(e) An individual or other taxpayer who filed for a homestead credit under IC 6-1.1-20.9 (repealed) and would have been entitled to a homestead credit against tax liability first due and payable in 2008, if IC 6-1.1-20.9 had not been repealed, is treated as if the individual or other taxpayer had filed for a homestead credit for the homestead under this section.

Sec. 6. (a) The auditor of a county (referred to in this section as the "first county") with whom a credit statement is filed under section 5 of this chapter shall immediately prepare and transmit a copy of the statement to the auditor of any other county (referred to in this section as the "second county") if the individual who claims the credit owns or is buying real property located in the second county.

(b) The county auditor of the second county shall note on the copy of the statement whether or not the individual has claimed a credit for the current year under section 1 of this

chapter for a homestead located in the second county. The auditor shall then return the copy to the auditor of the first county.

Sec. 7. (a) Each year, the county auditor shall place the original copies of all credit statements filed under section 5 of this chapter in alphabetical order by townships. The county auditor shall, without regard to townships, place the duplicate copies for the entire county in alphabetical order.

(b) The auditor shall ascertain from the alphabetical files whether or not more than one (1) statement has been filed by the same individual.

(c) The county auditor may not grant an individual a credit under section 1 of this chapter if:

(1) the individual, for the same year, claims the credit on two (2) or more different statements; and

(2) the statements claim the credit for different property.

Sec. 8. Before April 1 of each year before the year in which the credit is allowed, the auditor of each county shall certify to the department of local government finance the amount of the assessed valuation that qualifies for the homestead credit. Before February 1 of each year, the auditor of each county shall certify to the department of local government finance the amount of homestead credits allowed in that county for that calendar year.

Chapter 5. Imposition of Tax

Sec. 1. Except as provided in this chapter, a supplemental local property tax replacement income tax is imposed on the adjusted gross income of supplemental income taxpayers in a county.

Sec. 2. The supplemental local property tax replacement income tax is imposed at the rate of one percent (1%).

Sec. 3. (a) For purposes of this chapter, an individual shall be treated as a resident income taxpayer of the county in which the individual:

(1) maintains a home, if the individual maintains only one (1) home in Indiana;

(2) if subdivision (1) does not apply, is registered to vote;

(3) if subdivision (1) or (2) does not apply, registers the individual's personal automobile; or

(4) if subdivision (1), (2), or (3) does not apply, spends the majority of the individual's time spent in Indiana during the taxable year in question.

(b) The residence or principal place of business or employment of an individual is to be determined on the income tax determination date for the individual's taxable year. If an individual changes the location of the individual's residence or principal place of employment or business to another county in Indiana during the individual's taxable year, the individual's liability for supplemental income tax is not affected.

Sec. 4. (a) The department of state revenue may enter into reciprocity agreements with the taxing authority of a city, town, municipality, county, or other similar local governmental entity of any other state. A reciprocity agreement must provide that the income of nonresident income taxpayers who reside in the other local governmental entity is exempt from the supplemental income tax in the Indiana county entering into the agreement to the extent that the income of Indiana resident income taxpayers is exempt from income taxation by the other local governmental entity.

(b) A reciprocity agreement entered into under this section may not become effective until the agreement is also made effective in the other local governmental entity that is a party to the agreement.

(c) A certified copy of the reciprocity agreement must be filed with the following:

(1) The department of local government finance.

(2) The budget agency.

(d) The form and effective date of any reciprocity agreement described in this section must be approved by the budget agency.

Sec. 5. (a) If for a taxable year a supplemental income taxpayer is (or a supplemental income taxpayer and a supplemental income taxpayer's spouse who file a joint return are) allowed a credit for the elderly or the disabled under Section 22 of the Internal Revenue Code, the supplemental income taxpayer is (or a supplemental income taxpayer and a supplemental income taxpayer's spouse who file a joint return are) entitled to a credit against the supplemental income taxpayer's (or the supplemental income taxpayer's and the supplemental income taxpayer's spouse's) supplemental income tax liability under this chapter for that same taxable year. The amount of the credit equals the lesser of:

(1) the product of:

(A) the supplemental income taxpayer's (or the supplemental income taxpayer's and the supplemental income taxpayer's spouse's) credit for the elderly or the totally disabled for that same taxable year; multiplied by

(B) a fraction for which the numerator of the fraction is the supplemental income tax rate and the denominator is fifteen hundredths (0.15); or

(2) the amount of supplemental income tax imposed on the supplemental income taxpayer (or the supplemental income taxpayer and the supplemental income taxpayer's spouse).

(b) If a supplemental income taxpayer and the local taxpayer's spouse file a joint return and are subject to different supplemental income tax rates under this chapter for the same taxable year, they shall compute the credit under this section using the formula provided by subsection (a), except that they shall use the average of the two (2) supplemental income tax rates as the numerator referred to in subsection (a)(1)(B).

Sec. 6. Revenue from a supplemental local property tax replacement income tax under this chapter shall be collected, deposited, and used as provided in this article.

Chapter 6. Collection

Sec. 1. Except as otherwise provided in this article, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

(1) definitions;

(2) declarations of estimated tax;

(3) filing of returns;

(4) remittances;

(5) incorporation of the provisions of the Internal Revenue Code;

(6) penalties and interest;

(7) exclusion of military pay credits for withholding; and

(8) exemptions and deductions;

apply to the imposition, collection, and administration of a supplemental income tax imposed by IC 6-10-5.

Sec. 2. IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the supplemental income tax imposed by IC 6-10-5.

Sec. 3. Each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted in the manner and on the schedule determined by the department of state revenue. The department of state revenue may provide for the information to be reported:

(1) annually along with the employer's annual withholding report; or

(2) on a more frequent schedule with annual reconciliation of the amounts reported during the year.

Sec. 4. Each supplemental income taxpayer that is

required to file estimated tax returns under IC 6-3-4-4.1 shall report to the department the amount of estimated supplemental income tax attributable to a county. The report shall be submitted in the manner and on the schedule determined by the department of state revenue. The department of state revenue may provide for the information to be reported:

(1) annually along with the income taxpayer's annual return; or

(2) on a more frequent schedule with annual reconciliation of the amounts reported during the year.

Sec. 5. The department of state revenue shall separately account for the supplemental income taxes collected from supplemental income taxpayers in each county and refunds made to supplemental income taxpayers in each county.

Chapter 7. Distribution

Sec. 1. Before August 2, 2007, and before August 2 in any subsequent year in which a later adjustment in the amount distributed is made as a result of the resolution of refunds and other tax appeals, the department of local government finance, after reviewing the recommendation of the budget agency, shall make the following certifications to the auditor for each county:

(1) The total amount of the state distribution made under IC 6-1.1-21 (repealed), as adjusted in any subsequent settlement under IC 6-1.1-21-9 (repealed), to the county to replace revenue lost as a result of the granting of a property tax replacement credit to taxpayers in the county under IC 6-1.1-21-5 (repealed) for property taxes first due and payable for the March 1, 2005, and January 15, 2006, assessment dates.

(2) The total amount of the state distribution made under IC 6-1.1-21 (repealed), as adjusted in any subsequent settlement under IC 6-1.1-21-9 (repealed), to the county to replace revenue lost as a result of the granting of a homestead credit to taxpayers in the county under IC 6-1.1-20.9-2 (repealed) for property taxes first due and payable for the March 1, 2005, and January 15, 2006, assessment dates.

(3) The sum of the county's 2006 certified property tax replacement distribution and the county's 2006 certified homestead distribution.

Sec. 2. Each year beginning after December 31, 2007, the auditor of state shall make a certified property tax replacement distribution to the county treasurer of each county equal to the sum of the following:

(1) The county's 2006 certified property tax replacement distribution.

(2) The county's supplemental property tax replacement distribution for the year determined under section 10 of this chapter.

Sec. 3. Each year beginning after December 31, 2007, the auditor of state shall make a certified homestead distribution to the county treasurer of each county equal to the sum of the following:

(1) The county's 2006 certified homestead distribution.

(2) The county's supplemental homestead distribution for the year determined under section 11 of this chapter.

Sec. 4. The distribution required under section 2 of this chapter and the distribution required under section 3 of this chapter shall be made in twelve (12) equal installments.

Sec. 5. Before August 2, 2009, and August 2 in each year thereafter, the department of state revenue, after reviewing the recommendation of the budget agency, shall certify the amount determined under section 6 of this chapter for a particular county (as adjusted under section 7 of this chapter) to the following:

(1) The auditor of state.

(2) The department of local government finance.

The amount certified for a county under this section shall be treated as the county's certified actual supplemental income tax revenue for the ensuing year.

Sec. 6. Subject to section 7 of this chapter, the amount to be certified under section 5 of this chapter for a particular county for an ensuing year equals the amount of supplemental income tax revenue that the department of state revenue, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department of state revenue in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of supplemental income tax made in the state fiscal year.

Sec. 7. (a) The amount determined under section 6 of this chapter shall be adjusted as provided under this section.

(b) The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified amount for a county to an amount less than the amount determined under section 6 of this chapter if the department of state revenue, after reviewing the recommendation of the budget agency, determines that the reduced certified amount is necessary to offset the effects of an overpayment to the county in a year before the year to which the certified amount applies. The department of state revenue, after reviewing the recommendation of the budget agency, may reduce the certified amount over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(c) The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified amount for a county to correct for any clerical or mathematical errors made in any previous certification under this chapter. The department of state revenue, after reviewing the recommendation of the budget agency, may reduce the certified amount over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

Sec. 8. Before December 2, 2009, and December 2 in each subsequent year, the department of local government finance, after reviewing the recommendation of the budget agency, shall certify the following to the auditor of state and the fiscal officer of each county:

(1) The total amount of supplemental income taxes imposed on supplemental income taxpayers in each county that are available to increase the certified property tax replacement distributions and certified homestead distributions to the county for an ensuing year.

(2) Each county's supplemental property tax replacement distribution for the ensuing year.

(3) Each county's supplemental homestead distribution for the ensuing year.

Sec. 9. The total amount of supplemental income taxes available to increase the certified property tax replacement distributions and certified homestead distributions for an ensuing year in a county is the greater of zero (0) or the result determined under the last STEP of the following formula:

STEP ONE: Determine for all counties the sum of the certified actual supplemental income tax revenue determined for each county for the ensuing year.

STEP TWO: Determine for all counties the sum of the 2006 certified total property tax relief distribution to each county.

**STEP THREE: Determine the greater of zero (0) or the result of:**
**(A) the STEP ONE result; minus**
**(B) the STEP TWO result.**
**STEP FOUR: Determine the greater of zero (0) or the result of:**
**(A) the county's certified actual supplemental income tax revenue for the ensuing year; minus**
**(B) the county's 2006 certified total property tax relief distribution.**
**STEP FIVE: Determine the result of:**
**(A) the county's STEP FOUR amount; divided by**
**(B) the STEP THREE result.**
**STEP SIX: Determine the result of:**
**(A) the STEP FIVE result; multiplied by**
**(B) the STEP THREE result;**
**rounded to the nearest dollar ($1).**

**Sec. 10. A county's supplemental property tax replacement distribution for the ensuing year is equal to the total amount of supplemental income taxes available to increase the certified property tax replacement distributions and certified homestead distributions for an ensuing year in the county multiplied by a fraction. The numerator of the fraction is the county's 2006 certified property tax replacement distribution. The denominator is the county's 2006 certified total property tax relief distribution.**

**Sec. 11. A county's supplemental homestead distribution for the ensuing year is equal to the total amount of supplemental income taxes available to increase the certified property tax replacement distributions and certified homestead distributions for an ensuing year in the county multiplied by a fraction. The numerator of the fraction is the county's 2006 certified homestead distribution. The denominator is the county's 2006 certified total property tax relief distribution.**

**Sec. 12. A county treasurer receiving a certified property tax replacement distribution or certified homestead distribution under this chapter shall apportion the amount received among the taxing units that imposed any part of the county's total county tax levy. The amount received by the county as a:**
**(1) certified property tax replacement distribution shall be distributed to each taxing unit in proportion to the amount of revenue lost to the taxing unit as a result of the granting of property tax replacement credits in the county under IC 6-10-3; and**
**(2) certified homestead distribution shall be distributed to each taxing unit in proportion to the amount of revenue lost to the taxing unit as a result of the granting of homestead credits in the county under IC 6-10-4.**

**Sec. 13. Distributions under section 12 of this chapter shall be made in twelve (12) equal monthly installments with settlements of overpayments and underpayments in June and December at the same time property taxes are settled under IC 6-1.1-27-1.**

**Sec. 14. For the purposes of any law, rule, or other writing that refers to property taxes, money distributed to a taxing unit under this article shall be treated as property taxes and may be used for any purpose for which the property taxes replaced by the money could have been used.**

SECTION 61. IC 8-6-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) Whenever the separation of grades at the intersection of a railroad or railroads (as defined in IC 8-3-1-2) and a public street or highway is constructed, the railroad or railroads shall pay five ~~(5)~~ percent **(5%)** of the cost of the grade separation as provided in this chapter.

(b) This chapter shall apply to an existing crossing, a new crossing, or the reconstruction of an existing grade separation.

(c) If more than one (1) railroad (as defined in IC 8-3-1-2) is involved in a separation, the railroads involved shall divide the amount to be paid by the railroads by agreement between the railroads. If the railroads fail to agree, the circuit court of the county in which the crossing is located shall have jurisdiction, upon the application of a party, to determine the division of the amount to be paid by the railroads. The decision of the court is final, unless one (1) or more parties deeming themselves aggrieved by the decision of the court shall appeal therefrom to the court of appeals of Indiana within thirty (30) days, or within additional time not exceeding ninety (90) days, as may be granted by the circuit court. The appeal shall be taken in substantially the same manner as an appeal in a civil case from the circuit court.

(d) If a grade separation shall involve a state highway that is a part of the state highway system of Indiana, or a street or highway selected by the Indiana department of transportation as a route of a highway in the state highway system, the state, out of the funds of the Indiana department of transportation or funds appropriated for the use of the Indiana department of transportation, shall pay ninety-five percent (95%) of the cost of the grade separation.

(e) Before the Indiana department of transportation shall proceed with a grade separation within a city or town, the Indiana department of transportation shall first obtain the consent of the city, by a resolution adopted by the board or officials of the city having jurisdiction over improvement of the streets of the city, and any material modification of the plans upon which the consent was granted shall first be approved by the city by a similar resolution.

(f) If such grade separation is on a highway or street not a part of the highways under the jurisdiction of the Indiana department of transportation, or a part of a route selected by it, but is within any city or town of the state, the city or town shall pay one-half (½) of ninety-five percent (95%) of the total of such cost and the county in which the crossing is located shall be liable for and pay one-half (½) of the ninety-five percent (95%).

(g) If a grade separation that involves a state highway that is a part of the state highway system of Indiana, or a street or highway selected by the Indiana department of transportation as a route of a highway in the state highway system, necessitates the grade separation on other highways or streets, not a part of the highways under the jurisdiction of the Indiana department of transportation but within any city of the state of Indiana, then of the total cost of the grade separation on a highway or street not under the jurisdiction of the Indiana department of transportation but necessitated by the grade separation involving a highway or street which is a part of the state highway system, the city shall pay one-fourth (1/4) of ninety-five percent (95%) and the county in which the crossing is located shall be liable for and pay one-fourth (1/4) of the ninety-five percent (95%) of the total of the costs and the state out of the funds of the Indiana department of transportation or funds appropriated for the use of the Indiana department of transportation, shall be liable for and pay one-half (½) of the remaining portion.

(h) If a crossing is not within any city or town and does not involve a highway under the jurisdiction of the Indiana department of transportation, then the county in which the crossing is located shall pay the ninety-five percent (95%) of the total cost which is not paid by the railroad or railroads.

(i) The division of the cost of grade separation applies when the grade separation replaces and eliminates an existing grade crossing at which active warning devices are in place or ordered to be installed by a state regulatory agency, but when the grade separation does not replace nor eliminate an existing grade crossing the state, county, or municipality, as the case may be, shall bear and pay one hundred percent (100%) of the cost of the grade separation.

(j) In estimating and computing the cost of the grade

separation, there shall be considered as a part of costs all expenses reasonably necessary for preliminary engineering, rights-of-way and all work required to comply with the plans and specifications for the work, including all changes in the highway and the grade thereof and the approaches to the grade separation, as well as all changes in the roadbed, grade, rails, ties, bridges, buildings, and other structural changes in a railroad as may be necessary to effect the grade separation and to restore the railroad facilities aforesaid to substantially the same condition as before the separation.

(k) The required railroad share of the cost shall be based on the costs for preliminary engineering, right-of-way, and construction within the limits described below:

(1) Where a grade crossing is eliminated by grade separation, the structure and approaches for the number of lanes on the existing highway and in accordance with the current design standards of the governmental entity having jurisdiction over the highway involved.

(2) Where another facility, such as a highway or waterway, requiring a bridge structure is located within the limits of a grade separation project, the estimated cost of a theoretical structure and approaches as described under subdivision (1) to eliminate the railroad-highway grade crossing without considering the presence of the waterway or other highway.

(3) Where a grade crossing is eliminated by railroad or highway relocation, the actual cost of the relocation project, or the estimated cost of a structure and approaches as described under subdivision (1), whichever is less.

(l) If the Indiana department of transportation or any city, town, or county is unable to reach an agreement with a railroad company after determining that construction or reconstruction of a grade separation, which replaces or eliminates the need for a grade crossing, is necessary to protect travelers on the roads and streets of the state, the appropriate unit or combination of units of government shall give a written notice of its intention to proceed with the construction or reconstruction of a grade separation to the superintendent or regional engineer of the railroad company. The notice of intention shall be made by the adoption of a resolution stating the need for the grade separation. If, after thirty (30) days, the railroad has not agreed to a division of inspections, plans and specifications, the number and type of jobs to be completed by each agency, a division of costs, and other necessary conditions, the Indiana department of transportation, city, town, or county may proceed with the grade separation exercising any and all of its powers to construct or reconstruct a bridge and, notwithstanding other provisions of this chapter, may pay for up to one hundred percent (100%) of the cost of the project. If the railroad is unable, for good cause, to pay the share of the cost required by this section, the city, town, or county may certify the amount owed by the railroad to the county auditor who shall prepare a special tax duplicate to be collected and settled for by the county treasurer in the same manner and at the same time as property taxes are collected except that such tax assessment shall not authorize a payment or credit from the ~~property tax replacement~~ **state general** fund. ~~created by IC 6-1.1-21.~~ However, before the Indiana department of transportation, city, town, or county undertakes to do the work themselves they shall notify an agent of the railroad as to the time and place of the work.".

Page 77, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 64. IC 8-22-3.5-10, AS AMENDED BY P.L.124-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. (a) Except as provided in subsection (d), if the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** that, under IC 6-1.1-22-9, ~~are~~ **is** due and payable in May and November of that year. Except as provided in subsection (d), one-half (½) of the credit shall be applied to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A) and IC 6-10-2-34(2)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the special funds under section 9 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in an airport development zone who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies shall be stated on the notice.

(d) This subsection applies to an airport development zone only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2-15)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an airport development zone is entitled to an additional credit under subsection (a) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).**

SECTION 65. IC 8-22-3.5-12, AS AMENDED BY P.L.124-2006, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. Notwithstanding any other law, a taxpayer in an airport development zone is not entitled to a credit for property tax replacement under ~~IC 6-1.1-21-5.~~ **IC 6-10-3.**".

Page 79, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 67. IC 12-7-2-64, AS AMENDED BY P.L.141-2006, SECTION 16, AND AS AMENDED BY P.L.145-2006, SECTION 47, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 64. "Director" refers to the following:

(1) With respect to a particular division, the director of the division.

(2) With respect to a particular state institution, the director who has administrative control of and responsibility for the state institution.

(3) For purposes of IC 12-10-15, the term refers to the director of the division of ~~*disability,*~~ aging. ~~*and rehabilitative services.*~~

~~(4) For purposes of IC 12-19-5, the term refers to the director of the department of child services established by *IC 31-33-1.5-2. IC 31-25-1-1.*~~

~~(5)~~ **(4)** For purposes of IC 12-25, the term refers to the director of the division of mental health and addiction.

~~(6)~~ **(5)** For purposes of IC 12-26, the term:

(A) refers to the director who has administrative control of and responsibility for the appropriate state institution; and

(B) includes the director's designee.

~~(7)~~ **(6)** If subdivisions (1) through ~~(6)~~ **(5)** do not apply, the term refers to the director of any of the divisions.

SECTION 68. IC 12-7-2-91 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 91. "Fund" means the following:

(1) For purposes of IC 12-12-1-9, the fund described in IC 12-12-1-9.

~~(2) For purposes of IC 12-13-8, the meaning set forth in IC 12-13-8-1.~~

~~(3)~~ **(2)** For purposes of IC 12-15-20, the meaning set forth in IC 12-15-20-1.

~~(4)~~ **(3)** For purposes of IC 12-17-12, the meaning set forth in IC 12-17-12-4.

~~(5)~~ **(4)** For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-3.

~~(6)~~ **(5)** For purposes of IC 12-18-4, the meaning set forth in IC 12-18-4-1.

~~(7)~~ **(6)** For purposes of IC 12-18-5, the meaning set forth in IC 12-18-5-1.

~~(8) For purposes of IC 12-19-7, the meaning set forth in IC 12-19-7-2.~~

~~(9)~~ **(7)** For purposes of IC 12-23-2, the meaning set forth in IC 12-23-2-1.

~~(10)~~ **(8)** For purposes of IC 12-23-18, the meaning set forth in IC 12-23-18-4.

~~(11)~~ **(9)** For purposes of IC 12-24-6, the meaning set forth in IC 12-24-6-1.

~~(12)~~ **(10)** For purposes of IC 12-24-14, the meaning set forth in IC 12-24-14-1.

~~(13)~~ **(11)** For purposes of IC 12-30-7, the meaning set forth in IC 12-30-7-3.

SECTION 69. IC 12-13-5-5, AS AMENDED BY P.L.234-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) Each county auditor shall keep records and make reports relating to ~~the county welfare fund (before July 1, 2001) the family and children's fund, and other~~ financial transactions as required under IC 12-13 through IC 12-19 and as required by the division or the department of child services.

(b) All records provided for in IC 12-13 through IC 12-19 shall be kept, prepared, and submitted in the form required by the division or the department of child services and the state board of accounts.

SECTION 70. IC 12-13-7-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17. The part of the care and maintenance of the inmates of the Plainfield Juvenile Correctional Facility and the Indianapolis Juvenile Correctional Facility that under law is to be charged back to the counties shall be paid from the county general fund. ~~and not the county family and children's fund, unless otherwise provided by law.~~

SECTION 71. IC 12-19-1-7, AS AMENDED BY P.L.145-2006, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. (a) The county director shall appoint from eligible lists established by the state personnel department the number of assistants necessary to:

(1) administer the welfare activities within the county that are administered by the division under IC 12-13 through IC 12-19 or by an administrative rule, with the approval of the director of the division; or

(2) administer the child services (as defined in ~~IC 12-19-7-1)~~ **IC 31-9-2-17.4)** and child welfare activities within the county that are the responsibility of the department under IC 12-13 through IC 12-19 and IC 31-25 through IC 31-40 or by an administrative rule, with the approval of the director of the department.

(b) The:

(1) division, for personnel performing activities described in subsection (a)(1);

(2) department, for personnel performing activities described in subsection (a)(2); or

(3) division and the department jointly for personnel performing activities in both subsection (a)(1) and (a)(2);

shall determine the compensation of the assistants within the salary ranges of the pay plan adopted by the state personnel department and approved by the budget agency, with the advice of the budget committee, and within lawfully established appropriations.

SECTION 72. IC 12-19-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 15. (a) ~~A county office~~ **The department of child services** may receive and administer a gift, devise, or bequest of personal property, including the income from real property, that is:

(1) to or for the benefit of a home or an institution in which dependent or neglected children are cared for under the supervision of the ~~county office,~~ **department of child services or the division;** or

(2) for the benefit of children who are committed to the care or supervision of the ~~county office.~~ **department of child services or the division.**

(b) ~~A county office~~ **The department of child services** may invest or reinvest money received under this section in the same types of securities in which life insurance companies are authorized by law to invest the money of the life insurance companies.

(c) The following shall be kept in ~~a special~~ **the family and children's trust clearance** fund **established by section 16 of this chapter** and may not be commingled with any other fund or with money received from taxation:

(1) All money received by the ~~county office~~ **department of child services** under this section.

(2) All money, proceeds, or income realized from real property or other investments.

(d) Subject to the ~~approval of the judge or the court of the county having probate jurisdiction,~~ **conditions imposed on the gift, devise, or bequest by the donor,** money described in subsection (c)(1) or (c)(2) may be expended by the ~~county office~~ **department of child services or the division** in any manner consistent with the purposes of the fund's creation and with the intention of the donor.

SECTION 73. IC 12-19-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 16. (a) ~~This section does not apply to money received to reimburse~~ The ~~county~~ family and children's **trust clearance** fund ~~for expenditures made from the appropriations of the county office.~~ **is established. The department of child services shall administer the fund as a trust fund. Money in the fund may be invested as money in other trust funds is invested. The balance of the fund at the end of a state fiscal year does not revert to the state general fund.**

(b) ~~A county office~~ **The department of child services** may receive and administer money available to or for the benefit of a

person receiving payments or services from the county office. The following applies to all money received under this section:

(1) The money shall be kept in ~~a special fund known as~~ the ~~county~~ family and ~~children~~ **children's** trust clearance fund and may not be commingled with any other fund or with money received from taxation.

(2) The money may be expended by the ~~county office~~ **department of child services or the division** in any manner consistent with the following:

(A) The purpose of the ~~county~~ family and ~~children~~ **children's** trust clearance fund or with the intention of the donor of the money.

(B) Indiana law.

SECTION 74. IC 12-19-1.5-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.5. As used in this chapter, "implementation date" means the following:**

**(1) December 31, 1999, for pledges described in section 8(a)(1) of this chapter.**

**(2) March 31, 2007, for pledges described in section 8(a)(2) of this chapter.**

SECTION 75. IC 12-19-1.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. As used in this chapter, "replacement amount" means the sum of the property taxes imposed on the assessed value of property in the allocation area in excess of the base assessed value in **the following:**

**(1)** 1999 for:

~~(1)~~ **(A)** the county welfare fund; and

~~(2)~~ **(B)** the county welfare administration fund.

**(2) 2007 for:**

**(A) the county family and children's fund;**

**(B) the county children's psychiatric residential treatment services fund;**

**(C) the county medical assistance to wards fund; and**

**(D) the children with special health care needs county fund.**

SECTION 76. IC 12-19-1.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) This chapter applies to an allocation area in which **either:**

(1) the:

**(A)** holders of obligations received a pledge before July 1, 1999, of tax increment revenues to repay any part of the obligations due after December 31, 1999; and

~~(2) the~~ **(B)** elimination of a county welfare fund property tax levy or a county welfare administration fund property tax levy adversely affects the ability of the governing body to repay the obligations described in ~~subdivision (1).~~ **clause (A); or**

**(2) the:**

**(A) holders of obligations received a pledge before April 1, 2007, of tax increment revenues to repay any part of the obligations due after March 31, 2007; and**

**(B) elimination of:**

**(i) the county family and children's fund levy;**

**(ii) the county children's psychiatric residential treatment services fund levy;**

**(iii) the county medical assistance to wards fund levy; and**

**(iv) the children with special health care needs county fund levy;**

**enacted by the general assembly in 2007 adversely affects the ability of the governing body to repay the obligations described in clause (A).**

(b) A governing body may use one (1) or more of the procedures described in sections 9 through 11 of this chapter to provide sufficient funds to repay the obligations described in subsection (a). The amount raised each year may not exceed the replacement amount.

SECTION 77. IC 12-19-1.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) A governing body may, after a public hearing, impose a special assessment on the owners of property that is located in an allocation area to repay a bond or an obligation described in section 8 of this chapter that comes due after ~~December 31, 1999.~~ **the implementation date.** The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the numerator of which is the incremental assessed value of the taxpayer's property in the allocation area.

(b) Before a public hearing under subsection (a) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must state that the governing body will meet to consider whether a special assessment should be imposed under this chapter and whether the special assessment will help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. The notice must also name a date when the governing body will receive and hear remonstrances and objections from persons affected by the special assessment. All persons affected by the hearing, including all taxpayers within the allocation area, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, and orders of the governing body by the notice. At the hearing, which may be adjourned from time to time, the governing body shall hear all persons affected by the proceedings and shall consider all written remonstrances and objections that have been filed. The only grounds for remonstrance or objection are that the special assessment will not help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. After considering the evidence presented, the governing body shall take final action concerning the proposed special assessment. The final action taken by the governing body shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by subsection (c).

(c) A person who filed a written remonstrance with a governing body under subsection (b) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed assessment will help achieve the redevelopment of economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections, and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

(d) The maximum amount of a special assessment under this section may not exceed the replacement amount.

(e) A special assessment shall be imposed and collected in the same manner as ad valorem property taxes are imposed and collected.".

Page 79, delete lines 40 through 42.

Delete pages 80 through 83.

Page 84, delete lines 1 through 40.

Page 84, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 78. IC 12-20-25-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 45. (a) Notwithstanding IC 6-3.5-6, after the termination of the controlled status of all townships located in a county as provided in section 41 of this chapter and if the county option income tax is imposed under this chapter, the county fiscal body may adopt an ordinance to:

(1) increase the percentage credit allowed for homesteads in the county under ~~IC 6-1.1-20.9-2;~~ **IC 6-10-4;** or

(2) reduce the county option income tax rate for resident county taxpayers to a rate not less than the greater of:

(A) the minimum rate necessary to satisfy the requirements of section 43 of this chapter; or

(B) the minimum rate necessary to satisfy the requirements of sections 43 and 46(2) of this chapter if an ordinance is adopted under subdivision (1).

(b) A county fiscal body may not increase the percentage credit allowed for homesteads in such a manner that more than eight percent (8%) is added to the percentage established under ~~IC 6-1.1-20.9-2(d).~~ **IC 6-10-4.**

(c) The increase in the homestead credit percentage must be uniform for all homesteads in a county.

(d) In an ordinance that increases the homestead credit percentage, the county fiscal body may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) An ordinance may be adopted under this section after January 1 but before June 1 of a calendar year.

(f) An ordinance adopted under this section takes effect January 1 of the next calendar year.

(g) An ordinance adopted under this section for a county is not applicable for a year if on January 1 of that year the county option income tax is not in effect.".

Page 86, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 83. IC 13-21-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 15. (a) A district located in a county having a population of more than thirty-two thousand (32,000) but less than thirty-three thousand (33,000) may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district establishes that all of the following conditions exist:

(1) The district is in the process of constructing a landfill.

(2) A higher property tax rate is necessary to pay the fees charged by out of county landfills to dispose of solid waste generated in the district during the design and construction phases of the landfill being established by the district.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section. Any additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in ~~IC 6-1.1-21-2);~~ **IC 6-10-2-34);** and

(2) may not exceed seven and thirty-three hundredths cents ($0.0733) on each one hundred dollars ($100) of assessed valuation of property in the district.

(c) The department of local government finance shall establish the tax rate if a higher tax rate is permitted.

(d) A property tax rate imposed under this section expires not later than December 31, 1997.

SECTION 84. IC 13-21-3-15.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 15.5. (a) A district may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district with respect to 2001 property taxes payable in 2002:

(1) imposed the maximum property tax rate established under section 12 of this chapter; and

(2) collected property tax revenue in an amount less than the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section.

(c) An additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in ~~IC 6-1.1-21-2);~~ **IC 6-10-2-34);** and

(2) may not exceed the rate calculated to result in a property tax levy equal to the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(d) The department of local government finance shall establish the tax rate if a higher tax rate is permitted.".

Page 88, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 86. IC 16-33-4-17.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17.5. (a) In the case of a child who is:

(1) admitted to the home from another county; and

(2) adjudicated to be a delinquent child or child in need of services by the juvenile court in the county where the home is located;

the juvenile court may order the ~~county office of family and children of the child's county of residence before the child's admission to the home~~ **department of child services** to reimburse the cost of services ordered by the juvenile court, including related transportation costs, and any cost incurred by the county to transport or detain the child before the order is issued.

(b) A county office of family and children ordered to reimburse costs under this section shall pay the amount ordered from the ~~county family and children's~~ **state child welfare** fund.

(c) The county office of family and children may require the parent or guardian of the child, other than a parent, guardian, or custodian associated with the home, to reimburse the ~~county family and children's fund~~ **department of child services** for an amount paid under this section.

(d) A child who is admitted to the home does not become a resident of the county where the home is located.

(e) When an unemancipated child is released from the home, the county office of family and children for the child's county of residence before entering the home is responsible for transporting the child to the parent or guardian of the child. If a parent or guardian does not exist for an unemancipated child released from the home, the county office of family and children of the child's county of residence before entering the home shall obtain custody of the child.

SECTION 87. IC 20-26-11-12, AS AMENDED BY P.L.145-2006, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) If a student is transferred under section 5 of this chapter from a school corporation in Indiana to a public school corporation in another state, the transferor corporation shall pay the transferee corporation the full tuition fee charged by the transferee corporation. However, the amount of the full tuition fee may not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount may not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(b) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided all educational programs and services by a public school corporation in the state where the child is placed, whether at the facility, the public school, or another location;

the ~~county office of family and children for the county placing the child~~ **department of child services** shall pay from the ~~county~~

~~family and children's~~ **state child welfare** fund to the public school corporation in which the child is enrolled the amount of transfer tuition specified in subsection (c).

(c) The transfer tuition for which ~~a county office~~ **the department of child services** is obligated under subsection (b) is equal to the following:

(1) The amount under a written agreement among the ~~county office,~~ **department of child services,** the institution or other facility, and the governing body of the public school corporation in the other state that specifies the amount and method of computing transfer tuition.

(2) The full tuition fee charged by the transferee corporation, if subdivision (1) does not apply. However, the amount of the full tuition fee must not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(d) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided:

(A) onsite educational programs and services either through the facility's employees or by contract with another person or organization that is not a public school corporation; or

(B) educational programs and services by a nonpublic school;

the ~~county office of family and children for the county placing the child~~ **department of child services** shall pay from the ~~county family and children's~~ **state child welfare** fund in an amount and in the manner specified in a written agreement between the ~~county office~~ **department of child services** and the institution or other facility.

(e) An agreement described in subsection (c) or (d) is subject to the approval of the director of the department of child services. However, for purposes of IC 4-13-2, the agreement shall not be treated as a contract.

SECTION 88. IC 20-26-11-13, AS AMENDED BY P.L.2-2006, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational training, or career education.

(2) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(3) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (½) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) State tuition support distributions.

(B) Property tax levies.

(C) Excise tax revenue (as defined in IC 20-43-1-12) received for deposit in the calendar year in which the school year begins.

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the ~~county office of the county of the student's legal settlement under IC 12-19-7~~ **department of child services** for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure that is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

(1) the cost of the special equipment; divided by

(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total

student enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

(1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by

(2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

(1) the total amount of revenues received; by

(2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state tuition support distributions or any other state distribution computed using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

(1) be entered into for a period of not more than five (5) years with an option to renew;

(2) specify a maximum number of students to be transferred; and

(3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) If the school corporation can meet the requirements of IC 20-43-9-8, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

(1) be for one (1) year or longer; and

(2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 20-45-6-8, the school corporation may appeal for an excessive levy as provided under IC 20-45-6-8.

SECTION 89. IC 20-26-11-17, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17. (a) Each year before the date specified in the rules adopted by the state board, a school corporation shall report the information specified in subsection (b) for each student:

(1) for whom tuition support is paid by another school corporation;

(2) for whom tuition support is paid by the state; and

(3) who is enrolled in the school corporation but has the equivalent of a legal settlement in another state or country;

to the county office (as defined in IC 12-7-2-45) for the county in which the principal office of the school corporation is located and to the department.

(b) Each school corporation shall provide the following information for each school year for each category of student described in subsection (a):

(1) The amount of tuition support and other support received for the students described in subsection (a).

(2) The operating expenses, as determined under section 13 of this chapter, incurred for the students described in subsection (a).

(3) Special equipment expenditures that are directly related to educating students described in subsection (a).

(4) The number of transfer students described in subsection (a).

(5) Any other information required under the rules adopted by the state board after consultation with the office of the secretary of family and social services.

(c) The information required under this section shall be reported in the format and on the forms specified by the state board.

(d) Not later than November 30 of each year the department shall compile the information required from school corporations under this section and submit the compiled information in the form specified by the office of the secretary of family and social services to the office of the secretary of family and social services.

(e) Not later than November 30 of each year each county office shall submit the following information to the office of the secretary of family and social services for each child who is ~~described in IC 12-19-7-1(1) and is~~ placed in another state or is a student in a school outside the school corporation where the child has legal settlement:

(1) The name of the child.

(2) The name of the school corporation where the child has legal settlement.

(3) The last known address of the custodial parent or guardian of the child.

(4) Any other information required by the office of the secretary of family and social services.

(f) Not later than December 31 of each year, the office of the secretary of family and social services shall submit a report to the members of the budget committee and the executive director of the legislative services agency that compiles and analyzes the information required from school corporations under this section. The report must identify the types of state and local funding changes that are needed to provide adequate state and local money to educate transfer students. A report submitted under this subsection to the executive director of the legislative services agency must be in an electronic format under IC 5-14-6.

SECTION 90. IC 20-33-2-29, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 29. (a) It is unlawful for a person operating or responsible for:

(1) an educational;

(2) a correctional;

(3) a charitable; or

(4) a benevolent institution or training school;

to fail to ensure that a child under the person's authority attends school as required under this chapter. Each day of violation of this section constitutes a separate offense.

(b) If a child is placed in an institution or facility under a court order, the institution or facility shall charge the ~~county office of~~

~~family and children of the county of the child's legal settlement under IC 12-19-7~~ **department of child services** for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per child cost.

SECTION 91. IC 31-9-2-17.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 17.4. "Child services" means the following:**

**(1) Child welfare services specifically provided for children who are:**

**(A) adjudicated to be:**

**(i) children in need of services; or**

**(ii) delinquent children; or**

**(B) recipients of or are eligible for:**

**(i) informal adjustments;**

**(ii) service referral agreements; and**

**(iii) adoption assistance;**

**including the costs of using an institution or facility in Indiana for providing educational services as described in either IC 20-33-2-29 (if applicable) or IC 20-26-11-13 (if applicable), all services required to be paid under IC 31-40-1-2, and all costs required to be paid by a county under IC 20-26-11-12.**

**(2) Assistance awarded by a county to a destitute child under IC 31-26-2.**

**(3) Child welfare services as described in IC 31-26-3.**

SECTION 92. IC 31-9-2-20.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 20.5. "Children's psychiatric residential treatment services" means services that are:**

**(1) eligible for federal financial participation under the state Medicaid plan; and**

**(2) provided to individuals less than twenty-one (21) years of age who are:**

**(A) eligible for services under the state Medicaid plan;**

**(B) approved by the office for admission to and treatment in a private psychiatric residential treatment facility; and**

**(C) residing in a private psychiatric residential facility for the purposes of treatment for a mental health condition, based on an approved treatment plan that complies with applicable federal and state Medicaid rules and regulations.**

SECTION 93. IC 31-9-2-95.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 95.7. "Private psychiatric residential treatment facility" means a privately owned and operated facility that:**

**(1) provides inpatient treatment to individuals less than twenty-one (21) years of age for mental health conditions;**

**(2) is licensed or certified by:**

**(A) the department; or**

**(B) the division of mental health and addiction;**

**to provide children's psychiatric residential treatment services; and**

**(3) is enrolled in the state Medicaid program as a provider eligible to provide children's psychiatric residential treatment services.**

SECTION 94. IC 31-9-2-120.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 120.4. "State fund" refers to the state child welfare fund established by IC 31-25-2-20.**

SECTION 95. IC 31-9-2-120.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 120.6. "State Medicaid plan" means the state plan approved by the United States Department of Health and Human Services for purposes of federal financial participation, under Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).**

SECTION 96. IC 31-12-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) In each of the judicial circuits in which this chapter applies, judges of the superior and circuit courts may appoint one (1) or more professionally qualified domestic relations:

(1) referees;

(2) counselors;

(3) assistants; and

(4) clerks;

as are considered necessary to serve at the pleasure of the appointing judge.

(b) The appointing judge shall fix the compensation and expense of the personnel appointed under this chapter, which shall be paid out of the ~~county~~ **state** general fund.

SECTION 97. IC 31-12-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) The judges described in section 1(1) of this chapter and the judge described in section 1(2) of this chapter may appoint:

(1) one (1) or more professionally qualified domestic relations referees, counselors, and other necessary personnel, including a full-time director; and

(2) necessary assistants and clerks;

to serve during the pleasure of the appointing judge to staff the domestic relations counseling bureau.

(b) The appointing judge shall fix the compensation and expenses of the personnel appointed under this chapter, which shall be paid out of the ~~county~~ **state** general fund.

SECTION 98. IC 31-25-2-7, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. The department is responsible for the following:

(1) Providing child protection services under this article.

(2) Providing and administering child abuse and neglect prevention services.

(3) Providing and administering:

**(A)** child services; ~~(as defined in IC 12-19-7-1);~~ **and**

**(B) children's psychiatric residential treatment services.**

(4) Providing and administering family services.

(5) Providing family preservation services under IC 31-26-5.

(6) Regulating and licensing the following under IC 31-27:

(A) Child caring institutions.

(B) Foster family homes.

(C) Group homes.

(D) Child placing agencies.

(7) Administering the state's plan for the administration of Title IV-D of the federal Social Security Act (42 U.S.C. 651 et seq.).

(8) Administering foster care services.

(9) Administering independent living services (as described in 42 U.S.C. 677 et seq.).

(10) Administering adoption services.

SECTION 99. IC 31-25-2-17, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17. (a) The department ~~may~~ **shall** establish a program to procure any of the services described in section 7 of this chapter under a procurement agreement administered by the department. The department may enter into procurement agreements that cover the delivery of one (1) or more categories of services to all the counties in a region determined by the department. An agreement may provide for payment from state funds appropriated for the purpose. ~~or direct billing of services to the county receiving the service.~~

(b) ~~If the department enters into a procurement agreement~~

~~covering a county, the~~ **A** county, including the county's juvenile court, shall procure all services covered by the procurement agreement in accordance with the ~~regional~~ procurement agreement and the policies prescribed by the department. With the approval of the department, a county may use services from an alternate provider.

~~(c) The costs incurred under a procurement agreement shall be shared by the counties covered by the procurement agreement. The department shall allocate the costs of a regional procurement agreement among the counties covered by the agreement in proportion to the use of the services by each county under the schedule prescribed by the department. A county shall pay the costs incurred under a procurement agreement from the:~~

~~(1) family and children's fund; or~~

~~(2) children's psychiatric residential treatment services fund;~~

~~as appropriate.~~

~~(d) If the department pays the costs incurred under a procurement contract from state funds appropriated for the purpose, the department shall present a claim for reimbursement to the appropriate county auditor. The county executive shall review and allow the full amount of the claim in the manner provided in IC 36-2-6.~~

SECTION 100. IC 31-25-2-19, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 19. (a) The department may charge the following adoption fees:

(1) An adoption placement fee that may not exceed the actual costs incurred by the county office for medical expenses of children and mothers.

(2) A fee that does not exceed the time and travel costs incurred by the county office for home study and investigation concerning a contemplated adoption.

(b) Fees charged under this section shall be deposited in a separate account in the ~~county~~ family and ~~children~~ **children's** trust clearance fund established under IC 12-19-1-16. Money deposited under this subsection shall be expended by the department for the following purposes without further appropriation:

(1) The care of children whose adoption is contemplated.

(2) The improvement of adoption services provided by the department.

(c) The director may adopt rules governing the expenditure of money under this section.

(d) The department may provide written authorization allowing a county office to reduce or waive charges authorized under this section in hardship cases or for other good cause after investigation. The department may adopt forms on which the written authorization is provided.

SECTION 101. IC 31-25-2-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 20. (a) The state child welfare fund is established. The department shall administer the state fund.**

**(b) The state fund consists of the following:**

**(1) The money transferred to the state fund from county child welfare funds.**

**(2) Any fees or costs paid to the state by a child's parent or guardian under a support order or reimbursement order under IC 31-40-1.**

**(3) Any contributions to the state fund from individuals, corporations, foundations, or others for the purpose of providing child services.**

**(4) Any appropriations made to the state fund by the general assembly. However, this section does not obligate the general assembly to appropriate money to the state fund.**

**(5) Any TANF program (as defined in IC 12-7-2-189.8), Medicaid program (as defined in IC 12-7-2-128), or other grants that are received from the federal government and deposited in the state fund.**

**(6) Any other money required by law to be deposited in the state fund.**

**(c) The department shall pay the following from the state fund:**

**(1) Expenses and obligations incurred by the department in the payment of child services for children adjudicated to be:**

**(A) children in need of services; or**

**(B) delinquent children;**

**and other related services, but not including the payment of TANF (as defined in IC 12-7-2-189.7).**

**(2) Expenses and obligations incurred by the department or the division of family resources in the payment of children's psychiatric residential treatment services for children who are residents of Indiana.**

**(3) Medical care, including psychiatric care and institutional psychiatric care, for wards of the department (described in IC 12-15-2-16).**

**(4) Services to children with special health care needs.**

**(5) Any other expenditures for services described in section 7 of this chapter or a procurement agreement described in section 17 of this chapter.**

**(6) Any expense of the type that was payable before January 1, 2008 from the following:**

**(A) A county family and children's fund.**

**(B) A county children's psychiatric residential treatment services fund.**

**(C) The children with special health care needs state fund.**

**(D) The state medical assistance to wards fund.**

**(7) Any other expense or obligation that is required to be paid from the state fund by law.**

**(d) The department may use money in the state fund to settle the relative obligations of a county and the department for services provided before January 1, 2008.**

**(e) The treasurer of state shall invest the money in the state fund not currently needed to meet the obligations of the state fund in the same manner as other public money may be invested.**

**(f) Money in the state fund at the end of a state fiscal year does not revert to the state general fund.**

SECTION 102. IC 31-26-2-10, AS ADDED BY P.L.145-2006, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. (a) Upon the completion of an investigation under section 9 of this chapter, the county office shall do the following:

(1) Determine whether the child is eligible for assistance under this chapter and the department's rules.

(2) Determine the amount of the assistance and the date on which the assistance is to begin.

(3) Make an award, including any subsequent modification of the award, with which the department shall comply until the award or modified award is vacated.

(4) Notify the applicant and the department of the county office's decision in writing.

(b) The county office shall provide assistance to the recipient at least monthly upon warrant of the county auditor. The assistance must be:

(1) ~~made~~ **paid by the state** from the ~~county family and children's~~ **state** fund; and

(2) based ~~on~~ **upon** a verified schedule of the recipients.

(c) The director of the county office shall prepare and verify the amount payable to the recipient, in relation to the awards made by the county office. The department shall prescribe the form on which the schedule under subsection (b)(2) must be filed.

SECTION 103. IC 31-26-3-2, AS ADDED BY P.L.145-2006, SECTION 272, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) This section does not apply to a county office's:

(1) administrative expenses; or

(2) expenses regarding facilities, supplies, and equipment.

(b) Necessary expenses incurred in the administration of the child welfare services under section 1 of this chapter shall be paid ~~out of the county welfare fund or the county family and children's~~ **by the state from the state** fund. ~~(whichever is appropriate).~~

SECTION 104. IC 31-31-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. The ~~county~~ **state** shall pay the salary of a part-time juvenile court referee appointed under this chapter.

SECTION 105. IC 31-31-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) The salary of a probation officer shall be fixed by the county fiscal body in accordance with the salary schedule adopted by the county fiscal body under IC 36-2-16.5. ~~The salary of a probation officer shall be paid by the county.~~

(b) Subject to the approval of the ~~county fiscal body)~~ **division of state court administration,** the judge shall fix and the county shall pay the salaries of juvenile court employees other than probation officers.

(c) In addition to their annual salary, probation officers shall be reimbursed for any necessary travel expenses incurred in the performance of their duties in accordance with the law governing state officers and employees.

SECTION 106. IC 31-31-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) The juvenile court may establish juvenile detention and shelter care facilities for children, except as provided by IC 31-31-9.

(b) The court may contract with other agencies to provide juvenile detention and shelter care facilities.

(c) If the juvenile court operates the juvenile detention and shelter care facilities, the judge shall appoint staff and determine the budgets.

(d) The county shall pay all expenses. The expenses for the juvenile detention facility shall be paid from the county general fund. ~~Payment of the expenses for the juvenile detention facility may not be paid from the county family and children's fund established by IC 12-19-7-3.~~

SECTION 107. IC 31-31-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) This section applies to a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000).

(b) Notwithstanding section 3 of this chapter, the juvenile court shall operate a juvenile detention facility or juvenile shelter care facility established in the county. However, the county legislative body shall determine the budget for the juvenile detention facility or juvenile shelter care facility. The expenses for the juvenile detention facility shall be paid from the county general fund. ~~Payment of the expenses for the juvenile detention facility may not be paid from the county family and children's fund established by IC 12-19-7-3.~~

SECTION 108. IC 31-34-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) The probation department for the juvenile court shall:

(1) collect the informal adjustment program fee set by section 8 of this chapter; and

(2) transfer the collected informal adjustment program fees to the ~~county~~ auditor **of state** not later than thirty (30) days after the fees are collected.

(b) The ~~county~~ auditor **of state** shall deposit the fees in the ~~county user fee~~ **state general** fund. ~~established by IC 33-37-8-5.~~

SECTION 109. IC 31-34-24-8, AS AMENDED BY P.L.145-2006, SECTION 327, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

(1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).

(2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).

(3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).

(5) Community corrections programs under IC 11-12.

(6) Special education programs under IC 20-35-6-2.

(7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the department, county offices, prosecutors, or juvenile courts, including programs funded under ~~IC 12-19-7 and~~ IC 31-40.

(8) Probation user's fees under IC 31-40-2-1.

(9) Child advocacy fund under IC 12-17-17.

SECTION 110. IC 31-34-24-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) Upon receiving the initial plan and each revised or updated plan, the ~~county fiscal body~~ **department** shall consider the plan. ~~in developing the family and children's fund budget.~~

(b) The ~~county fiscal body~~ **department** may ~~appropriate from the family and children's fund any amounts necessary~~ **use money from the state fund** to provide funding to implement the plan.

SECTION 111. IC 31-37-24-8, AS AMENDED BY P.L.145-2006, SECTION 355, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

(1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).

(2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).

(3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).

(5) Community corrections programs under IC 11-12.

(6) Special education programs under IC 20-35-6-2.

(7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the department, county offices, prosecutors, or juvenile courts, including programs funded under ~~IC 12-19-7 and~~ IC 31-40.

(8) Probation user's fees under IC 31-40-2-1.

(9) The child advocacy fund under IC 12-17-17.

SECTION 112. IC 31-40-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. This article applies to a financial burden sustained by ~~a county~~ **the state** as the result of costs paid by the ~~county~~ **state** under section 2 of this chapter, including costs resulting from the institutional placement of a child adjudicated a delinquent child or a child in need of services.

SECTION 113. IC 31-40-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. ~~(a)~~ The ~~county~~ **department** shall pay from the ~~county family and children's~~ **state** fund the cost of:

(1) any services ordered by the juvenile court for any child or the child's parent, guardian, or custodian, other than secure detention; and

(2) returning a child under IC 31-37-23.

~~(b) The county fiscal body shall provide sufficient money to meet the court's requirements.~~

SECTION 114. IC 31-40-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) A parent or guardian of the estate of a child adjudicated a delinquent child or a child in need of services is financially responsible as provided in this chapter (or IC 31-6-4-18(e) before its repeal) for any services ordered by the court.

(b) Each parent of a child alleged to be a child in need of services or alleged to be a delinquent child shall, before a dispositional hearing, furnish the court with an accurately completed and current child support obligation worksheet on the same form that is prescribed by the Indiana supreme court for child support orders.

(c) At:

(1) a detention hearing;

(2) a hearing that is held after the payment of costs ~~by a county~~ under section 2 of this chapter (or IC 31-6-4-18(b) before its repeal);

(3) the dispositional hearing; or

(4) any other hearing to consider modification of a dispositional decree;

the juvenile court shall order the child's parents or the guardian of the child's estate to pay for, or reimburse the county **or the department, as appropriate,** for the cost of services provided to the child or the parent or guardian unless the court finds that the parent or guardian is unable to pay or that justice would not be served by ordering payment from the parent or guardian.

**(d) Subject to subsection (e), whenever the court orders a child's parent or the guardian of the child's estate to make a payment or reimbursement under subsection (c), the court shall order the reimbursement to be paid to:**

**(1) the county if the county paid the cost of services or is required to reimburse the department for the cost of services; and**

**(2) if subdivision (1) does not apply, the department.**

**(e) If the county executive adopts a resolution incorporating a written agreement with the department to offset payments against any reimbursement otherwise due from the county to the department, the court may order that payment that is required to be made to the county under subsection (d)(1) be made to the department.**

SECTION 115. IC 31-40-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. **Subject to section 3(e) of this chapter,** the parent or guardian of the estate of any child returned to Indiana under the interstate compact on juveniles under IC 31-37-23 shall reimburse the county **or the department, as appropriate,** for all costs involved in returning the child that the court orders the parent or guardian to pay under section 3 of this chapter (or IC 31-6-4-18(e) before its repeal) whether or not the child has been adjudicated a delinquent child or a child in need of services.

SECTION 116. IC 31-40-1-5, AS AMENDED BY P.L.145-2006, SECTION 362, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) This section applies whenever the court orders or approves removal of a child from the home of a child's parent or guardian and placement of the child in a child caring institution (as defined in IC 31-9-2-16.7), a foster family home (as defined in IC 31-9-2-46.9), or the home of a relative of the child that is not a foster family home.

(b) If an existing support order is in effect, the court shall order the support payments to be assigned to the ~~county office~~ **department** for the duration of the placement out of the home of the child's parent or guardian. The court shall notify the court that:

(1) entered the existing support order; or

(2) had jurisdiction, immediately before the placement, to modify or enforce the existing support order;

of the assignment and assumption of jurisdiction by the juvenile court under this section.

(c) If an existing support order is not in effect, the court shall do the following:

(1) Include in the order for removal or placement of the child an assignment to the ~~county office,~~ **department,** or confirmation of an assignment that occurs or is required under applicable federal law, of any rights to support, including support for the cost of any medical care payable by the state under IC 12-15, from any parent or guardian who has a legal obligation to support the child.

(2) Order support paid to the ~~county office~~ **department** by each of the child's parents or the guardians of the child's estate to be based on child support guidelines adopted by the Indiana supreme court and for the duration of the placement of the child out of the home of the child's parent or guardian, unless:

(A) the court finds that entry of an order based on the child support guidelines would be unjust or inappropriate considering the best interests of the child and other necessary obligations of the child's family; or

(B) the county office **or the department** does not make foster care maintenance payments to the custodian of the child. For purposes of this clause, "foster care maintenance payments" means any payments for ~~the cost of (in whole or in part) and~~ the cost of providing food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable amounts for travel to the child's home for visitation. In the case of a child caring institution, the term also includes the reasonable costs of administration and operation of the institution as are necessary to provide the items described in this clause.

(3) If the court:

(A) does not enter a support order; or

(B) enters an order that is not based on the child support guidelines;

the court shall make findings as required by 45 CFR 302.56(g).

(d) Payments in accordance with a support order assigned under subsection (b) or entered under subsection (c) (or IC 31-6-4-18(f) before its repeal) shall be paid through the clerk of the circuit court as trustee for remittance to the ~~county office.~~ **department.**

(e) The Title IV-D agency shall establish, modify, or enforce a support order assigned or entered by a court under this section in accordance with IC 31-25-3, IC 31-25-4, and 42 U.S.C. 654. The county office shall, if requested, assist the Title IV-D agency in performing its duties under this subsection.

(f) If the juvenile court terminates placement of a child out of the home of the child's parent or guardian, the court shall:

(1) notify the court that:

(A) entered a support order assigned to the county office under subsection (b); or

(B) had jurisdiction, immediately before the placement, to modify or enforce the existing support order;

of the termination of jurisdiction of the juvenile court with respect to the support order;

(2) terminate a support order entered under subsection (c) that requires payment of support by a custodial parent or guardian of the child, with respect to support obligations that accrue after termination of the placement; or

(3) continue in effect, subject to modification or enforcement by a court having jurisdiction over the obligor,

a support order entered under subsection (c) that requires payment of support by a noncustodial parent or guardian of the estate of the child.

(g) The court may at or after a hearing described in section 3 of this chapter order the child's parent or the guardian of the child's estate to reimburse the county office for all or any portion of the expenses for services provided to or for the benefit of the child that are paid from the county family and children's fund during the placement of the child out of the home of the parent or guardian, in addition to amounts reimbursed through payments in accordance with a support order assigned or entered as provided in this section, subject to applicable federal law.

SECTION 117. IC 31-40-1-6, AS AMENDED BY P.L.145-2006, SECTION 363, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) The department, with the approval of the county fiscal body, may contract with any of the following, on terms and conditions with respect to compensation and payment or reimbursement of expenses as the department may determine, for the enforcement and collection of any parental reimbursement obligation established by order entered by the court under section 3 or 5(g) of this chapter:

(1) The prosecuting attorney of the county that paid the cost of the services ordered by the court. ~~as provided in section 2 of this chapter.~~

(2) An attorney for the department on behalf of the county office that paid the cost of services ordered by the court, if the attorney is not an employee of the county office or the department.

(3) An attorney licensed to practice law in Indiana.

(b) A contract entered into under this section is subject to approval under IC 4-13-2-14.1.

(c) Any fee payable to a prosecuting attorney under a contract under subsection (a)(1) shall be deposited in the county general fund and credited to a separate account identified as the prosecuting attorney's child services collections account. The prosecuting attorney may expend funds credited to the prosecuting attorney's child services collections account, without appropriation, only for the purpose of supporting and enhancing the functions of the prosecuting attorney in enforcement and collection of parental obligations ~~to reimburse the county family and children's fund.~~ **ordered by the court under section 3 or 5(g) of this chapter.**

SECTION 118. IC 31-40-1-7, AS AMENDED BY P.L.145-2006, SECTION 364, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. (a) Amounts received as payment of support or reimbursement of the cost of services paid as provided in this chapter shall be distributed in the following manner:

(1) If any part of the cost of services was paid from federal funds under Title IV Part E of the Social Security Act (42 U.S.C. 671 et seq.), the amounts received shall first be applied as provided in 42 U.S.C. 657 and 45 CFR 302.52.

(2) All amounts remaining after the distributions required by subdivision (1) shall be deposited in the ~~family and children's~~ **state** fund. ~~(established by IC 12-19-7-3) of the county that paid the cost of the services.~~

(b) Any money deposited in ~~a county family and children's~~ **the state** fund under this section shall be reported to the department, in the form and manner prescribed by the department. ~~and shall be applied to the child services budget compiled and adopted by the county director for the next state fiscal year, in accordance with IC 12-19-7-6.~~

SECTION 119. IC 33-23-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) Sitting in committee, the judges of the courts listed in section 3 of this chapter in each county shall determine the duties of the court administrator, and the court administrator shall perform the administrative duties the judges determine.

(b) The salary of the court administrator shall be determined by a majority of the judges listed in section 3 of this chapter in each county, sitting in committee. ~~The court administrator's salary shall be paid by the county upon the order of the majority of the committee of judges.~~

SECTION 120. IC 33-23-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. ~~(a)~~ To implement this chapter, the judges of the courts, sitting in committee, may appoint additional personnel in sufficient number so that the courts are adequately served by the court administrator.

~~(b) The salaries of the additional personnel shall be paid by the county upon the order of the committee of judges.~~

SECTION 121. IC 33-23-15 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]:

**Chapter 15. Court Expenditures**

**Sec. 1. Notwithstanding any other law, this chapter governs the operations of the following courts:**

**(1) Circuit court.**

**(2) Superior court.**

**(3) Probate court.**

**(4) County court.**

**Sec. 2. As used in this chapter, "court" refers to a court described in section 1 of this chapter.**

**Sec. 3. (a) In addition to the authority provided to a court under IC 31 and this title to employ, manage, and fix the salary of a judicial officer, a bailiff, a court reporter, a probation officer, a court clerk, and other personnel (including an administrative officer) necessary to transact the business of the court, a court may, individually or jointly with another court, adopt rules to provide for the administration of the court, including rules governing the following:**

**(1) Legal representation for indigents.**

**(2) Budgetary matters of the court.**

**(3) Operation of the probation department.**

**(4) Employment and management of court administrative officers.**

**(5) Appointment and management of court appointed special advocates and guardians ad litem.**

**(6) Maintenance of an adequate law library.**

**(7) Cooperative efforts with other courts for establishing and administering shared programs and facilities.**

**(8) Operation of the office of the county clerk.**

**(b) The authority and rules of administration described in subsection (a) must be consistent with the rules adopted by the supreme court.**

**Sec. 4. A court shall submit a budget for the court to the division of state court administration in conformity with the rules adopted by the supreme court.**

**Sec. 5. The supreme court shall present a consolidated budget for the operation of all courts to the general assembly and the budget agency at the times and in the format the budget agency requests. The budget must cover all personnel and other operating expenses of courts except the expenditures described in sections 7 and 8 of this chapter.**

**Sec. 6. Except as provided in sections 7 and 8 of this chapter, the state shall pay the personnel and other operating expenses of all courts from the amounts appropriated for the operation of courts.**

**Sec. 7. (a) A county served by a court shall pay the following capital, personnel, and other operating expenses of a court that are not otherwise paid with federal, state, or private funds:**

**(1) Costs of providing and maintaining a suitable courtroom and other rooms and facilities, including furniture and equipment, as may be necessary for the judge and administrative officers of the court.**

**(2) Costs of providing and operating a juvenile detention facility (as defined in IC 31-9-2-71), except for the costs of employing probation officers who provide services in a juvenile detention facility in conformity with rules adopted by the supreme court.**

**(3) Costs of providing and operating a secure private facility (as defined in IC 31-9-2-115) operated by the court.**

**(4) Other costs for court operations as provided by law.**

**(b) The county shall provide a suitable place for each court sitting in the county to hold court.**

**Sec. 8. Regardless of whether personnel from any of the following offices or programs are assigned to a court, a county shall pay the capital, personnel, and other operating expenses of the following offices and programs that are not otherwise paid with federal, state, or private funds:**

**(1) Sheriff.**

**(2) Prosecuting attorney.**

**(3) Community corrections program.**

**(4) Other programs as provided by law.**

**Sec. 9. The county executive shall provide and maintain a suitable courtroom and facilities, including furniture and equipment, as necessary, for the use of the judges and court administrative officers serving the county.**

SECTION 122. IC 33-23-16 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]:

**Chapter 16. Court Administrative Officers**

**Sec. 1. Notwithstanding any other law, this chapter governs the operations of the following courts:**

**(1) Circuit court.**

**(2) Superior court.**

**(3) Probate court.**

**(4) County court.**

**Sec. 2. As used in this chapter, "administrative officer" means hearing judges, magistrates, commissioners, referees, bailiffs, court reporters, probation officers, or other permanent or temporary employees required to efficiently serve a court.**

**Sec. 3. As used in this chapter, "court" refers to a court described in section 1 of this chapter.**

**Sec. 4. A court may:**

**(1) employ an administrative officer necessary to transact the business of the court;**

**(2) fix the salary of an administrative officer;**

**(3) submit a budget; and**

**(4) adopt rules and procedures for the administration of the court.**

**Sec. 5. The supreme court may adopt rules to govern the employment and management of administrative officers. A court shall comply with the rules adopted under this section.**

SECTION 123. IC 33-28-4-3, AS AMENDED BY P.L.80-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) The jury commissioners shall immediately, from lists approved by the supreme court that may be used to select prospective jurors, examine for the purpose of determining the sex, age, and identity of prospective jurors, and proceed to select and deposit, in a box furnished by the clerk for that purpose, the names, written on separate slips of paper of uniform shape, size, and color, of twice as many persons as will be required by law for grand and petit jurors in the courts of the county, for all the terms of the courts, to begin with the following calendar year.

(b) Each selection shall be made as nearly as possible in proportion to the population of each county commissioner's district. In making the selections, the jury commissioners shall in all things observe their oaths. The jury commissioners shall not select the name of any person who is to them known to be interested in or has case pending that may be tried by a jury to be drawn from the names so selected.

(c) The jury commissioners shall deliver the locked box to the clerk of the circuit court, after having deposited into the box the names as directed under this section. The key shall be retained by one (1) of the jury commissioners, who may not be an adherent of the same political party as the clerk.

(d) In a county containing a consolidated city, the jury commissioners may, upon an order made by the judge of the circuit court and entered in the records of the circuit court of the county, make the selections and deposits required under this section monthly instead of annually. The jury commissioners may omit the personal examination of prospective jurors and make selection without reference to county commissioners' districts. The judge of the circuit court in a county containing a consolidated city may do the following:

(1) Appoint a secretary for the jury commissioners, and sufficient stenographic aid and clerical help to properly perform the duties of the jury commissioners.

(2) Fix the salaries of the commissioners, the secretary, and stenographic and clerical employees.

(3) Provide office quarters and necessary supplies for the jury commissioners and their employees.

The expenses incurred under this subsection shall be paid for from the ~~treasury of the county~~ **state general fund** upon the order of the court.

(e) Subject to ~~appropriations made by the county fiscal body,~~ **approval by the division of state court administration,** the jury commissioners may use a computerized jury selection system. However, the system used for the selection system must be fair and may not violate the rights of persons with respect to the impartial and random selection of prospective jurors. The jurors selected under the computerized jury selection system must be eligible for selection under this chapter. The commissioners shall deliver the names of the individuals selected to the clerk of the circuit court. The commissioners shall observe their oath in all activities taken under this subsection.

SECTION 124. IC 33-28-4-7, AS AMENDED BY P.L.2-2005, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. (a) The circuit court shall appoint a person to fill a vacancy, or to act for a jury commissioner, as the case may require, if:

(1) a vacancy occurs in the office of jury commissioner;

(2) a jury commissioner fails to act when required; or

(3) illness or any other cause renders a jury commissioner unable to act.

(b) A person appointed under subsection (a):

(1) must possess the qualifications required for jury commissioners;

(2) must be an adherent of the same political party as is the commissioner in whose stead the person is appointed to serve; and

(3) shall take the oath required by this chapter.

(c) For the time actually employed in the performance of jury commissioner's duties, each jury commissioner shall be allowed a per diem to be:

**(1)** fixed by the court; and

**(2)** paid out of the ~~county treasury upon the warrant of the county auditor.~~ **state general fund.**

SECTION 125. IC 33-29-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) The judge of a standard superior court shall appoint a bailiff and an official court reporter for the court.

(b) The salaries of the bailiff and the official court reporter shall be:

(1) fixed in the same manner as the salaries of the bailiff and the official court reporter for the circuit court of the county in which the standard superior court is located; and

(2) paid monthly

~~(A)~~ out of the ~~treasury of the county in which the standard superior court is located; and~~

~~(B) as provided by law.~~

**state general fund.**

SECTION 126. IC 33-30-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. Any judge transferred to a court in another county shall be paid travel and other necessary expenses by the ~~county to which the judge is transferred.~~ **state.** An allowance for expenses shall be certified by the chief justice in duplicate to the auditor of ~~the county.~~ **state.**

SECTION 127. IC 33-30-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) The county shall furnish all supplies, including the following:

(1) Blanks, forms, and papers of every kind required for use in all cases.
(2) Furniture.
(3) Books.
(4) Papers.
(5) Stationery.
(6) Recording devices.
(7) Other equipment and supplies of every character necessary for the keeping of the records of the proceedings and maintaining of the county court.

(b) The county shall provide a suitable place for the holding of court for the judge of the county court sitting in the county.

**(c)** The ~~county~~ **state** shall pay the salary of the:

(1) deputy clerk;
(2) county police officer;
(3) bailiff; and
(4) reporter;

assigned to the county court as prescribed by law.

SECTION 128. IC 33-30-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) The salary of a county court judge who serves more than one (1) county shall be paid by the ~~respective counties~~ **state** in equal amounts.

(b) The salary of every county court judge, as set by IC 33-38-5, shall be paid in equal monthly installments.

SECTION 129. IC 33-31-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) When a person is appointed judge pro tem under this chapter, the appointee is entitled to ten dollars ($10) for each day the appointee serves as the judge to be paid

~~(1) out of the county treasury of the county where the probate court is held;~~
~~(2) upon the warrant of the county auditor; and~~
~~(3) based upon the filing of a claim approved by the judge of the court.~~

**by the state from the state general fund.**

(b) Any amount more than five hundred dollars ($500) allowed to a judge pro tem during any year shall be deducted ~~by the board of county commissioners~~ from the regular annual salary of the judge of the probate court making the appointment unless the judge pro tem is appointed on account of change of venue, relationship, interest as former counsel, or absence of judge in case of serious sickness of the judge or a family member of the judge.

SECTION 130. IC 33-31-1-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 20. (a) The same docket fees shall be taxed in the court as are provided by law to be taxed in the circuit court.

(b) The fees, when collected, shall be ~~paid by the clerk to the treasurer of the county to be applied in reimbursing the county for expenses of the court.~~ **deposited in the state general fund.**

SECTION 131. IC 33-31-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 22. The probate court may appoint a chief clerk and other employees as the judge considers necessary whose salaries shall be:

**(1)** fixed by the judge; and ~~be~~
**(2)** paid out of the ~~county treasury.~~ **state general fund.**

SECTION 132. IC 33-33-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) The Allen circuit court has concurrent jurisdiction with the Allen superior court concerning paternity actions.

(b) In addition to the magistrate appointed under section 3 of this chapter, the judge of the Allen circuit court may appoint a hearing officer with the powers of a magistrate under IC 33-23-5. The hearing officer continues in office until removed by the judge.

(c) The salary of a hearing officer appointed under subsection (b) is equal to that of a magistrate under IC 33-23-5. The hearing officer's salary ~~must be~~ **is** paid by the ~~county.~~ **state from the state general fund.** The hearing officer is a county employee.

SECTION 133. IC 33-33-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 14. (a) The Allen superior court may appoint probate commissioners, juvenile referees, bailiffs, court reporters, probation officers, and other personnel, including an administrative officer, the court believes are necessary to facilitate and transact the business of the court.

(b) In addition to the personnel authorized under subsection (a) and IC 31-31-3, the following magistrates may be appointed:

(1) The judges of the Allen superior court-civil division may jointly appoint not more than four (4) full-time magistrates under IC 33-23-5 to serve the Allen superior court-civil division. The judges of the Allen superior court-civil division may jointly assign any magistrates the duties and powers of a probate commissioner.
(2) The judge of the Allen superior court-criminal division may jointly appoint not more than three (3) full-time magistrates under IC 33-23-5 to serve the Allen superior court-criminal division. Any magistrate serves at the pleasure of, and continues in office until jointly removed by, the judges of the division that appointed the magistrate.

(c) All appointments made under this section must be made without regard to the political affiliation of the appointees. The salaries of the personnel shall be fixed and paid as provided by law. If the salaries of any of the personnel are not provided by law, the amount and time of payment of the salaries shall be fixed by the court, to be paid ~~out of~~ **by** the ~~county treasury by the county auditor, upon the order of the court, and be entered of record~~ **state from the state general fund.** The officers and persons appointed shall perform duties as are prescribed by the court. Any administrative officer appointed by the court shall operate under the jurisdiction of the chief judge and serve at the pleasure of the chief judge. Any probate commissioners, magistrates, juvenile referees, bailiffs, court reporters, probation officers, and other personnel appointed by the court serve at the pleasure of the court.

(d) Any probate commissioner appointed by the court may be vested by the court with all suitable powers for the handling and management of the probate and guardianship matters of the court, including the fixing of all bonds, the auditing of accounts of estates and guardianships and trusts, acceptance of reports, accounts, and settlements filed in the court, the appointment of personal representatives, guardians, and trustees, the probating of wills, the taking and hearing of evidence on or concerning such matters, or any other probate, guardianship, or trust matters in litigation before the court, the enforcement of court rules and regulations, the making of reports to the court concerning the probate commissioner's actions under this subsection, including the taking and hearing of evidence together with the commissioner's findings and conclusions regarding the evidence. However, all matters under this subsection are under the final jurisdiction and decision of the judges of the court.

(e) A juvenile referee appointed by the court may be vested by the court with all suitable powers for the handling and management of the juvenile matters of the court, including the fixing of bonds, the taking and hearing of evidence on or

concerning any juvenile matters in litigation before the court, the enforcement of court rules and regulations, and the making of reports to the court concerning the referee's actions under this subsection. The actions of a juvenile referee under this subsection are under final jurisdiction and decision of the judges of the court.

(f) A probate commissioner or juvenile referee may:

(1) summon witnesses to testify before the commissioner or juvenile referee; and

(2) administer oaths and take acknowledgments;

to carry out the commissioner's or juvenile referee's duties and powers.

(g) The powers of a magistrate appointed under this section include the powers provided in IC 33-23-5 and the power to enter a final order or judgment in any proceeding involving matters specified in IC 33-29-2-3 (jurisdiction of small claims docket) or IC 34-26-5 (protective orders to prevent domestic or family violence).

SECTION 134. IC 33-33-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) In addition to a bailiff and an official court reporter for the court appointed under IC 33-29-1-5, the judge of the Blackford superior court may appoint a referee, commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. The salary of a referee, commissioner, or other person:

(1) shall be fixed in the same manner as the salaries of the personnel for the Blackford circuit court; and

(2) shall be paid monthly ~~out of~~ **by the state from** the ~~treasury of Blackford County as provided by law.~~ **state general fund.**

(b) Personnel appointed under this section and IC 33-29-1-5 continue in office until removed by the judge of the court.

SECTION 135. IC 33-33-15-4, AS AMENDED BY P.L.237-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. In addition to a bailiff and an official court reporter for the court appointed under IC 33-29-1-5, each judge may appoint a referee, a commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. The salary of a referee, a commissioner, or other person:

(1) shall be fixed in the same manner as the salaries of the personnel for the Dearborn circuit court; and

(2) shall be paid monthly ~~out of~~ **by the state from** the ~~treasury of Dearborn County as provided by law.~~ **state general fund.**

Personnel appointed under this section or IC 33-29-1-5 continue in office until removed by the judge of the court for which the personnel were appointed.

SECTION 136. IC 33-33-27.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. The judge of the Grant superior court No. 2 shall appoint a bailiff and an official court reporter for the court, to serve at the pleasure of the court. The judge shall fix their compensation as provided by law concerning bailiffs and official court reporters. The compensation shall be paid monthly ~~out of~~ **by the state from** the ~~treasury of Grant County.~~ **state general fund.**

SECTION 137. IC 33-33-27.3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) The judge of the court shall appoint a bailiff and an official court reporter for the court.

(b) The salaries of the bailiff and the official court reporter shall be:

(1) fixed in the same manner as the salaries of the bailiff and official court reporter for the Grant circuit court, Grant superior court, and Grant superior court No. 2; and

(2) paid monthly ~~out of~~ **by the state from** the ~~treasury of Grant County as provided by law.~~ **state general fund.**

SECTION 138. IC 33-33-29-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. In addition to the personnel that may be appointed under IC 33-29-1-5, the judge of each Hamilton superior court may appoint other personnel necessary to facilitate and transact the business of the court. The other necessary personnel shall serve at the pleasure of the court, and the judge shall fix their compensation within the limits and in the manner provided by law concerning other personnel of the court. The compensation shall be paid monthly ~~out of~~ **by the state from** the ~~treasury of Hamilton County in the manner provided by law.~~ **state general fund.**

SECTION 139. IC 33-33-35-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) In addition to the personnel appointed under IC 33-29-1-5, the Huntington superior court may appoint a referee and other personnel as the court determines necessary to facilitate and transact the business of the court.

(b) Salaries of the personnel described in this section shall be fixed in the same manner as the salaries of the bailiff and official court reporter for the Huntington circuit court. Their salaries shall be paid ~~out of~~ **by the state from** the ~~treasury of Huntington County as provided by law.~~ **state general fund.**

SECTION 140. IC 33-33-45-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) The senior judge of each division may appoint the number of bailiffs, court reporters, probation officers, and other personnel as the senior judge believes is necessary to judicially and efficiently facilitate and transact the business of the division. All appointments shall be made without regard to the political affiliation of the appointees. The salaries of the court personnel shall be fixed and paid as provided by law. The officers and persons appointed shall:

(1) perform the duties prescribed by the senior judge of each respective division; and

(2) serve at the pleasure of the senior judge.

(b) The court shall appoint an administrative officer who has the duties the court determines are necessary to ensure the efficient operation of the court. The court may appoint the number of deputy administrative officers as the court considers necessary to facilitate and transact the business of the court. Any appointment of an administrative officer or deputy administrative officer shall be made without regard to the political affiliation of the appointees. The salaries of the administrative officer and any deputy administrative officer shall be fixed by the court, to be paid ~~out of~~ **by the state from** the ~~county treasury by the county auditor, upon the order of the court, and entered of record.~~ **state general fund.** Any administrative officer or deputy administrative officer appointed by the court shall:

(1) operate under the jurisdiction of the chief judge; and

(2) serve at the pleasure of the chief judge.

(c) The court may appoint part-time juvenile referees and magistrates as provided by IC 31-31-3.

(d) The court may appoint the number of probate commissioners provided for by IC 29-2-2. The probate commissioners shall be vested with the powers and duties provided by IC 29.

SECTION 141. IC 33-33-48-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. In addition to the personnel appointed under IC 33-29-1-5, the Madison superior court may appoint probation officers and other personnel, including an administrative officer, necessary to transact the business of the court. The salaries of the personnel shall be fixed and paid as provided by law. However, if the salaries of any of the personnel are not provided by law, the amount and time of payment of the salaries shall be fixed by the court, to be paid ~~out of~~ **by the state from** the ~~county treasury by the county auditor upon the order of the court, and be entered of record.~~ **state general fund.** The officers and persons appointed shall perform duties as prescribed by the court. Personnel

appointed by the court serve at the pleasure of the court.

SECTION 142. IC 33-33-59-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. In addition to the personnel that may be appointed under IC 33-29-1-5, the judge of the Orange superior may appoint a referee, commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. Their salaries must be fixed in the same manner as the salaries of the personnel for the Orange circuit court. Their salaries must be paid monthly ~~out of~~ **by the state from** the ~~treasury of Orange County as provided by law.~~ **state general fund.** Personnel appointed under this section continue in office until removed by the judge of the court.

SECTION 143. IC 33-33-79.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) The clerk of the Tippecanoe circuit court shall be the clerk of superior court No. 2 of Tippecanoe County, and the sheriff of Tippecanoe County shall be the sheriff of superior court No. 2 of Tippecanoe County. The clerk and sheriff shall attend court and discharge all the duties pertaining to their respective office as they are required to do by law with reference to the Tippecanoe circuit court.

(b) The judge of superior court No. 2 of Tippecanoe County shall appoint a bailiff and an official reporter for the court to serve during the court. The judge shall fix their compensation within the limits and in the manner provided by law concerning bailiffs and official court reporters. The compensation shall be paid monthly ~~out of~~ **by the state from** the ~~treasury of Tippecanoe County, in the manner provided by law.~~ **state general fund.**

SECTION 144. IC 33-33-79.4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. The judges of Tippecanoe superior court No. 4, No. 5, and No. 6:

(1) shall each appoint a bailiff and an official court reporter for the court; and

(2) may each appoint other court personnel necessary to facilitate and transact the business of the court.

A person appointed under this section serves at the pleasure of the judge appointing the person. Their salaries shall be fixed in the same manner as the salaries of the bailiff, official court reporter, and other personnel for the Tippecanoe circuit court. Their salaries shall be paid monthly ~~out of~~ **by the state from** the ~~treasury of Tippecanoe County as provided by law.~~ **state general fund.**

SECTION 145. IC 33-33-84-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) The superior court may appoint commissioners, probate commissioners, referees, juvenile referees, bailiffs, court reporters, probation officers, and other personnel, including an administrative officer, as the court believes are necessary to facilitate and transact the business of the court. The salaries of the personnel shall be fixed and paid as provided by law. However, if the salaries of any of the personnel are not provided by law, the amount and time of payment of the salaries shall be fixed by the court, to be paid ~~out of~~ **by the state from** the ~~county treasury by the county auditor upon the order of the court, and be entered on record~~ **state general fund.** The officers and persons appointed shall perform the duties as are prescribed by the court. Any such commissioners, probate commissioners, referees, juvenile referees, probation officers, and other personnel appointed by the court serve at the pleasure of the court.

(b) Any probate commissioner appointed by the court may be vested by the court with all suitable powers for the handling and management of the probate and guardianship matters of the court, including the fixing of all bonds, the auditing of accounts of estates and guardianships and trusts, acceptance of reports, accounts, and settlements filed in the court, the appointment of personal representatives, guardians, and trustees, the probating of wills, the taking and hearing of evidence on or concerning such matters, or any other probate, guardianship, or trust matters in litigation before the court, the enforcement of court rules and regulations, and making of reports to the court, including the taking and hearing of evidence together with the commissioner's findings and conclusions, under the final jurisdiction and decision of the judges of the court.

(c) Any juvenile referee appointed by the court may be vested by the court with all suitable powers for the handling and management of the juvenile matters of the court, including the fixing of bonds, the taking and hearing of evidence on or concerning any juvenile matters in litigation before the court, the enforcement of court rules and regulations, the making of reports to the court concerning the referee's doings under final jurisdiction and decision of the judges of the court.

(d) A probate commissioner and juvenile referee may summon witnesses to testify before the commissioner and juvenile referee, administer oaths, and take acknowledgments in connection with and in furtherance of their duties and powers.

SECTION 146. IC 33-33-89-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. The judge of the superior court shall appoint a bailiff and an official court reporter for the court, to serve during the pleasure of the court. The judge shall fix their per diem or salary within the limits and in the manner as provided by law concerning bailiffs and official court reporters. The bailiff and court reporter shall be paid monthly ~~out of~~ **by the state from** the ~~treasury of Wayne County in the manner provided by law.~~ **state general fund.**

SECTION 147. IC 33-33-89.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. The judge of the Wayne superior court No. 2 shall appoint a bailiff and an official court reporter for the court, to serve at the pleasure of the court. The judge shall fix their compensation within the limits and in the manner as may be provided by law concerning bailiffs and official court reporters. The compensation shall be paid monthly ~~out of~~ **by the state from** the ~~treasury of Wayne County in the manner provided by law.~~ **state general fund.**

SECTION 148. IC 33-33-92-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) If the Whitley county executive establishes the position of small claims referee to serve the Whitley superior court, the judge of the Whitley superior court may appoint a part-time small claims referee under IC 33-29-3 to assist the court in the exercise of its small claims jurisdiction.

(b) The small claims referee is entitled to reasonable compensation not exceeding twenty thousand dollars ($20,000) as recommended by the judge of the Whitley superior court to be paid by the county after the compensation is approved by the county fiscal body. The state shall pay ~~fifty percent (50%) of~~ the salary set under this subsection. ~~and the county shall pay the remainder of the salary.~~

(c) The Whitley County executive shall provide and maintain a suitable courtroom and facilities for the use of the small claims referee, including furniture and equipment, as necessary.

(d) The Whitley superior court shall employ administrative staff necessary to support the functions of the small claims referee.

(e) The county fiscal body shall appropriate sufficient funds for the provision of staff and facilities required under this section.

SECTION 149. IC 33-37-5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 19. (a) The clerk shall collect a jury fee of two dollars ($2) in each action in which a defendant is found to have committed a crime, violated a statute defining an infraction, or violated an ordinance of a municipal corporation.

(b) The fee collected under this section shall be deposited into the ~~county user fee~~ **state general** fund. ~~established by IC 33-37-8-5.~~

SECTION 150. IC 33-37-7-2, AS AMENDED BY P.L.174-2006, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) The clerk of a circuit court shall distribute semiannually to the auditor of state as the state share for deposit in the state general fund ~~seventy~~ **ninety-seven** percent ~~(70%)~~ **(97%)** of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-3(a) (juvenile costs fees).

(4) IC 33-37-4-4(a) (civil costs fees).

(5) IC 33-37-4-6(a)(1)(A) (small claims costs fees).

(6) IC 33-37-4-7(a) (probate costs fees).

~~(7) IC 33-37-5-17 (deferred prosecution fees).~~

(b) The clerk of a circuit court shall distribute semiannually to the auditor of state for deposit in the state user fee fund established in IC 33-37-9-2 the following:

(1) Twenty-five percent (25%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).

(2) Twenty-five percent (25%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

(3) Fifty percent (50%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7).

(4) One hundred percent (100%) of the domestic violence prevention and treatment fees collected under IC 33-37-4-1(b)(8).

(5) One hundred percent (100%) of the highway work zone fees collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).

(6) One hundred percent (100%) of the safe schools fee collected under IC 33-37-5-18.

(7) One hundred percent (100%) of the automated record keeping fee (IC 33-37-5-21).

(c) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) Seventy-five percent (75%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).

(2) Seventy-five percent (75%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

The county auditor shall deposit fees distributed by a clerk under this subsection into the county drug free community fund established under IC 5-2-11.

(d) The clerk of a circuit court shall distribute monthly to the county auditor fifty percent (50%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7). The county auditor shall deposit fees distributed by a clerk under this subsection into the county child advocacy fund established under IC 12-17-17.

(e) The clerk of a circuit court shall distribute monthly to the county auditor one hundred percent (100%) of the late payment fees collected under IC 33-37-5-22. The county auditor shall deposit fees distributed by a clerk under this subsection as follows:

(1) If directed to do so by an ordinance adopted by the county fiscal body, the county auditor shall deposit forty percent (40%) of the fees in the clerk's record perpetuation fund established under IC 33-37-5-2 and sixty percent (60%) of the fees in the county general fund.

(2) If the county fiscal body has not adopted an ordinance described in subdivision (1), the county auditor shall deposit all the fees in the county general fund.

(f) The clerk of the circuit court shall distribute semiannually to the auditor of state for deposit in the sexual assault victims assistance account established by IC 4-23-25-11(i) one hundred percent (100%) of the sexual assault victims assistance fees collected under IC 33-37-5-23.

(g) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) One hundred percent (100%) of the support and maintenance fees for cases designated as non-Title IV-D child support cases in the Indiana support enforcement tracking system (ISETS) collected under IC 33-37-5-6.

(2) The percentage share of the support and maintenance fees for cases designated as IV-D child support cases in ISETS collected under IC 33-37-5-6 that is reimbursable to the county at the federal financial participation rate.

The county clerk shall distribute monthly to the office of the secretary of family and social services the percentage share of the support and maintenance fees for cases designated as Title IV-D child support cases in ISETS collected under IC 33-37-5-6 that is not reimbursable to the county at the applicable federal financial participation rate.

(h) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) One hundred percent (100%) of the small claims service fee under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2) for deposit in the county general fund.

(2) One hundred percent (100%) of the small claims garnishee service fee under IC 33-37-4-6(a)(1)(C) or IC 33-37-4-6(a)(3) for deposit in the county general fund.

(i) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the following:

(1) The public defense administration fee collected under IC 33-37-5-21.2.

(2) The judicial salaries fees collected under IC 33-37-5-26.

(3) The DNA sample processing fees collected under IC 33-37-5-26.2.

(4) The court administration fees collected under IC 33-37-5-27.

(j) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the judicial branch insurance adjustment account established by IC 33-38-5-8.2 one hundred percent (100%) of the judicial insurance adjustment fee collected under IC 33-37-5-25.

(k) The proceeds of the service fee collected under IC 33-37-5-28(b)(1) or IC 33-37-5-28(b)(2) shall be distributed as follows:

(1) The clerk shall distribute one hundred percent (100%) of the service fees collected in a circuit, superior, county, or probate court to the county auditor for deposit in the county general fund.

(2) The clerk shall distribute one hundred percent (100%) of the service fees collected in a city or town court to the city or town fiscal officer for deposit in the city or town general fund.

(l) The proceeds of the garnishee service fee collected under IC 33-37-5-28(b)(3) or IC 33-37-5-28(b)(4) shall be distributed as follows:

(1) The clerk shall distribute one hundred percent (100%) of the garnishee service fees collected in a circuit, superior, county, or probate court to the county auditor for deposit in the county general fund.

(2) The clerk shall distribute one hundred percent (100%) of the garnishee service fees collected in a city or town court to the city or town fiscal officer for deposit in the city or town general fund.

SECTION 151. IC 33-37-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. ~~(a)~~ The clerk of a circuit court shall forward the county share of fees collected to the county auditor in accordance with IC 33-37-7-12(a). The auditor shall retain as the county share twenty-seven percent (27%) of the amount of fees collected

under ~~the following:~~

~~(1) IC 33-37-4-1(a) (criminal costs fees).~~

~~(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).~~

~~(3) IC 33-37-4-3(a) (juvenile costs fees).~~

~~(4) IC 33-37-4-4(a) (civil costs fees).~~

~~(5) IC 33-37-4-6(a)(1) (small claims costs fees).~~

~~(6) IC 33-37-4-7(a) (probate costs fees).~~

~~(7)~~ IC 33-37-5-17 (deferred prosecution fees).

~~(b) This section applies after June 30, 2005.~~

SECTION 151. IC 33-38-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. The judge of the circuit, superior, criminal, probate, and juvenile courts in each county having a population of at least thirty-five thousand (35,000) shall appoint a bailiff and may appoint a riding bailiff for the judge's court, whose per diem shall be fixed by the court to be paid **by the state** from the ~~county treasury.~~ **state general fund.**

SECTION 153. IC 33-38-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. The salary for the chief clerk:

(1) shall be fixed by the judge of the court;

(2) may not be more than four thousand eight hundred dollars ($4,800) per year; and

(3) shall be paid in monthly installments **by the state** from the ~~county treasury of the county in which the court is located.~~ **state general fund.**

SECTION 154. IC 33-38-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) The Indiana judicial center shall maintain a roster of in-state facilities that have the expertise to provide child services (as defined in ~~IC 12-19-7-1)~~ **IC 31-9-2-17.4)** in a residential setting to:

(1) children in need of services (as described in IC 31-34-1); or

(2) delinquent children (as described in IC 31-37-1 and IC 31-37-2).

(b) The roster under subsection (a) must include the information necessary to allow a court having juvenile jurisdiction to select an in-state placement of a child instead of placing the child in an out-of-state facility under IC 31-34 or IC 31-37. The roster must include at least the following information:

(1) Name, address, and telephone number of each facility.

(2) Owner and contact person for each facility.

(3) Description of the child services that each facility provides and any limitations that the facility imposes on acceptance of a child placed by a juvenile court.

(4) Number of children that each facility can serve on a residential basis.

(5) Number of residential openings at each facility.

(c) The Indiana judicial center shall revise the information in the roster at least monthly.

(d) The Indiana judicial center shall make the information in the roster readily available to courts with juvenile jurisdiction.

SECTION 155. IC 33-38-11-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. A temporary judge is entitled to twenty-five dollars ($25) paid by the ~~county,~~ **state from the state general fund** for each day of service as a temporary judge.

SECTION 156. IC 33-39-1-6, AS AMENDED BY P.L.222-2005, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) Special prosecutors may be appointed under this section or in accordance with IC 4-2-7-7.

(b) A circuit or superior court judge:

(1) shall appoint a special prosecutor if:

(A) any person other than the prosecuting attorney or the prosecuting attorney's deputy files a verified petition requesting the appointment of a special prosecutor; and

(B) the prosecuting attorney agrees that a special prosecutor is needed;

(2) may appoint a special prosecutor if:

(A) a person files a verified petition requesting the appointment of a special prosecutor; and

(B) the court, after:

(i) notice is given to the prosecuting attorney; and

(ii) an evidentiary hearing is conducted at which the prosecuting attorney is given an opportunity to be heard;

finds by clear and convincing evidence that the appointment is necessary to avoid an actual conflict of interest or there is probable cause to believe that the prosecutor has committed a crime;

(3) may appoint a special prosecutor if:

(A) the prosecuting attorney files a petition requesting the court to appoint a special prosecutor; and

(B) the court finds that the appointment is necessary to avoid the appearance of impropriety; and

(4) may appoint a special prosecutor if:

(A) an elected public official, who is a defendant in a criminal proceeding, files a verified petition requesting a special prosecutor within ten (10) days after the date of the initial hearing; and

(B) the court finds that the appointment of a special prosecutor is in the best interests of justice.

(c) Each person appointed to serve as a special prosecutor:

(1) must consent to the appointment; and

(2) must be:

(A) the prosecuting attorney or a deputy prosecuting attorney in a county other than the county in which the person is to serve as special prosecutor; or

(B) except as provided in subsection (d), a senior prosecuting attorney.

(d) A senior prosecuting attorney may be appointed in the county in which the senior prosecuting attorney previously served if the court finds that an appointment under this subsection would not create the appearance of impropriety.

(e) A person appointed to serve as a special prosecutor has the same powers as the prosecuting attorney of the county. However, the appointing judge shall limit scope of the special prosecutor's duties to include only the investigation or prosecution of a particular case or particular grand jury investigation.

(f) The court shall establish the length of the special prosecutor's term. If the target of an investigation by the special prosecutor is a public servant (as defined in IC 35-41-1-24), the court shall order the special prosecutor to file a report of the investigation with the court at the conclusion of the investigation. The report is a public record.

(g) If the special prosecutor is not regularly employed as a full-time prosecuting attorney or full-time deputy prosecuting attorney, the compensation for the special prosecutor's services:

(1) shall be paid to the special prosecutor **by the state** from the ~~unappropriated funds of the appointing county,~~ **state general fund;** and

(2) may not exceed:

(A) a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit; and

(B) travel expenses and reasonable accommodation expenses actually incurred.

(h) If the special prosecutor is regularly employed as a full-time prosecuting attorney or deputy prosecuting attorney, the compensation for the special prosecutor's services:

(1) shall be paid ~~out of~~ **by the state from** the ~~appointing county's unappropriated funds to the treasurer of the county in which the special prosecutor regularly serves,~~ **state general fund;** and

(2) must include a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit,

travel expenses, and reasonable accommodation expenses actually incurred.

(i) The combination of:

(1) the compensation paid to a senior prosecuting attorney under this chapter; and

(2) retirement benefits that the person appointed as a senior prosecuting attorney is receiving or entitled to receive;

may not exceed the minimum compensation to which a full-time prosecuting attorney is entitled under IC 33-39-6-5.

(j) A senior prosecuting attorney appointed under this chapter may not be compensated as senior prosecuting attorney for more than one hundred (100) calendar days in total during a calendar year.

SECTION 157. IC 33-39-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. Except as provided in section 2 of this chapter and upon the order of a judge trying a criminal case, ~~the county auditor shall pay to~~ a prosecuting attorney ~~from funds in the county treasury not otherwise appropriated and as a part of the costs of the trial,~~ **shall be paid by the state from the state general fund** an amount equal to the expenses necessarily incurred by a prosecuting attorney in traveling to attend the taking of any deposition in connection with the criminal action.

SECTION 158. IC 33-39-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) The compensation provided in this chapter for prosecuting attorneys and their deputies is in full for all services required by law. Prosecuting attorneys shall appear in all courts and in all cases where the law provides that they shall appear.

(b) Prosecuting attorneys, deputy prosecuting attorneys, and investigators are entitled to a sum for mileage for the miles necessarily traveled in the discharge of their duties. The sum for mileage provided by this subsection must:

(1) equal the sum per mile paid to state officers and employees, with the rate changing each time the state government changes its rate per mile;

(2) be allowed by the board of county commissioners on a claim duly filed monthly by the prosecutor, deputy prosecuting attorneys, and investigators itemizing the specific mileage traveled; and

(3) be paid by the ~~county in which the duty arose that necessitated the travel.~~ **state from the state general fund.**

(c) This chapter does not prohibit the payment of other expenses as may be allowed by law.

(d) If a board of county commissioners does not furnish the prosecuting attorney with office space, the county council shall appropriate a reasonable amount of money per year to the prosecuting attorney for office space.

SECTION 159. IC 33-40-7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. (a) This chapter does not prevent a court from appointing counsel other than counsel provided for under the board's plan for providing defense services to an indigent person when the interests of justice require. A court may also appoint counsel to assist counsel provided for under the board's plan as co-counsel when the interests of justice require. Expenditures by a county for defense services not provided under the county public defender board's plan are not subject to reimbursement from the public defense fund under IC 33-40-6.

(b) A judge of a court having criminal jurisdiction may make a written request to the state public defender to provide a qualified attorney for the defense of a person charged in the court with a criminal offense and eligible for representation at public expense if the judge determines:

(1) that an attorney provided under the county public defender board's plan is not qualified or available to represent the person; or

(2) that in the interests of justice an attorney other than the attorney provided for by the county defender board's plan should be appointed.

The judge shall attach to the request a copy of the information or indictment. Expenditures for representation under this subsection shall be paid by the ~~county according to a fee schedule approved by the commission. These expenditures are eligible for reimbursement from the public defense fund.~~ **state from the state general fund.**

SECTION 160. IC 33-40-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) Subject to subsection (b), if an indigent person:

(1) desires to appeal to the supreme court or the court of appeals the decision of a trial court in a criminal case; and

(2) does not have sufficient means to procure the typed or printed manuscript or transcript of the evidence taken by the court reporter;

the court shall direct the court reporter to transcribe the notes of evidence into a typed or printed manuscript or transcript as soon as practicable and deliver the manuscript or transcript to the indigent person.

(b) Notwithstanding subsection (a):

(1) the court must be satisfied that the indigent person lacks sufficient means to pay the court reporter for making the manuscript or transcript of evidence; and

(2) the court reporter may charge the compensation allowed by law in cases for making and furnishing a manuscript or transcript. The reporter shall be paid by the ~~court from the proper county treasury.~~ **state from the state general fund.**

SECTION 161. IC 33-41-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. The annual salary of each court reporter shall be fixed as provided in this chapter according to the county or counties in which the court reporter holds office. A county or counties may add additional increments to the minimum annual salary according to the usual budget procedures. The salaries shall be paid ~~in equal monthly installments.~~ **by the state from the state general fund.**

SECTION 162. IC 35-33-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) Prior to the completion of the initial hearing, the judicial officer shall determine whether a person who requests assigned counsel is indigent. If the person is found to be indigent, the judicial officer shall assign counsel to the person.

(b) If jurisdiction over an indigent defendant is transferred to another court, the receiving court shall assign counsel immediately upon acquiring jurisdiction over the defendant.

(c) If the court finds that the person is able to pay part of the cost of representation by the assigned counsel, the court shall order the person to pay the following:

(1) For a felony action, a fee of one hundred dollars ($100).

(2) For a misdemeanor action, a fee of fifty dollars ($50).

The clerk of the court shall deposit fees collected under this subsection in the ~~county's supplemental public defender services fund established under IC 33-40-3-1.~~ **state general fund.**

(d) The court may review the finding of indigency at any time during the proceedings.

SECTION 163. IC 35-38-2-1, AS AMENDED BY P.L.1-2006, SECTION 529, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) Whenever it places a person on probation, the court shall:

(1) specify in the record the conditions of the probation; and

(2) advise the person that if the person violates a condition of probation during the probationary period, a petition to revoke probation may be filed before the earlier of the following:

(A) One (1) year after the termination of probation.

(B) Forty-five (45) days after the state receives notice of the violation.

(b) In addition, if the person was convicted of a felony and is placed on probation, the court shall order the person to pay to the

probation department the user's fee prescribed under subsection (d). If the person was convicted of a misdemeanor, the court may order the person to pay the user's fee prescribed under subsection (e). The court may:

(1) modify the conditions (except a fee payment may only be modified as provided in section 1.7(b) of this chapter); or

(2) terminate the probation;

at any time. If the person commits an additional crime, the court may revoke the probation.

(c) If a clerk of a court collects a probation user's fee, the clerk:

(1) may keep not more than three percent (3%) of the fee to defray the administrative costs of collecting the fee and shall deposit any fee kept under this subsection in the clerk's record perpetuation fund established under IC 33-37-5-2; and

(2) if requested to do so by the county auditor, city fiscal officer, or town fiscal officer under clause (A), (B), or (C), **shall** transfer not more than three percent (3%) of the fee to the:

(A) county auditor, who shall deposit the money transferred under this subdivision into the county general fund;

(B) city general fund when requested by the city fiscal officer; or

(C) town general fund when requested by the town fiscal officer.

(d) In addition to any other conditions of probation, the court shall order each person convicted of a felony to pay:

(1) not less than twenty-five dollars ($25) nor more than one hundred dollars ($100) as an initial probation user's fee;

(2) a monthly probation user's fee of not less than fifteen dollars ($15) nor more than thirty dollars ($30) for each month that the person remains on probation;

(3) the costs of the laboratory test or series of tests to detect and confirm the presence of the human immunodeficiency virus (HIV) antigen or antibodies to the human immunodeficiency virus (HIV) if such tests are required by the court under section 2.3 of this chapter;

(4) an alcohol abuse deterrent fee and a medical fee set by the court under IC 9-30-9-8, if the court has referred the defendant to an alcohol abuse deterrent program; and

(5) an administrative fee of one hundred dollars ($100);

to either the probation department or the clerk.

(e) In addition to any other conditions of probation, the court may order each person convicted of a misdemeanor to pay:

(1) not more than a fifty dollar ($50) initial probation user's fee;

(2) a monthly probation user's fee of not less than ten dollars ($10) nor more than twenty dollars ($20) for each month that the person remains on probation;

(3) the costs of the laboratory test or series of tests to detect and confirm the presence of the human immunodeficiency virus (HIV) antigen or antibodies to the human immunodeficiency virus (HIV) if such tests are required by the court under section 2.3 of this chapter; and

(4) an administrative fee of fifty dollars ($50);

to either the probation department or the clerk.

(f) The probation department or clerk shall collect the administrative fees under subsections (d)(5) and (e)(4) before collecting any other fee under subsection (d) or (e). All money collected by the probation department or the clerk under this section shall be transferred to the ~~county~~ treasurer **of state,** who shall deposit the money into the ~~county supplemental adult probation services~~ **state general** fund. ~~The fiscal body of the county shall appropriate money from the county supplemental adult probation services fund:~~

~~(1) to the county, superior, circuit, or municipal court of the county that provides probation services to adults to supplement adult probation services; and~~

~~(2) to supplement the salaries of probation officers in accordance with the schedule adopted by the county fiscal body under IC 36-2-16.5.~~

(g) The probation department or clerk shall collect the administrative fee under subsection (e)(4) before collecting any other fee under subsection (e). All money collected by the probation department or the clerk of a city or town court under this section shall be transferred to the ~~fiscal officer of the city or town for deposit into the local supplemental adult probation services fund. The fiscal body of the city or town shall appropriate money from the local supplemental adult probation services fund to the city or town court of the city or town for the court's use in providing probation services to adults or for the court's use for other purposes as may be appropriated by the fiscal body. Money may be appropriated under this subsection only to those city or town courts that have an adult probation services program. If a city or town court does not have such a program, the money collected by the probation department must be transferred and appropriated as provided under subsection (f).~~ **state general fund.**

(h) Except as provided in subsection (j), the county or local supplemental adult probation services fund may be used only to supplement probation services and to supplement salaries for probation officers. A supplemental probation services fund may not be used to replace other funding of probation services. Any money remaining in the fund at the end of the year does not revert to any other fund but continues in the county or local supplemental adult probation services fund.

(i) A person placed on probation for more than one (1) crime:

(1) may be required to pay more than one (1) initial probation user's fee; and

(2) may not be required to pay more than one (1) monthly probation user's fee per month;

to the probation department or the clerk.

(j) This subsection applies to a city or town located in a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000). Any money remaining in the local supplemental adult probation services fund at the end of the local fiscal year may be appropriated by the city or town fiscal body to the city or town court for use by the court for purposes determined by the fiscal body.

(k) In addition to other methods of payment allowed by law, a probation department may accept payment of fees required under this section and section 1.5 of this chapter by credit card (as defined in IC 14-11-1-7). The liability for payment is not discharged until the probation department receives payment or credit from the institution responsible for making the payment or credit.

(l) The probation department may contract with a bank or credit card vendor for acceptance of bank or credit cards. However, if there is a vendor transaction charge or discount fee, whether billed to the probation department or charged directly to the probation department's account, the probation department may collect a credit card service fee from the person using the bank or credit card. The fee collected under this subsection is a permitted additional charge to the money the probation department is required to collect under subsection (d) or (e).

(m) The probation department shall forward the credit card service fees collected under subsection (l) to the ~~county treasurer or city or town fiscal officer~~ **treasurer of state** in accordance with subsection (f) or (g). These funds may be used without appropriation to pay the transaction charge or discount fee charged by the bank or credit card vendor.".

Page 92, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 166. IC 36-3-7-5, AS AMENDED BY P.L.131-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) Liens for taxes levied by the consolidated city are perfected when evidenced on the tax duplicate in the office of the treasurer of the county.

(b) Liens created when the city enters upon property to make improvements to bring it into compliance with a city ordinance and liens created upon failure to pay charges assessed by the city for services shall be certified to the auditor, after the adoption of a resolution confirming the incurred expense by the appropriate city department, board, or other agency. In addition, the resolution must state the name of the owner as it appears on the township assessor's record and a description of the property.

(c) The amount of a lien shall be placed on the tax duplicate by the auditor in the nature of a delinquent tax subject to enforcement and collection as otherwise provided under IC 6-1.1-22, IC 6-1.1-24, and IC 6-1.1-25. However, the amount of the lien is not considered a tax within the meaning of ~~IC 6-1.1-21-2(b)~~ **IC 6-10-2** and shall not be included as a part of either a total county tax levy under ~~IC 6-1.1-21-2(g)~~ **IC 6-10-2** or the tax liability of a taxpayer under ~~IC 6-1.1-21-5~~ **IC 6-10-2** for purposes of the tax credit computations under ~~IC 6-1.1-21-4 and IC 6-1.1-21-5.~~ **IC 6-10-3.**".

Page 98, between lines 26 and 27, begin a new paragraph insert:

"SECTION 171. IC 36-7-14-39, AS AMENDED BY P.L.154-2006, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 39. (a) As used in this section:

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

"Base assessed value" means the following:

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

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

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

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

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

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

(3) If:

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

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

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

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

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

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

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

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

(2) Except as otherwise provided in this section, property

tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

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

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

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

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

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

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

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

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

(I) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that ~~have~~ **has** been allocated during that year to an allocation fund under this section.

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

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

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

(i) in the allocation area; and

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

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

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

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

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

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

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

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

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

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

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

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2)

and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (½) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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

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

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

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

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

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

SECTION 172. IC 36-7-14-39.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 39.5. (a) As used in this section, "allocation area" has the meaning set forth in section 39 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (h), one-half (½) of the credit shall be applied to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that would have been allocated to an allocation fund under section 39 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into an allocation fund under section 39(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the redevelopment commission, the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) may, by resolution, provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is

adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2-15)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).**

SECTION 173. IC 36-7-14-48, AS ADDED BY P.L.154-2006, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) Providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4(a)(1)~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). Except as provided in subsection (g), one-half (½) of the credit shall be applied to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** that under IC 6-1.1-22-9 are due and payable on May 10 and November 10 of a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(2)(A) through 39(b)(2)(H) and 39(b)(2)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

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

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 39(b)(2) of this chapter;
(B) to pay the amount necessary for other purposes described in section 39(b)(2) of this chapter; and
(C) to reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).
(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2-15)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).**

SECTION 174. IC 36-7-14.5-12.5, AS AMENDED BY P.L.1-2006, SECTION 567, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

(b) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may create an economic development area:
(1) by following the procedures set forth in IC 36-7-14-41 for the establishment of an economic development area by a redevelopment commission; and
(2) with the same effect as if the economic development area was created by a redevelopment commission.

The area established under this section shall be established only in the area where a United States government military base that is scheduled for closing or is completely or partially inactive or closed is or was located.

(c) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may do the following in a manner that serves an economic development area created under this section:
(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of economic development areas located within the corporate boundaries of the unit.
(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of economic development areas on the terms and conditions that the authority considers best for the unit and the unit's inhabitants.
(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.
(4) Clear real property acquired for redevelopment purposes.
(5) Repair and maintain structures acquired for redevelopment purposes.
(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.
(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.
(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:
(A) real property acquired or being acquired for redevelopment purposes; or
(B) any economic development area within the jurisdiction of the authority.
(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.
(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.
(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.
(12) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.
(13) Appoint clerks, guards, laborers, and other employees the authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.
(14) Prescribe the duties and regulate the compensation of employees of the authority.
(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.
(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).
(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.
(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.
(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:
(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.
(B) Any structure that enhances development or economic development.
(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).
(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.
(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.
(23) Take any action necessary to implement the purpose of the authority.
(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11 of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic

development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

(1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefiting that allocation area.

(2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).

(3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefiting that allocation area.

(5) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under IC 36-7-14-39.5 in the same year.

(6) Pay expenses incurred by the authority for local public improvements or structures that are in the allocation area or serving or benefiting the allocation area.

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

(A) in the allocation area; and

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

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

(e) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or benefitting an economic development area created by an authority under this section, and in anticipation of the taxes allocated under subsection (d), other revenues of the authority, or any combination of these sources, the authority may, by resolution, issue the bonds of the special taxing district in the name of the unit. Bonds issued under this section may be issued in any amount without limitation. The following apply if such a resolution is adopted:

(1) The authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(2) The bonds must be executed by the appropriate officer of the unit and attested by the unit's fiscal officer.

(3) The bonds are exempt from taxation for all purposes.

(4) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(5) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the authority:

(A) from the tax proceeds allocated under subsection (d);

(B) from other revenues available to the authority; or

(C) from a combination of the methods stated in clauses (A) and (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers to remonstrate against the issuance of bonds do not apply to bonds issued under this section.

(8) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(9) If bonds are issued under this chapter that are payable solely or in part from revenues to the authority from a project or projects, the authority may adopt a resolution or trust indenture or enter into covenants as is customary in

the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority. The authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the authority that are payable solely from revenues of the authority shall contain a statement to that effect in the form of bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under section 11 of this chapter may provide, or be amended to provide, that the board of directors of the authority shall be composed of not fewer than three (3) nor more than eleven (11) members, who must be residents of the unit appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority under this section is not subject to the provisions of IC 5-22, IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.".

Page 100, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 176. IC 36-7-15.1-26.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g), (h), (i), and (j), each taxpayer in an allocation area is entitled to an additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** that, under IC 6-1.1-22-9, ~~are~~ **is** due and payable in May and November of that year. Except as provided in subsection (j), one-half (½) of the credit shall be applied to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined ~~in IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that would have been allocated to an allocation fund under section 26 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into the special fund.

(f) The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credits under subsections (e), (g), (h), and (i), unless the credits under subsections (g) and (h) are partial credits, shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. Except as provided in subsections (h) and (i), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credits under subsections (e), (g), (h), and (i) shall be combined on the tax statements sent to each taxpayer.

(g) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method provided in subsection (e) may be granted under this subsection. The credit provided under this subsection is first applicable for the allocation area for property taxes first due and payable in 1992. The following apply to the determination of the credit provided under this subsection:

(1) Before June 15 of each year, the fiscal officer of the consolidated city shall determine and certify the following:

(A) All amounts due in the following year to the owners of outstanding bonds payable from the allocation area special fund.

(B) All amounts that are:

(i) required under contracts with bond holders; and

(ii) payable from the allocation area special fund to fund accounts and reserves.

(C) An estimate of the amount of personal property taxes available to be paid into the allocation area special fund under section 26.9(c) of this chapter.

(D) An estimate of the aggregate amount of credits to be granted if full credits are granted.

(2) Before June 15 of each year, the fiscal officer of the consolidated city shall determine if the granting of the full amount of credits in the following year would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(3) If the fiscal officer of the consolidated city determines under subdivision (2) that there would not be an impairment or adverse effect:

(A) the fiscal officer of the consolidated city shall certify the determination; and

(B) the full credits shall be applied in the following year, subject to the determinations and certifications made under section 26.7(b) of this chapter.

(4) If the fiscal officer of the consolidated city makes an

adverse determination under subdivision (2), the fiscal officer of the consolidated city shall determine whether there is an amount of partial credits that, if granted in the following year, would not result in the impairment or adverse effect. If the fiscal officer determines that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall do the following:

(A) Determine the amount of the partial credits.

(B) Certify that determination.

(5) If the fiscal officer of the consolidated city certifies under subdivision (4) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers in the following year.

(6) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid in the following year; or

(ii) only partial credits may be paid in the following year.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15 of whether full or partial credits are payable under this subsection.

(7) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination.

(8) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (e) and in subdivision (2) may be granted under this subsection. The following apply to the credit granted under this subsection:

(1) The credit is applicable to property taxes first due and payable in 1991.

(2) For purposes of this subsection, the amount of a credit for 1990 taxes payable in 1991 with respect to an affected taxpayer is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e); multiplied by

(B) the total amount of the property taxes payable by the taxpayer that were allocated in 1991 to the allocation area special fund under section 26 of this chapter.

(3) Before June 15, 1991, the fiscal officer of the consolidated city shall determine and certify an estimate of the aggregate amount of credits for 1990 taxes payable in 1991 if the full credits are granted.

(4) The fiscal officer of the consolidated city shall determine whether the granting of the full amounts of the credits for 1990 taxes payable in 1991 against 1991 taxes payable in 1992 and the granting of credits under subsection (g) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund for an allocation area described in subsection (g).

(5) If the fiscal officer of the consolidated city determines that there would not be an impairment or adverse effect under subdivision (4):

(A) the fiscal officer shall certify that determination; and

(B) the full credits shall be applied against 1991 taxes payable in 1992 or the amount of the credits shall be paid to the taxpayers as provided in subdivision (12), subject to the determinations and certifications made under section 26.7(b) of this chapter.

(6) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (4), the fiscal officer shall determine whether there is an amount of partial credits for 1990 taxes payable in 1991 that, if granted against 1991 taxes payable in 1992 in addition to granting of the credits under subsection (g), would not result in the impairment or adverse effect.

(7) If the fiscal officer of the consolidated city determines under subdivision (6) that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall determine the amount of partial credits and certify that determination.

(8) If the fiscal officer of the consolidated city certifies under subdivision (7) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers against 1991 taxes payable in 1992.

(9) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid for 1990 taxes payable in 1991; or

(ii) only partial credits may be paid for 1990 taxes payable in 1991.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15, 1991, of whether credits are payable under this subsection.

(10) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination. Any such appeal shall be decided by the court within sixty (60) days.

(11) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether credits are payable under this subsection must be filed by July 15, 1991. Any such appeal shall be decided by the court within sixty (60) days.

(12) If 1991 taxes payable in 1992 with respect to a parcel are billed to the same taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall apply to the tax bill for 1991 taxes payable in 1992 both the credit provided under subsection (g) and the credit provided under this subsection, along with any credit determined to be applicable to the tax bill under subsection (i). In the alternative, at the election of the county auditor, the county may pay to the taxpayer the amount of the credit by May 10, 1992, and the amount shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(13) If 1991 taxes payable in 1992 with respect to a parcel are billed to a taxpayer other than the taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (i) to the tax bill for 1991 taxes payable in 1992.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit under this subsection.

A taxpayer entitled to a credit must file an application for refund of the credit with the county auditor not later than November 30, 1991.

(14) A taxpayer who files an application by November 30, 1991, is entitled to payment from the county treasurer in an amount that is in the same proportion to the credit provided

under this subsection with respect to a parcel as the amount of 1990 taxes payable in 1991 paid by the taxpayer with respect to the parcel bears to the 1990 taxes payable in 1991 with respect to the parcel. This amount shall be paid to the taxpayer by May 10, 1992, and shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(i) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. The following apply to the credit granted under this subsection:

(1) A prior year credit is applicable to property taxes first due and payable in each year from 1987 through 1990 (the "prior years").

(2) The credit for each prior year is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e) for the prior year; multiplied by

(B) the total amount of the property taxes paid by the taxpayer that were allocated in the prior year to the allocation area special fund under section 26 of this chapter.

(3) Before January 31, 1992, the county auditor shall determine the amount of credits under subdivision (2) with respect to each parcel in the allocation area for all prior years with respect to which:

(A) taxes were billed to the same taxpayer for taxes payable in each year from 1987 through 1991; or

(B) an application was filed by November 30, 1991, under subdivision (8) for refund of the credits for prior years.

A report of the determination by parcel shall be sent by the county auditor to the department of local government finance and the budget agency within five (5) days of such determination.

(4) Before January 31, 1992, the county auditor shall determine the quotient of the amounts determined under subdivision (3) with respect to each parcel divided by six (6).

(5) Before January 31, 1992, the county auditor shall determine the quotient of the aggregate amounts determined under subdivision (3) with respect to all parcels divided by twelve (12).

(6) Except as provided in subdivisions (7) and (9), in each year in which credits from prior years remain unpaid, credits for the prior years in the amounts determined under subdivision (4) shall be applied as provided in this subsection.

(7) If taxes payable in the current year with respect to a parcel are billed to the same taxpayer to which taxes payable in all of the prior years were billed and if the amount determined under subdivision (3) with respect to the parcel is at least five hundred dollars ($500), the county treasurer shall apply the credits provided for the current year under subsections (g) and (h) and the credit in the amount determined under subdivision (4) to the tax bill for taxes payable in the current year. However, if the amount determined under subdivision (3) with respect to the parcel is less than five hundred dollars ($500) (referred to in this subdivision as "small claims"), the county may, at the election of the county auditor, either apply a credit in the amount determined under subdivision (3) or (4) to the tax bill for taxes payable in the current year or pay either amount to the taxpayer. If title to a parcel transfers in a year in which a credit under this subsection is applied to the tax bill, the transferor may file an application with the county auditor within thirty (30) days of the date of the transfer of title to the parcel for payments to the transferor at the same times and in the same amounts that would have been allowed as credits to the transferor under this subsection if there had not been a transfer. If a determination is made by the county auditor to refund or credit small claims in the amounts determined under subdivision (3) in 1992, the county auditor may make appropriate adjustments to the credits applied with respect to other parcels so that the total refunds and credits in any year will not exceed the payments made from the state property tax replacement fund to the prior year credit fund referred to in subdivision (11) in that year.

(8) If taxes payable in the current year with respect to a parcel are billed to a taxpayer that is not a taxpayer to which taxes payable in all of the prior years were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (h) to the tax bill for taxes payable in the current year.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit.

A taxpayer entitled to the credit must file an application for refund of the credit with the county auditor not later than November 30, 1991. A refund shall be paid to an eligible applicant by May 10, 1992.

(9) A taxpayer who filed an application by November 30, 1991, is entitled to payment from the county treasurer under subdivision (8) in an amount that is in the same proportion to the credit determined under subdivision (3) with respect to a parcel as the amount of taxes payable in the prior years paid by the taxpayer with respect to the parcel bears to the taxes payable in the prior years with respect to the parcel.

(10) In each year on May 1 and November 1, the state shall pay to the county treasurer from the state ~~property tax replacement~~ **general** fund the amount determined under subdivision (5).

(11) All payments received from the state under subdivision (10) shall be deposited into a special fund to be known as the prior year credit fund. The prior year credit fund shall be used to make:

(A) payments under subdivisions (7) and (9); and

(B) deposits into the special fund for the application of prior year credits.

(12) All amounts paid into the special fund for the allocation area under subdivision (11) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area.

(13) By January 15, 1993, and by January 15 of each year thereafter, the county auditor shall send to the department of local government finance and the budget agency a report of the receipts, earnings, and disbursements of the prior year credit fund for the prior calendar year. If in the final year that credits under ~~subsection (i)~~ **this subsection** are allowed any balance remains in the prior year credit fund after the payment of all credits payable under this subsection, such balance shall be repaid to the treasurer of state for deposit in the ~~property tax replacement~~ **state general** fund.

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the ~~property tax replacement~~ **state general** fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund.

(j) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as

residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2-15)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (e) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).**

SECTION 177. IC 36-7-15.1-26.9, AS AMENDED BY P.L.2-2006, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 26.9. (a) The definitions set forth in section 26.5 of this chapter apply to this section.

(b) The fiscal officer of the consolidated city shall publish in the newspaper in the county with the largest circulation all determinations made under section 26.5 or 26.7 of this chapter that result in the allowance or disallowance of credits. The publication of a determination made under section 26.5 of this chapter shall be made not later than June 20 of the year in which the determination is made. The publication of a determination made under section 26.7 of this chapter shall be made not later than December 5 of the year in which the determination is made.

(c) If credits are granted under section 26.5(g) or 26.5(h) of this chapter, whether in whole or in part, property taxes on personal property (as defined in IC 6-1.1-1-11) that are equal to the aggregate amounts of the credits for all taxpayers in the allocation area under section 26.5(g) and 26.5(h) of this chapter shall be:

(1) allocated to the redevelopment district;

(2) paid into the special fund for that allocation area; and

(3) used for the purposes specified in section 26 of this chapter.

(d) The county auditor shall adjust the estimate of assessed valuation that the auditor certifies under IC 6-1.1-17-1 for all taxing units in which the allocation area is located. The county auditor may amend this adjustment at any time before the earliest date a taxing unit must publish the unit's proposed property tax rate under IC 6-1.1-17-3 in the year preceding the year in which the credits under section 26.5(g) or 26.5(h) of this chapter are paid. The auditor's adjustment to the assessed valuation shall be:

(1) calculated to produce an estimated assessed valuation that will offset the effect that paying personal property taxes into the allocation area special fund under subsection (c) would otherwise have on the ability of a taxing unit to achieve the taxing unit's tax levy in the following year; and

(2) used by the county board of tax adjustment, the department of local government finance, and each taxing unit in determining each taxing unit's tax rate and tax levy in the following year.

(e) The amount by which a taxing unit's levy is adjusted as a result of the county auditor's adjustment of assessed valuation under subsection (d), and the amount of the levy that is used to make direct payments to taxpayers under section 26.5(h) of this chapter, is not part of the total county tax levy under ~~IC 6-1.1-21-2(g)~~ **IC 6-10-2-34** and is not subject to IC 6-1.1-20.

(f) The ad valorem property tax levy limits imposed by IC 6-1.1-18.5-3 and IC 20-45-3 do not apply to ad valorem property taxes imposed that are used to offset the effect of paying personal property taxes into an allocation area special fund during the taxable year under subsection (d) or to make direct payments to taxpayers under section 26.5(h) of this chapter. For purposes of computing the ad valorem property tax levy limits imposed under IC 6-1.1-18.5-3 and IC 20-45-3, a taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed to offset the effect of paying personal property taxes into an allocation area special fund under subsection (d) or to make direct payments to taxpayers under section 26.5(h) of this chapter.

(g) Property taxes on personal property that are deposited in the allocation area special fund:

(1) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area; and

(2) may not be treated as property taxes used to pay interest or principal due on debt under ~~IC 6-1.1-21-2(g)(1)(D).~~ **IC 6-10-2-34(1)(D).**

SECTION 178. IC 36-7-15.1-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(g) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) To provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4(a)(1)~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) Except as provided in subsection (g), the commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (½) of the credit to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** that under IC 6-1.1-22-9 are due and payable in May and November of a year. Except as provided in subsection (g), one-half (½) of the credit shall be applied to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).** The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 17.1 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

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

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 26(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 26(b)(2) of this chapter; and

(C) to reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2-15)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).**".

Page 103, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 180. IC 36-7-15.1-56 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 56. (a) As used in this section, "allocation area" has the meaning set forth in section 53 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** that under IC 6-1.1-22-9 ~~are~~ **is** due and payable in May and November of that year. Except as provided in subsection (h), one-half (½) of the credit shall be applied to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that would have been allocated to an allocation fund under section 53 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the development district and paid into an allocation fund under section 53(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the commission, the excluded city legislative body may, by resolution, provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the excluded city legislative body determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other

contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the excluded city legislative body must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2-15)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).**".

Page 103, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 181. IC 36-7-30-25, AS AMENDED BY P.L.154-2006, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

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

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

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

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

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

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

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

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

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

(i) in the allocation area; and

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

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

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

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

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under ~~IC 6-1.1-21.~~ **IC 6-10-3.**

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

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

(2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

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

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

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

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (½) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 182. IC 36-7-30-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 27. (a) As used in this section, "allocation area" has the meaning set forth in section 25 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except ~~a~~ **as** provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** that under IC 6-1.1-22-9 ~~are~~ **is** due

and payable in May and November of that year. Except as provided in subsection (h), one-half (½) of the credit shall be applied to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that would have been allocated to an allocation fund under section 25 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the military base reuse district and paid into an allocation fund under section 25(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the reuse authority, the municipal legislative body (in the case of a reuse authority established by a municipality) or the county executive (in the case of a reuse authority established by a county) may by resolution provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce the credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until rescinded by the body that originally adopted the resolution. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2-15)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).**

SECTION 183. IC 36-7-30.5-30, AS AMENDED BY P.L.154-2006, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 30. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

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

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus

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

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

shall be allocated to and, when collected, paid into the

funds of the respective taxing units.

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

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or benefitting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefitting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

(ii) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that ~~have~~ **has** been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefitting the allocation area.

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

(i) in the allocation area; and

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

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

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

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

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the appropriate county auditor of the amount, if any, of the amount of excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under ~~IC 6-1.1-21.~~ **IC 6-10-3.**

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

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

(2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

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

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

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

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined

based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (½) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 184. IC 36-7-30.5-32, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 32. (a) As used in this section, "allocation area" has the meaning set forth in section 30 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except ~~a~~ **as** provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** that under IC 6-1.1-22-9 ~~are~~ **is** due and payable in May and November of that year. Except as provided in subsection (h), one-half (½) of the credit shall be applied to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that would have been allocated to an allocation fund under section 30 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the military base development district and paid into an allocation fund under section 30(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the development authority, the municipal legislative body of an affected municipality or the county executive of an affected county may by resolution provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce the credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until rescinded by the body that originally adopted the resolution. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2-15)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** due in installments. The credit shall be applied in the same proportion to each installment of ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2-22).**

SECTION 185. IC 36-7-32-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 18. (a) A redevelopment commission may, by resolution, provide that each

taxpayer in a certified technology park that has been designated as an allocation area is entitled to an additional credit for ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** that, under IC 6-1.1-22-9, ~~are~~ **is** due and payable in May and November of that year. One-half (½) of the credit shall be applied to each installment of property ~~taxes.~~ **tax.** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the certified technology park:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2-34(1)(A), IC 6-10-2-34(2), IC 6-10-2-34(3), IC 6-10-2-34(4), and IC 6-10-2-34(5)** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's total eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-14)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's ~~taxes~~ **property tax** (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2-22)** levied in the taxing district that would have been allocated to the certified technology park fund under section 17 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the certified technology park fund under section 17 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of a certified technology park; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in a certified technology park who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies must be stated on the notice.

(d) Notwithstanding any other law, a taxpayer in a certified technology park is not entitled to a credit for property tax replacement under ~~IC 6-1.1-21-5.~~ **IC 6-10-3.**".

Page 120, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 190. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2008]: IC 6-1.1-20.9; IC 6-1.1-21; IC 6-3.5-6-13; IC 12-13-8; IC 12-13-9; IC 12-19-5; IC 12-19-7; IC 12-19-7.5; IC 16-35-3; IC 16-35-4; IC 31-37-24-13; IC 33-38-4-5; IC 33-38-5-2; IC 33-38-5-3; IC 33-41-2-7; IC 33-41-2-8.".

Page 120, delete lines 25 through 42.

Delete pages 121 through 122.

Page 123, delete lines 1 through 8.

Page 123, delete lines 22 through 25.

Page 123, line 29, delete "and IC 6-1.1-18-6.1, both" and insert ",".

Page 123, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 197. [EFFECTIVE JANUARY 1, 2008] **(a) Subject to this SECTION, before January 10, 2008, each county shall transfer all money contained in the following funds of the county after money in the county family and children's fund is used under subsection (b) to reduce obligations of the county and after any transfer of money from the county family and children's fund under subsection (c) to the state child welfare fund established by IC 31-25-2-20, as added by this act:**

**(1) Family and children's fund.**

**(2) County medical assistance to wards fund.**

**(3) Children's psychiatric residential treatment services fund.**

**(4) Children with special health care needs county fund.**

**(b) Each county shall use money deposited in the county family and children's fund from:**

**(1) property taxes imposed for an assessment date before January 16, 2007;**

**(2) the proceeds of bonds issued or loans taken out under IC 12-19-5 or IC 12-19-7.5, both as repealed by this act, or a predecessor law to pay an obligation related to child services provided before January 1, 2008;**

**(3) the:**

**(A) financial institutions tax (IC 6-5.5);**

**(B) motor vehicle excise tax (IC 6-6-5);**

**(C) commercial vehicle excise tax (IC 6-6-5.5);**

**(D) boat excise tax (IC 6-6-11); and**

**(E) aircraft license excise tax (IC 6-6-6.5);**

**that are distributed to the county as a result of the county's share of property taxes imposed before January 1, 2008, for the fund; and**

**(4) grants-in-aid, fees collected from a parent, guardian, or custodian of a child, and other money attributable to child services provided before January 1, 2008;**

**to reduce the obligation of the county to pay for expenditures for child services and any other obligations that were incurred and are payable before January 1, 2008.**

**(c) After a county uses money from the county family and children's fund as directed in subsection (b), the county shall transfer money that remains in the fund to the county's debt service fund or another sinking fund to the extent that the money is needed to repay in 2008 or a later year the principal and interest on bonds issued under IC 12-19-7-31, as repealed by this act. To the extent that the money transferred under this subsection is insufficient to repay the principal and interest, the county shall add to the tax duplicate of the county an annual levy sufficient to pay the principal and interest when due. The county may issue bonds under IC 36-2-6-18 to pay or refund the obligation.**

**(d) Each county shall use money deposited in the children's psychiatric residential treatment services fund from:**

**(1) property taxes imposed for an assessment date before January 16, 2007;**

**(2) the proceeds of bonds issued or loans taken out under IC 12-19-5 , IC 12-19-7, IC 12-19-7.5, all as repealed by this act, or a predecessor law to pay an obligation related to children's psychiatric residential treatment services provided before January 1, 2008;**

**(3) the:**

**(A) financial institutions tax (IC 6-5.5);**

**(B) motor vehicle excise tax (IC 6-6-5);**

**(C) commercial vehicle excise tax (IC 6-6-5.5);**

**(D) boat excise tax (IC 6-6-11); and**

**(E) aircraft license excise tax (IC 6-6-6.5);**

**that are distributed to the county as a result of the county's share of property taxes imposed before January 1, 2008, for the fund; and**

**(4) grants-in-aid, fees collected from a parent, guardian, or custodian of a child, and other money attributable to children's psychiatric residential treatment services provided before January 1, 2008;**

**to reduce the obligation of the county to pay for expenditures**

**for children's psychiatric residential treatment services and any other obligations that were incurred and are payable before January 1, 2008.**

**(e) After a county uses money from the county children's psychiatric residential treatment services fund as directed in subsection (d), the county shall transfer money that remains in the fund to the county's debt service fund or another sinking fund to the extent that the money is needed to repay in 2008 or a later year the principal and interest on bonds issued under IC 12-19-7.5-30, as repealed by this act. To the extent that the money transferred under this subsection is insufficient to repay the principal and interest, the county shall add to the tax duplicate of the county an annual levy sufficient to pay the principal and interest when due. The county may issue bonds under IC 36-2-6-18 to pay or refund the obligation.**

SECTION 198. [EFFECTIVE JANUARY 1, 2008] **(a) Any contract for services described in IC 31-25-2-7, as amended by this act, that was entered into before January 1, 2008, by a county in compliance with the law governing the county and with the approval of the department of child services shall be treated after December 31, 2007, as a contract of the department of child services.**

**(b) Any property related to a service described in IC 31-25-2-7, as amended by this act, that is transferred to the state by this act, shall be treated after December 31, 2007, as the property of the department of child services.**

**(c) On January 1, 2008, the balance of each county's county family and children's trust clearance fund becomes part of the family and children's trust clearance fund established under IC 12-19-1-16, as amended by this act. Any reference in a county or a county office in a document related to money in a county family and children's trust fund shall be treated after December 31, 2007, as a reference to the department of child services. Any reference in a document related to a county family and children's trust fund shall be treated after December 31, 2007, as a reference to the family and children's trust clearance fund established by IC 12-19-1-16, as amended by this act. Not later than January 10, 2008, the county auditor shall transfer the balance of the county's county family and children's trust clearance fund to the department of child services for deposit in the family and children's trust clearance fund established under IC 12-19-1-16, as amended by this act. The money transferred under this subsection is subject to the obligations of the county family and children's trust clearance fund from which the money is transferred and the restrictions on any gifts or grants that apply to the money being transferred.**

**(d) The department of child services may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement this SECTION. A temporary rule adopted under this subsection takes effect in the same manner as an emergency rule adopted under IC 4-22-2-37.1. Notwithstanding IC 4-22-2-37.1, a temporary rule adopted under this subsection expires on the earliest of the following:**

**(1) The date specified in the temporary rule.**

**(2) The date that another temporary rule adopted under this subsection amends, repeals, or supersedes the previously adopted temporary rule.**

**(3) The date that a permanent rule adopted under IC 4-22-2 amends, repeals, or supersedes the previously adopted temporary rule.**

**(4) January 1, 2009.**

**(e) The power of a county to impose an ad valorem property tax for the following funds is terminated on December 31, 2007:**

**(1) Family and children's fund.**

**(2) County medical assistance to wards fund.**

**(3) Children's psychiatric residential treatment services fund.**

**(4) Children with special health care needs county fund.**

SECTION 199. [EFFECTIVE JULY 1, 2007] **(a) The department of local government finance shall reduce the property tax levy limits and property tax rate limits that apply to a county to reflect the elimination of a county's responsibility for court related expenditures and the transfer of those responsibilities to the state.**

**(b) The responsibility for the payment of court related expenditures, as described in the 2004 Indiana Judicial Services Report, Volume III, prepared by the division of state court administration of the supreme court, is transferred to the division of state court administration of the supreme court, beginning January 1, 2008. If a county increased the salary of a judge under IC 36-2-5-14 above the minimum salary established by statute, the state shall assume the responsibility for continuing the payment of that component of the judge's salary through the end of the judge's current term as a judge. The additional compensation terminates on the earlier of the date that:**

**(1) the judge's term expires; or**

**(2) there is a vacancy in the judicial office held by the judge.**

**The supreme court shall submit the initial consolidated budget for court expenditures under IC 33-23-15, as added by this act, for the period beginning January 1, 2008, and ending June 30, 2008, in the manner and on the schedule determined by the budget agency. The consolidated budget shall be the basis for court related expenditures under IC 33-23-15, as added by this act, for the period beginning January 1, 2008, and ending June 30, 2008. The supreme court shall submit the initial consolidated budget for court expenditures under IC 33-23-15, as added by this act, for the period beginning July 1, 2008, and ending June 30, 2010, in the same manner and on the same schedule as the supreme court submits the remainder of its budget. The state board of accounts and the department of local government finance shall assist counties and the supreme court in transferring responsibility for the payment of court expenditures under IC 33-23-15, as added by this act, to the supreme court, division of state court administration. The supreme court, with the approval of the budget agency, may enter into agreements with a county auditor or county treasurer, or both, of any county to provide for an orderly transition of payment responsibilities from the county to the state.**

**(c) Notwithstanding the January 1, 2008, effective date of IC 6-10 and IC 33-23-15, both as added by this act, county tax levies, tax rates, and budgets adopted in 2007 for 2008 must reflect the changes made by this act.**

**(d) Money appropriated by P.L.246-2005 for the period beginning July 1, 2007, and ending June 30, 2008, to the property tax replacement fund board for distributions to counties to replace revenue lost as a result of the granting of homestead credits and property tax replacement credits may be used to:**

**(1) make distributions to counties under IC 6-10-7, as added by this act; and**

**(2) pay court expenditures under IC 33-23-15, as added by this act;**

**beginning July 1, 2007, and ending June 30, 2008. There is appropriated any additional amounts necessary to the auditor of state from the state general fund to make the distributions to counties required under IC 6-10-7, as added by this act. There is appropriated any additional amounts necessary to the supreme court from the state general fund for court expenditures under IC 33-23-15, as added by this act.**

**(e) IC 6-10, as added by this act, applies to taxable years beginning after December 31, 2007.**

SECTION 200. [EFFECTIVE JANUARY 1, 2008] **(a) The legislative services agency shall prepare legislation for introduction in the 2009 regular session of the general assembly to bring the statutes into conformity with this act.**

**(b) This SECTION expires July 1, 2009.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

TURNER

Upon request of Representatives Turner and Friend, the Speaker ordered the roll of the House to be called. Roll Call 93: yeas 39, nays 51. Motion failed.

HOUSE MOTION
(Amendment 1007–12)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 15, delete lines 38 through 42.

Page 16, delete lines 1 through 17.

Page 123, line 29, after "IC 6-1.1-17.5" insert "**,**".

Page 123, line 29, delete "and IC 6-1.1-18-6.1, both".

Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

TURNER

Motion failed.

HOUSE MOTION
(Amendment 1007–4)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 46, delete lines 1 through 11, and insert "**county adjusted gross income tax rate against the adjusted gross income of county taxpayers or both county taxpayers and corporations for purposes of this section. The tax rate may be established in any increment of one hundredth percent (0.01%). The maximum tax rate imposed on resident county taxpayers may not exceed one percent (1%). The tax rate that is in effect for the nonresident county taxpayers of a county is one-fourth (1/4) of the tax rate imposed upon resident county taxpayers, rounded to the nearest one hundredth percent (0.01%). The tax rate that is in effect for corporations may be different than, but may not exceed, the tax rate imposed on resident county taxpayers of the county. A county taxpayer whose principal place of business or**".

Page 60, delete lines 3 through 13.

Page 60, line 14, before "taxpayer" begin a new line and insert:

"**(b) A county income tax council may adopt an ordinance to establish a county option income tax rate against the adjusted gross income of:**

**(1) county taxpayers; or**

**(2) both county taxpayers and corporations;**

**for purposes of this section. The tax rate may be established in any increment of one hundredth percent (0.01%). The maximum tax rate on resident county taxpayers may not exceed one percent (1%). The tax rate that is in effect for nonresident county taxpayers of a county is one-fourth (1/4) of the tax rate imposed upon resident county taxpayers, rounded to the nearest one hundredth percent (0.01%). The tax rate that is in effect for corporations may be different than, but may not exceed, the tax rate imposed on resident county taxpayers of the county. A county**".

(Reference is to HB 1007 as printed February 8, 2007.)

DAVIS

Upon request of Representatives Davis and Whetstone, the Speaker ordered the roll of the House to be called. Roll Call 94: yeas 49, nays 49. Motion failed.

HOUSE MOTION
(Amendment 1007–11)

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 121, line 6, delete "To the".

Page 121, delete line 7.

Page 121, line 8, delete "made under subsection (i)(1) to the obligation, the" and insert "**The**".

Page 121, delete lines 36 through 42.

Delete page 122.

Page 123, delete lines 1 through 8.

Page 123, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 96. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9, and IC 6-1.1-21 apply throughout this SECTION.**

**(b) A taxpayer that is eligible for a homestead credit under IC 6-1.1-20.9 in 2007 is eligible for a supplemental homestead credit under this SECTION in 2007. The amount of the supplemental homestead credit to which the taxpayer is entitled equals the product of:**

**(1) eleven percent (11%); multiplied by**

**(2) the amount of the individual's property tax liability (as defined in IC 6-1.1-21-5) that is:**

**(A) attributable to the homestead during the particular calendar year; and**

**(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.**

**(c) A county auditor:**

**(1) may apply the entire amount of the additional 2007 homestead credit equally to all installments of property taxes first due from the taxpayer in 2007; or**

**(2) if application of the credit to the first installment would delay the delivery of tax statements more than thirty (30) days after the date that the tax statements would otherwise be mailed or transmitted, may issue revised tax statements and apply the entire credit to the property tax due in a later installment.**

**IC 6-1.1-22.5-6 does not apply if the county auditor elects to proceed under subdivision (2). The department of local government finance may prescribe procedures to apply the additional 2007 homestead credit to tax statements. A county auditor shall comply with the procedures prescribed under this subsection.**

**(d) If a county implements this SECTION by mailing or transmitting a revised tax statement under subsection (c)(2), the county:**

**(1) shall prominently include an instruction in the tax statement or on a separate insert included with the tax statement that assists the recipient of the statement in discovering that the amount payable in the second installment is less than the amount specified in the previous tax statement sent to the recipient and alerts the recipient not to make a payment that exceeds the amount due; and**

**(2) is entitled to an additional distribution equal to one dollar ($1) for each revised tax statement containing the statement described in subdivision (1) that is mailed or transmitted to a taxpayer or a mortgagee holding an escrow account for the taxpayer.**

**(e) The property tax replacement fund board shall provide for an additional distribution to taxing units from the property tax replacement fund to replace revenue lost to a county as the result of the granting of additional 2007 homestead credits and to reimburse counties for mailing or transmitting revised tax statements. The distribution shall be made before November 30, 2007, on the schedule determined by the property tax replacement fund board. A distribution described in this subsection is not subject to any law limiting**

**the maximum amount that may be distributed under IC 6-1.1-21. The amount distributed under this subsection is not included in the amount used to determine the minimum amount that must be distributed or maximum distribution that may not be exceeded under IC 6-1.1-21.**

**(f) This SECTION expires January 1, 2008.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

TURNER

Upon request of Representatives Turner and Espich, the Speaker ordered the roll of the House to be called. Roll Call 95: yeas 48, nays 48. Motion failed. The bill was ordered engrossed.

With consent of the House, the Speaker returned to reports from committees.

## REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1570, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 24, nays 0.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1647, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 23, nays 1.

CRAWFORD, Chair

Report adopted.

With consent of the House, the Speaker returned to bills on second reading.

## HOUSE BILLS ON SECOND READING

The following bills were called down by their respective authors, were read a second time by title, and, there being no amendments filed, were ordered engrossed: House Bills 1038, 1127, 1220, 1274, 1378, 1379, 1382, 1391, and 1665.

### House Bill 1167

Representative Micon called down House Bill 1167 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### House Bill 1210

Representative VanHaaften called down House Bill 1210 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### House Bill 1266

Representative Avery called down House Bill 1266 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1266–1)

Mr. Speaker: I move that House Bill 1266 be amended to read as follows:

Page 2, line 19, delete "or".

Page 2, line 19, delete "institution;" and insert "**institution, or a group home;**".

(Reference is to HB 1266 as printed February 2, 2007.)

BELL

Motion prevailed. The bill was ordered engrossed.

### House Bill 1410

Representative Hoy called down House Bill 1410 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1410–1)

Mr. Speaker: I move that House Bill 1410 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 10-13-3-36, AS AMENDED BY P.L.142-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 36. (a) The department may not charge a fee for responding to a request for the release of a limited criminal history record if the request is made by a nonprofit organization:

(1) that has been in existence for at least ten (10) years; and

(2) that:

(A) has a primary purpose of providing an individual relationship for a child with an adult volunteer if the request is made as part of a background investigation of a prospective adult volunteer for the organization;

(B) is a home health agency licensed under IC 16-27-1;

(C) is a community mental retardation and other developmental disabilities center (as defined in IC 12-7-2-39);

(D) is a supervised group living facility licensed under IC 12-28-5;

(E) is an area agency on aging designated under IC 12-10-1;

(F) is a community action agency (as defined in IC 12-14-23-2);

(G) is the owner or operator of a hospice program licensed under IC 16-25-3; or

(H) is a community mental health center (as defined in IC 12-7-2-38).

(b) Except as provided in subsection (d), the department may not charge a fee for responding to a request for the release of a limited criminal history record made by the department of child services or the division of family resources if the request is made as part of a background investigation of an applicant for a license under IC 12-17.2 or IC 31-27.

(c) The department may not charge a fee for responding to a request for the release of a limited criminal history if the request is made by a school corporation, special education cooperative, or nonpublic school (as defined in IC 20-18-2-12) as part of a background investigation of a prospective or current employee or a prospective or current adult volunteer for the school corporation, special education cooperative, or nonpublic school.

(d) As used in this subsection, "state agency" means an authority, a board, a branch, a commission, a committee, a department, a division, or another instrumentality of state government, including the executive and judicial branches of state government, the principal secretary of the senate, the principal clerk of the house of representatives, the executive director of the legislative services agency, a state elected official's office, or a body corporate and politic, but does not include a state educational institution (as defined in IC 20-12-0.5-1). The department may not charge a fee for responding to a request for the release of a limited criminal history if the request is made:

(1) by a state agency; and

(2) through the computer gateway that is administered by the office of technology established by IC 4-13.1-2-1.

(e) The department may not charge a fee for responding to a

request for the release of a limited criminal history record made by the Indiana professional licensing agency established by IC 25-1-5-3 if the request is:

(1) made through the computer gateway that is administered by the office of technology; and

(2) part of a background investigation of a practitioner or an individual who has applied for a license issued by a board (as defined in IC 25-1-9-1).

(f) The department may not charge a church or religious society a fee for responding to a request for the release of a limited criminal history record if:

(1) the church or religious society is a religious organization exempt from federal income taxation under Section 501 of the Internal Revenue Code;

(2) the request is made as part of a background investigation of a prospective or current employee or a prospective or current adult volunteer; and

(3) the employee or volunteer works in a nonprofit program or ministry of the church or religious society, including a child care ministry registered under IC 12-17.2-6.

**(g) The department may not charge the school of education of a public or private postsecondary educational institution a fee for responding to a request for the release of a limited criminal history record if the request is made as part of a background investigation of a student before or after the student begins the student's field or classroom experience.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1410 as printed February 7, 2007.)

KOCH

Motion prevailed.

HOUSE MOTION
(Amendment 1410–2)

Mr. Speaker: I move that House Bill 1410 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 10-13-3-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) As used in this chapter, "qualified entity" means a business or an organization, whether public, private, for-profit, nonprofit, or voluntary, that provides care or care placement services.

(b) The term includes **the following:**

**(1)** A business or an organization that licenses or certifies others to provide care or care placement services.

**(2) A home health agency licensed under IC 16-27-1.**

**(3) A personal services agency licensed under IC 16-27-4.**

SECTION 2. IC 16-27-2-4, AS AMENDED BY P.L.212-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) A person who operates a home health agency under IC 16-27-1 or a personal services agency under IC 16-27-4 shall apply, not more than three (3) business days after the date that an employee begins to provide services in a patient's temporary or permanent residence, for a copy of the employee's ~~limited~~ **national** criminal history **background check** from the Indiana central repository for criminal history information under ~~IC 10-13-3.~~ **IC 10-13-3-39.**

(b) **Except as provided in subsection (c),** a home health agency or personal services agency may not employ a person to provide services in a patient's or client's temporary or permanent residence for more than three (3) business days without applying for that person's ~~limited~~ **national** criminal history **background check** as required by subsection (a).

**(c) Subsection (b) does not apply to a person who is an employee of a home health agency or a personal services agency as of June 30, 2007.**

**(d) A home health agency or personal services agency shall apply for the national criminal history background check required by subsection (a) for each person who is an employee as of June 30, 2007, by December 1, 2007.**

SECTION 3. IC 16-27-2-5, AS AMENDED BY P.L.212-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) Except as provided in subsection (b), a person who operates a home health agency under IC 16-27-1 or a personal services agency under IC 16-27-4 may not employ a person to provide services in a patient's or client's temporary or permanent residence if that person's ~~limited~~ **national** criminal history **background check** indicates that the person has been convicted of any of the following:

(1) Rape (IC 35-42-4-1).

(2) Criminal deviate conduct (IC 35-42-4-2).

(3) Exploitation of an endangered adult (IC 35-46-1-12).

(4) Failure to report battery, neglect, or exploitation of an endangered adult (IC 35-46-1-13).

(5) Theft (IC 35-43-4), if the conviction for theft occurred less than ten (10) years before the person's employment application date.

(b) **Except as provided in subsection (c),** a home health agency or personal services agency may not employ a person to provide services in a patient's or client's temporary or permanent residence for more than twenty-one (21) calendar days without receipt of that person's ~~limited~~ **national** criminal history **background check** required by section 4 of this chapter, unless **either** the ~~Indiana central repository for criminal history information under IC 10-13-3~~ **state police department or the Federal Bureau of Investigation under IC 10-13-3-39** is ~~solely~~ responsible for failing to provide the person's ~~limited~~ **national** criminal history **background check** to the home health agency or personal services agency within the time required under this subsection.

**(c) Subsection (b) does not apply to a person who is an employee of a home health agency or personal services agency as of June 30, 2007.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1410 as printed February 7, 2007.)

KNOLLMAN

Motion failed.

HOUSE MOTION
(Amendment 1410–3)

Mr. Speaker: I move that House Bill 1410 be amended to read as follows:

Page 2, line 4, delete "in state" and insert "**in-state**".

Page 2, line 9, delete "required under" and insert "**of in-state criminal records must be completed not later than one (1) day before the date on which an individual begins employment with the school corporation. A background check of out-of-state criminal records must be completed not later than (30) days after the date on which the individual begins employment with the school corporation.**".

Page 2, delete lines 10 through 11.

(Reference is to HB 1410 as printed February 7, 2007.)

KOCH

Motion prevailed. The bill was ordered engrossed.

## House Bill 1457

Representative Klinker called down House Bill 1457 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

## House Bill 1483

Representative Niezgodski called down House Bill 1483 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1483–1)

Mr. Speaker: I move that House Bill 1483 be amended to read as follows:

Page 3, line 40, delete "Apprentice"" and insert "**"Apprentice""**".

Page 4, between lines 24 and 25, begin a new line block indented and insert:

"**(5) "Interested party" means any of the following:**

**(A) A contractor that submits a bid for the award of a public work contract.**

**(B) A subcontractor of a contractor described in clause (A).**

**(C) A labor organization that:**

**(i) represents workers engaged in the same craft or classification as workers employed by a contractor or subcontractor described in clause (A) or (B); and**

**(ii) has as a purpose negotiating with employers concerning wages, hours, or terms and conditions of employment for employees.**

**(D) An association of contractors or subcontractors described in clause (A) or (B).**".

Page 4, line 25, delete "(5)" and insert "**(6)**".

Page 4, line 29, delete "(6)" and insert "**(7)**".

Page 4, line 38, delete "(7)" and insert "**(8)**".

Page 4, line 41, delete "(8)" and insert "**(9)**".

Page 5, line 4, delete "(9)" and insert "**(10)**".

Page 5, line 6, delete "(10)" and insert "**(11)**".

Page 7, line 32, delete "investigate" and insert "**investigation**".

Page 9, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 6. IC 5-16-7-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 8. (a) Any of the following may maintain a private action on behalf of a worker to recover damages for the contractor's or subcontractor's failure to pay the worker the common construction wage required by this chapter:**

**(1) The worker.**

**(2) The department.**

**(3) An interested party.**

**(b) A person described in subsection (a) who obtains a judgment in an action brought under this section may recover from the contractor or subcontractor both of the following:**

**(1) The difference between what was paid to the worker and what the worker was entitled to be paid under this chapter.**

**(2) Liquidated damages calculated at twice the amount determined under subdivision (1).**

**(c) In addition to money awarded under subsection (b), the court shall impose on the contractor or subcontractor a penalty of twenty percent (20%) of the amount determined under subsection (b)(1). In case of a notice of second violation, the court shall impose on the contractor or subcontractor a penalty of fifty percent (50%) of the amount determined under subsection (b)(1). A penalty imposed under this subsection shall be paid to the department.**

**(d) A person other than the worker who maintains an action under this section for a worker holds any amounts recovered under subsection (b)(1) and (b)(2) in trust for the worker. If the worker for whom amounts are held in trust under this subsection does not claim the money not later than one (1) year after the money is paid to the person, the money shall be considered unclaimed property under IC 32-34.**

**(e) In addition to any other relief provided under this section, the court shall award reasonable attorney's fees and costs to the prevailing party.**".

Page 9, line 11, delete "IC 5-16-7-8" and insert "IC 5-16-7-9".

Page 9, line 13, delete "Sec. 8." and insert "**Sec. 9.**".

Page 10, line 13, delete "IC 5-16-7-9" and insert "IC 5-16-7-10".

Page 10, line 15, delete "Sec. 9." and insert "**Sec. 10.**".

Page 11, line 2, delete "IC 5-16-7-10" and insert "IC 5-16-7-11".

Page 11, line 4, delete "Sec. 10." and insert "**Sec. 11.**".

Page 11, line 12, after "for" insert "**a**".

Page 11, line 15, delete "IC 5-16-7-11" and insert "IC 5-16-7-12".

Page 11, line 17, delete "Sec. 11." and insert "**Sec. 12.**".

Page 11, line 23, delete "IC 5-16-7-12" and insert "IC 5-16-7-13".

Page 11, line 25, delete "Sec. 12." and insert "**Sec. 13.**".

Page 11, line 39, delete "IC 5-16-7-13" and insert "IC 5-16-7-14".

Page 11, line 41, delete "Sec. 13." and insert "**Sec. 14.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1483 as printed February 7, 2007.)

NIEZGODSKI

The Speaker ordered a division of the House and appointed Representatives Stilwell and Bosma to count the yeas and nays. Yeas 50, nays 49. Motion prevailed.

HOUSE MOTION
(Amendment 1483–3)

Mr. Speaker: I move that House Bill 1483 be amended to read as follows:

Page 5, line 16, after "(b)" insert "**(a)**".

Page 5, between lines 19 and 20, begin a new paragraph and insert:

"**(b) This subsection expires December 31, 2009. This chapter does not apply to contractors or subcontractors performing public work for a school corporation (as defined in IC 36-1-2-17) or a state educational institution (as defined in IC 20-12-0.5-1).**".

(Reference is to HB 1483 as printed February 7, 2007.)

BELL

Motion failed.

HOUSE MOTION
(Amendment 1483–2)

Mr. Speaker: I move that House Bill 1483 be amended to read as follows:

Page 12, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 12. IC 22-1-1-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 22. (a) Except as provided in this section, records of the department of labor's inspection or investigation of a particular employer or person conducted under the commissioner of labor's authority described in this chapter are confidential for purposes of IC 5-14-3-4(a)(1).**

**(b) A final report that includes the disposition of an investigation or inspection of a particular employer or person, including any formal charges filed, is not confidential. A copy of the final report of an investigation or inspection must be sent to the employer or person investigated or inspected.**

**(c) Before a report described in subsection (b) is final and becomes available to the public under IC 5-14-3, the employer or person investigated or inspected must have at least fourteen (14) calendar days after receiving a copy of the proposed final report to review the proposed final report and to file with the commissioner of labor a written response. If a written response is filed, the written response becomes part of the final report of the investigation or inspection.**

**(d) In addition to the penalty provided under IC 5-14-3-10(a), a person who:**

**(1) is an officer or employee of the state; and**

**(2) knowingly or intentionally discloses information that is confidential under this section;**

**shall be immediately dismissed from the person's office or employment.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1483 as printed February 7, 2007.)

DAVIS

Upon request of Representatives Davis and Whetstone, the Speaker ordered the roll of the House to be called. Roll Call 96: yeas 48, nays 50. Motion failed.

HOUSE MOTION
(Amendment 1483–4)

Mr. Speaker: I move that House Bill 1483 be amended to read as follows:

Page 3, line 14, strike "one" and insert "**five**".

Page 3, line 15, strike "fifty".

Page 3, line 15, strike "($150,000)." and insert "**($500,000).**".

(Reference is to HB 1483 as printed February 7, 2007.)

BELL

On the motion of Representative Murphy, the previous question was called. Upon request of Representatives Bell and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 97: yeas 46, nays 52. Motion failed. The bill was ordered engrossed.

## House Bill 1568

Representative Crawford called down House Bill 1568 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1568–1)

Mr. Speaker: I move that House Bill 1568 be amended to read as follows:

Page 10, between lines 34 and 35, begin a new paragraph and insert:

"**(f) This section applies only if the consolidation of fire departments is approved by a majority of the voters of the county voting on the public question concerning consolidation under IC 36-3-1-6.1(c).**".

Page 32, between lines 18 and 19, begin a new line block indented and insert:

"**However, notwithstanding any other provision, the fire department consolidation may not occur unless a majority of the voters in the county (excluding the voters in the excluded cities) approve a local public question on the fire department consolidation under subsection (c).**

**(c) The county election board shall place a public question on the ballot on the consolidation of fire departments in accordance with IC 3-10-9. The local public question shall be placed on the ballot of the 2007 municipal election for consideration of the voters of the county (excluding the voters in the excluded cities). The public question shall be placed on the ballot in all the precincts that are located in the county (excluding the precincts in the excluded cities) in substantially the following form:"Shall the following fire departments (insert names of fire departments) be consolidated into the Indianapolis Fire Department?". The voters in the excluded cities may not vote on the public question. The consolidation of the fire departments is approved if a majority of the voters of the county voting on the public question (excluding the voters in the excluded cities) approve the fire department consolidation. The circuit court clerk shall issue, in a form prescribed by the state election board, a certificate declaring whether the public question is approved by a majority of the voters of the county voting on the public question (excluding the voters in the excluded cities). Notwithstanding any other provision, the fire department consolidation may not occur unless a majority of the voters in the county (excluding the voters in the excluded cities) approve the local public question under this subsection on the fire department consolidation.**".

Page 32, line 19, delete "(c)" and insert "**(d)**".

Page 32, line 20, strike "subsection".

Page 32, line 20, after "(g)" insert "**subsections**".

Page 32, line 20, after "(a)" insert "**and (b)**".

Page 32, line 20, after "satisfied" delete "," and insert "**and the fire department consolidation is approved by a majority of the voters of the county (excluding the voters of the excluded cities),**".

Page 32, line 29, delete "(d)" and insert "**(e)**".

Page 33, line 12, delete "(e)" and insert "**(f)**".

Page 33, line 25, delete "(f)" and insert "**(g)**".

Page 33, line 39, delete "(g)" and insert "**(h)**".

Page 33, line 40, delete "(f)" and insert "**(g),**".

Page 34, line 2, delete "(h)" and insert "**(i)**".

Page 34, line 2, delete "(f)" and insert "**(g)**".

Page 34, line 2, delete "(g)," and insert "**(h),**".

Page 34, line 4, delete "(f)" and insert "**(g)**".

Page 34, line 6, delete "(i)" and insert "**(j)**".

Page 34, line 8, delete "(f);" and insert "**(g);**".

Page 34, line 11, delete "(f);" and insert "**(g);**".

Page 34, line 17, delete "(j)" and insert "**(k)**".

Page 35, line 5, delete "(k)" and insert "**(l)**".

Page 37, line 27, delete "(l)" and insert "**(m)**".

(Reference is to HB 1568 as printed February 8, 2007.)

BOSMA

Upon request of Representatives Bosma and Friend, the Speaker ordered the roll of the House to be called. Roll Call 98: yeas 49, nays 50. Motion failed.

HOUSE MOTION
(Amendment 1568–2)

Mr. Speaker: I move that House Bill 1568 be amended to read as follows:

Page 46, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 33. IC 36-3-8 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 8. Township Review Board**

**Sec. 1. This chapter applies only to a county containing a consolidated city.**

**Sec. 2. As used in this chapter, "board" refers to the township review board established by section 3 of this chapter.**

**Sec. 3. The township review board is established.**

**Sec. 4. (a) The board consists of the following members:**

**(1) The deputy mayor for public and neighborhood affairs of the consolidated city.**

**(2) The township trustee of each of the nine (9) townships in the county.**

**(3) Two (2) members, who must represent different political parties, appointed by the president of the city-county council.**

**(4) One (1) member appointed by the mayor of the consolidated city upon the recommendation of the president of the Marion County Alliance of Neighborhood Associations.**

**(5) One (1) member appointed by the mayor of the consolidated city upon the recommendation of the president of the Greater Indianapolis Chamber of Commerce.**

**(6) One (1) member appointed by the secretary of the Indiana family and social services administration.**

**(b) An appointing authority must make appointments**

**under subsection (a) not later than July 1, 2007.**

**(c) The deputy mayor for public and neighborhood affairs must call the first meeting of the board before August 1, 2007. At the first meeting of the board, the members of the board shall elect a chairperson.**

**(d) If a member ceases to be employed in the position or hold the office required for appointment to the board, the member ceases to be a member of the board, and the original appointing authority shall appoint an individual to serve on the board for the remainder of the board's term.**

**Sec. 5. (a) A majority of the members appointed to and serving on the board constitutes a quorum for a meeting of the board.**

**(b) The affirmative vote of a majority of the members appointed to and serving on the board is necessary for the board to take official action.**

**(c) The board shall meet on the call of the chairperson.**

**Sec. 6. Members of the board are not entitled to any salary or per diem for participation on the board.**

**Sec. 7. The board shall do the following:**

**(1) Conduct field studies and audits to determine how best to serve constituents throughout the county after the consolidation, joint performance, or transfer of city, county, and township functions, taking into account the efficiencies that may be achieved.**

**(2) Make recommendations concerning the number and location of community resource centers in the county.**

**(3) Identify city and township services that may be provided jointly or through interlocal cooperation agreements, and make recommendations concerning the joint location of those services with other federal, state, or local government agencies.**

**(4) Identify which of the services provided by the township trustees or recommended to be transferred to township trustees may be located in the community resource centers.**

**(5) Develop a community education plan to familiarize citizens with the provision of services by various methods throughout the county.**

**(6) Review functions performed in the county by township trustees under IC 36-6-4-3 and make recommendations concerning any statutory changes necessary to achieve greater efficiency and lower costs in the provision of those services.**

**(7) Identify any services performed by the state under IC 12-8 that should be transferred to or administered jointly with townships in the county.**

**(8) Study and make recommendations concerning the role and composition of the existing township board structure.**

**(9) Provide a report before December 31 of each year to the legislative body of the county containing a consolidated city and in an electronic format under IC 5-14-6 to the legislative council.**

**Sec. 8. (a) The board is abolished December 31, 2009.**

**(b) This chapter expires January 1, 2010.**".

Renumber all SECTIONS consecutively

(Reference is to HB 1568 as printed February 8, 2007.)

BOSMA

Upon request of Representatives Bosma and Friend, the Speaker ordered the roll of the House to be called. Roll Call 99: yeas 49, nays 50. Motion failed.

HOUSE MOTION
(Amendment 1568–3)

Mr. Speaker: I move that House Bill 1568 be amended to read as follows:

Page 32, line 37, after "consolidation" delete "," and insert ".".

Page 32, line 41, delete "including,".

Page 32, delete line 42.

Page 33, delete lines 1 through 2.

(Reference is to HB 1568 as printed February 8, 2007.)

HINKLE

Upon request of Representatives Hinkle and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 100: yeas 47, nays 50. Motion failed.

HOUSE MOTION
(Amendment 1568–4)

Mr. Speaker: I move that House Bill 1568 be amended to read as follows:

Page 33, line 2, delete "2006" and insert "**2007**".

(Reference is to HB 1568 as printed February 8, 2007.)

HINKLE

Upon request of Representatives Hinkle and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 101: yeas 49, nays 50. Motion failed. The bill was ordered engrossed.

## OTHER BUSINESS ON THE SPEAKER'S TABLE

### Referrals to Ways and Means

The Speaker announced, pursuant to House Rule 127, that House Bill 1657 had been referred to the Committee on Ways and Means.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Bills 1, 50, 105, 191, 220, 287, 310, 312, 314, 327, 333, 408, 410, 504, and 517 and the same are herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Bills 4, 9, 14, 19, 56, 128, 136, 204, 206, and 283 and the same are herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Joint Resolutions 3 and 7 and the same are herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolutions 18 and 19 and the same are herewith returned to the House.

MARY C. MENDEL
Principal Secretary of the Senate

HOUSE MOTION

Mr. Speaker: I move that Representative Koch be removed as author of House Bill 1011, Representative Cheatham be removed as coauthor, Representative Cheatham be substituted as author, and Representative Koch be added as coauthor.

KOCH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Neese be added as coauthor of House Bill 1081.

TINCHER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Tincher be added as coauthor of House Bill 1274.

HERRELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Lutz be removed as author of House Bill 1278, Representative Austin be removed as coauthor, Representative Austin be substituted as author, Representative V. Smith be added as coauthor.

LUTZ

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Dvorak, Grubb, and Koch be added as coauthors of House Bill 1287.

RICHARDSON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Borders be added as coauthor of House Bill 1293.

BUELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Ulmer be removed as author of House Bill 1299, Representative Bischoff be substituted as author, Representative Ulmer be added as coauthor.

ULMER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Davis and Lehe be added as coauthors of House Bill 1440.

T. HARRIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Dermody and Soliday be added as coauthors of House Bill 1463.

HINKLE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Soliday be added as coauthor of House Bill 1498.

BOSMA

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Davis be added as coauthor of House Bill 1538.

RESKE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Foley, E. Harris, and Welch be added as coauthors of House Bill 1565.

CRAWFORD

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Davis, Stutzman, and Crouch be added as coauthors of House Bill 1576.

HINKLE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Lehe and Dermody be added as coauthors of House Bill 1591.

KNOLLMAN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Crouch be added as coauthor of House Bill 1608.

VAN HAAFTEN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Soliday and Gutwein be added as coauthors of House Bill 1629.

T. HARRIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Saunders be added as coauthor of House Bill 1631.

T. HARRIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Lehe and Elrod be added as coauthors of House Bill 1641.

DERMODY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Duncan be added as coauthor of House Bill 1653.

DEMBOWSKI

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Bosma be added as coauthor of House Bill 1661.

AUSTIN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Thompson and Noe be added as coauthors of House Bill 1668.

BEHNING

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Porter be added as coauthor of House Bill 1687.

MICON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Davis and Gutwein be added as coauthors of House Bill 1727.

LEHE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Elrod and Hinkle be added as coauthors of House Bill 1729.

DERMODY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Buell, Elrod, and Hinkle be added as coauthors of House Bill 1755.

DAVIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Buell be added as coauthor of House Bill 1813.

MAYS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative C. Brown be added as coauthor of House Bill 1818.

V. SMITH

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Crooks, the House adjourned at 8:30 p.m., this twelfth day of February, 2007, until Tuesday, February 13, 2007, at 1:00 p.m.

B. PATRICK BAUER
Speaker of the House of Representatives

CLINTON McKAY
Principal Clerk of the House of Representatives