



Journal of the House

State of Indiana

115th General Assembly

Second Regular Session

Eighth Meeting Day

Tuesday Morning

January 22, 2008

The House convened at 9:00 a.m. with Speaker B. Patrick Bauer in the Chair.

The Speaker read a prayer for guidance and insight (printed January 8, 2008).

The Pledge of Allegiance to the Flag was led by Representative Robert J. Bischoff.

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

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

Tyler	Walorski
Ulmer	Welch ☐
VanDenburgh	Wolkins
VanHaften	Mr. Speaker

Roll Call 15: 90 present; 10 excused. The Speaker announced a quorum in attendance. [NOTE: ☐ indicates those who were excused.]

HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Thursday, January 24, 2008, at 9:00 p.m.

STEVENSON

The motion was adopted by a constitutional majority.

Reassignments

The Speaker announced the reassignment of House Bill 1268 from the Committee on Public Policy to the Committee on Ways and Means.

RESOLUTIONS ON FIRST READING

House Resolution 6

Representatives Mays and Summers introduced House Resolution 6:

A HOUSE RESOLUTION to honor Alpha Kappa Alpha Sorority, Inc. on the occasion of their 100th Anniversary.

Whereas, Alpha Kappa Alpha was founded at Howard University in 1908 by a group of nine students led by Ethel Hedgeman Lyle;

Whereas, Alpha Kappa Alpha was the first Greek-letter African-American college sorority in the nation;

Whereas, Alpha Kappa Alpha currently has over 200,000 members from 975 chapters located in 10 different nations;

Whereas, Alpha Kappa Alpha is a leading service organization with a commitment "to serve all mankind"; and

Whereas, Alpha Kappa Alpha has been an extremely important institution for the development of leadership, service and social abilities among countless African-American young women: 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 Alpha Kappa Alpha Sorority, Inc. for celebrating their 100th Anniversary.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to the Alpha Kappa Alpha Sorority, Inc. headquarters in Chicago, Illinois.

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

Representative Duncan, who had been excused, was present.

HOUSE BILLS ON SECOND READING**House Bill 1243**

Representative Blanton called down House Bill 1243 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1232

Representative Hoy called down House Bill 1232 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1202

Representative Stilwell called down House Bill 1202 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1185

Representative L. Lawson called down House Bill 1185 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1121

Representative Bischoff called down House Bill 1121 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1115

Representative Grubb called down House Bill 1115 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1060

Representative Pelath called down House Bill 1060 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1026

Representative Cheatham called down House Bill 1026 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1046

Representative Bischoff called down House Bill 1046 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

Representatives Koch, Pierce, and Welch, who had been excused, were present.

Pursuant to House Rule 60, committee meetings were announced.

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 5:00 p.m. with the Speaker in the Chair.

Representatives Bardon and V. Smith, who had been excused, were present.

RESOLUTIONS ON FIRST READING**House Resolution 5**

Representative Turner introduced House Resolution 5:
A HOUSE RESOLUTION to honor Dr. Tim Burkholder.

Whereas, Dr. Burkholder is a proud graduate of Taylor University, Class of 1963, where he lettered in both basketball and baseball during each of his four undergraduate years;

Whereas, Dr. Burkholder went on to receive a Master's Degree from Ohio State University in 1965, and a Doctorate Degree from Ohio State University in 1970;

Whereas, Dr. Burkholder married his lovely wife Carolyn, and the two were blessed with daughters Joleen and Alison and son Drew and have been further blessed with five grandchildren.

Whereas, Dr. Burkholder has instructed countless students in his 38 years as a Professor in the Department of Biology and served as the department's Chair from 1983 to 1999;

Whereas, As the Club Advisor for Alpha Pi Iota from 1979 until present, Dr. Burkholder has offered guidance to the University's pre-med students;

Whereas, Dr. Burkholder has been inducted into the International WHO'S WHO of Professionals;

Whereas, Taylor University has been fortunate to have Dr. Burkholder serve in the role of Faculty Athletic Representative (FAR) for the past 27 years during which over 60 teams have represented Taylor at the NAIA National Championships;

Whereas, Dr. Burkholder has been asked to serve on several NAIA National Eligibility Committees, has served on the NAIA National Awards/Hall of Fame Committee, was Chairman of the NAIA Hall of Fame Committee from 1992 to 1994; and is a member of the Council of Faculty Athletic Representatives for the NAIA;

Whereas, Dr. Burkholder has also served as a member of the Mid-Central Conference FAR Committee, the Mid-Central Conference Eligibility Committee, and has been the Awards Chairman for the Mid-Central College Conference;

Whereas, Dr. Burkholder has been the trusted operator of the game clock for both the men's and women's basketball teams;

Whereas, Dr. Burkholder has been involved with the eligibility for over 7,000 students and over 300 Academic All-Americans;

Whereas, Dr. Burkholder has been a member of the Taylor University Hall of Fame Committee;

Whereas, During his tenure at Taylor University, Dr. Burkholder has been active in many professional organizations such as The Society of Sigma Xi, a Biological Research Honorary Society, since 1969, the Indiana Academy of Science since 1971, the American Scientific Affiliation since 1978, the National Association of Biology Teachers since 1979, the National Association of Advisors for the Health Professions since 1983; and the Indiana College Biology Teachers Association since 1983;

Whereas, Guided by his faith, Dr. Burkholder serves on the Board of Elders at the Upland Community Church, is a Sunday school teacher, and is a member of the Helping Hand Committee;

Whereas, Dr. Tim Burkholder has been an outstanding representative of Taylor University and his community: 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 profound gratitude to Dr. Tim Burkholder for his many years of service and dedication to Taylor University and to Taylor University athletics.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Dr. Tim Burkholder and to Taylor University.

The resolution was read a first time and adopted by voice

vote.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1049, 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 11, nays 0.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Veterans Affairs and Public Safety, to which was referred House Bill 1067, 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 8, nays 0.

TINCHER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1074, 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 14, after "takes" insert "**or attempts to take**".

(Reference is to HB 1074 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred House Bill 1076, 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 10, line 25, delete "or sex" and insert "**sex, or any other characteristic or belief**".

Page 10, line 29, delete "or sex" and insert "**sex, or any other characteristic or belief**".

(Reference is to HB 1076 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 3.

HOY, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1077, 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 10, nays 0.

V. SMITH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1089, 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 7, nays 5.

NIEZGODSKI, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1096, 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 21, nays 0.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Veterans Affairs and Public Safety, to which was referred House Bill 1105, 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:

Delete the title and insert the following:

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

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-2-1-9, AS AMENDED BY P.L.230-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) The board shall adopt in accordance with IC 4-22-2 all necessary rules to carry out the provisions of this chapter. The rules, which shall be adopted only after necessary and proper investigation and inquiry by the board, shall include the establishment of the following:

(1) Minimum standards of physical, educational, mental, and moral fitness which shall govern the acceptance of any person for training by any law enforcement training school or academy meeting or exceeding the minimum standards established pursuant to this chapter.

(2) Minimum standards for law enforcement training schools administered by towns, cities, counties, law enforcement training centers, agencies, or departments of the state.

(3) Minimum standards for courses of study, attendance requirements, equipment, and facilities for approved town, city, county, and state law enforcement officer, police reserve officer, and conservation reserve officer training schools.

(4) Minimum standards for a course of study on cultural diversity awareness that must be required for each person accepted for training at a law enforcement training school or academy.

(5) Minimum qualifications for instructors at approved law enforcement training schools.

(6) Minimum basic training requirements which law enforcement officers appointed to probationary terms shall complete before being eligible for continued or permanent employment.

(7) Minimum basic training requirements which law enforcement officers appointed on other than a permanent basis shall complete in order to be eligible for continued employment or permanent appointment.

(8) Minimum basic training requirements which law enforcement officers appointed on a permanent basis shall complete in order to be eligible for continued employment.

(9) Minimum basic training requirements for each person accepted for training at a law enforcement training school or academy that include six (6) hours of training in interacting with persons with mental illness, addictive disorders, mental retardation, and developmental disabilities, to be provided by persons approved by the

secretary of family and social services and the board.

(10) Minimum standards for a course of study on human and sexual trafficking that must be required for each person accepted for training at a law enforcement training school or academy and for inservice training programs for law enforcement officers. The course must cover the following topics:

- (A) Examination of the human and sexual trafficking laws (IC 35-42-3.5).
- (B) Identification of human and sexual trafficking.
- (C) Communicating with traumatized persons.
- (D) Therapeutically appropriate investigative techniques.
- (E) Collaboration with federal law enforcement officials.
- (F) Rights of and protections afforded to victims.
- (G) Providing documentation that satisfies the Declaration of Law Enforcement Officer for Victim of Trafficking in Persons (Form I-914, Supplement B) requirements established under federal law.
- (H) The availability of community resources to assist human and sexual trafficking victims.

(b) Except as provided in subsection (l), a law enforcement officer appointed after July 5, 1972, and before July 1, 1993, may not enforce the laws or ordinances of the state or any political subdivision unless the officer has, within one (1) year from the date of appointment, successfully completed the minimum basic training requirements established under this chapter by the board. If a person fails to successfully complete the basic training requirements within one (1) year from the date of employment, the officer may not perform any of the duties of a law enforcement officer involving control or direction of members of the public or exercising the power of arrest until the officer has successfully completed the training requirements. This subsection does not apply to any law enforcement officer appointed before July 6, 1972, or after June 30, 1993.

(c) Military leave or other authorized leave of absence from law enforcement duty during the first year of employment after July 6, 1972, shall toll the running of the first year, which shall be calculated by the aggregate of the time before and after the leave, for the purposes of this chapter.

(d) Except as provided in subsections (e), (l), (q), and (r), a law enforcement officer appointed to a law enforcement department or agency after June 30, 1993, may not:

- (1) make an arrest;
- (2) conduct a search or a seizure of a person or property; or
- (3) carry a firearm;

unless the law enforcement officer successfully completes, at a board certified law enforcement academy or at a law enforcement training center under section 10.5 or 15.2 of this chapter, the basic training requirements established by the board under this chapter.

(e) This subsection does not apply to:

- (1) a gaming agent employed as a law enforcement officer by the Indiana gaming commission; or
- (2) an:
 - (A) attorney; or
 - (B) investigator;

designated by the securities commissioner as a police officer of the state under IC 23-2-1-15(i).

Before a law enforcement officer appointed after June 30, 1993, completes the basic training requirements, the law enforcement officer may exercise the police powers described in subsection (d) if the officer successfully completes the pre-basic course established in subsection (f). Successful completion of the pre-basic course authorizes a law enforcement officer to exercise the police powers described in subsection (d) for one (1) year after the date the law enforcement officer is appointed.

(f) The board shall adopt rules under IC 4-22-2 to establish a pre-basic course for the purpose of training:

- (1) law enforcement officers;
- (2) police reserve officers (as described in IC 36-8-3-20); and
- (3) conservation reserve officers (as described in IC 14-9-8-27);

regarding the subjects of arrest, search and seizure, the lawful use of force, and the operation of an emergency vehicle. The pre-basic course must be offered on a periodic basis throughout the year at regional sites statewide. The pre-basic course must consist of at least forty (40) hours of course work. The board may prepare the classroom part of the pre-basic course using available technology in conjunction with live instruction. The board shall provide the course material, the instructors, and the facilities at the regional sites throughout the state that are used for the pre-basic course. In addition, the board may certify pre-basic courses that may be conducted by other public or private training entities, including postsecondary educational institutions.

(g) The board shall adopt rules under IC 4-22-2 to establish a mandatory inservice training program for police officers. After June 30, 1993, a law enforcement officer who has satisfactorily completed basic training and has been appointed to a law enforcement department or agency on either a full-time or part-time basis is not eligible for continued employment unless the officer satisfactorily completes the mandatory inservice training requirements established by rules adopted by the board. Inservice training must include training in interacting with persons with mental illness, addictive disorders, mental retardation, and developmental disabilities, to be provided by persons approved by the secretary of family and social services and the board, and training concerning human and sexual trafficking. The board may approve courses offered by other public or private training entities, including postsecondary educational institutions, as necessary in order to ensure the availability of an adequate number of inservice training programs. The board may waive an officer's inservice training requirements if the board determines that the officer's reason for lacking the required amount of inservice training hours is due to either of the following:

- (1) An emergency situation.
- (2) The unavailability of courses.

(h) The board shall also adopt rules establishing a town marshal basic training program, subject to the following:

- (1) The program must require fewer hours of instruction and class attendance and fewer courses of study than are required for the mandated basic training program.
- (2) Certain parts of the course materials may be studied by a candidate at the candidate's home in order to fulfill requirements of the program.
- (3) Law enforcement officers successfully completing the requirements of the program are eligible for appointment only in towns employing the town marshal system (IC 36-5-7) and having not more than one (1) marshal and two (2) deputies.
- (4) The limitation imposed by subdivision (3) does not apply to an officer who has successfully completed the mandated basic training program.
- (5) The time limitations imposed by subsections (b) and (c) for completing the training are also applicable to the town marshal basic training program.

(i) The board shall adopt rules under IC 4-22-2 to establish an executive training program. The executive training program must include training in the following areas:

- (1) Liability.
- (2) Media relations.
- (3) Accounting and administration.
- (4) Discipline.
- (5) Department policy making.
- (6) Lawful use of force.

- (7) Department programs.
- (8) Emergency vehicle operation.
- (9) Cultural diversity.

(j) A police chief shall apply for admission to the executive training program within two (2) months of the date the police chief initially takes office. A police chief must successfully complete the executive training program within six (6) months of the date the police chief initially takes office. However, if space in the executive training program is not available at a time that will allow completion of the executive training program within six (6) months of the date the police chief initially takes office, the police chief must successfully complete the next available executive training program that is offered after the police chief initially takes office.

(k) A police chief who fails to comply with subsection (j) may not continue to serve as the police chief until completion of the executive training program. For the purposes of this subsection and subsection (j), "police chief" refers to:

- (1) the police chief of any city;
- (2) the police chief of any town having a metropolitan police department; and
- (3) the chief of a consolidated law enforcement department established under IC 36-3-1-5.1.

A town marshal is not considered to be a police chief for these purposes, but a town marshal may enroll in the executive training program.

(l) A fire investigator in the division of fire and building safety appointed after December 31, 1993, is required to comply with the basic training standards established under this chapter.

(m) The board shall adopt rules under IC 4-22-2 to establish a program to certify handgun safety courses, including courses offered in the private sector, that meet standards approved by the board for training probation officers in handgun safety as required by IC 11-13-1-3.5(3).

(n) The board shall adopt rules under IC 4-22-2 to establish a refresher course for an officer who:

- (1) is hired by an Indiana law enforcement department or agency as a law enforcement officer;
- (2) worked as a full-time law enforcement officer for at least one (1) year before the officer is hired under subdivision (1);
- (3) has not been employed as a law enforcement officer for at least two (2) years and less than ~~six (6)~~ **ten (10)** years before the officer is hired under subdivision (1) due to the officer's resignation or retirement; and
- (4) completed **at any time** a basic training course certified by the board before the officer is hired under subdivision (1).

(o) An officer to whom subsection (n) applies must successfully complete the refresher course described in subsection (n) not later than six (6) months after the officer's date of hire, or the officer loses the officer's powers of:

- (1) arrest;
- (2) search; and
- (3) seizure.

(p) A law enforcement officer who:

- (1) has completed a basic training course certified by the board; ~~and~~
- (2) has not been employed as a law enforcement officer in the ~~six (6)~~ **ten (10)** years before the officer is hired as a law enforcement officer; **and**
- (3) **has worked as a law enforcement officer for less than twenty-five (25) years before being hired under subsection (n)(1);**

is not eligible to attend the refresher course described in subsection (n) and must repeat the full basic training course to regain law enforcement powers. **However, a law enforcement officer who worked as a law enforcement officer for at least twenty-five (25) years before being hired under subsection**

(n)(1), and who otherwise satisfies the requirement of subsection (n), is not required to repeat the full basic training course to regain law enforcement power but shall attend the refresher course described in subsection (n) and the pre-basic training course established under subsection (f).

(q) This subsection applies only to a gaming agent employed as a law enforcement officer by the Indiana gaming commission. A gaming agent appointed after June 30, 2005, may exercise the police powers described in subsection (d) if:

- (1) the agent successfully completes the pre-basic course established in subsection (f); and
- (2) the agent successfully completes any other training courses established by the Indiana gaming commission in conjunction with the board.

(r) This subsection applies only to a securities enforcement officer designated as a law enforcement officer by the securities commissioner. A securities enforcement officer may exercise the police powers described in subsection (d) if:

- (1) the securities enforcement officer successfully completes the pre-basic course established in subsection (f); and
- (2) the securities enforcement officer successfully completes any other training courses established by the securities commissioner in conjunction with the board.

SECTION 2. IC 5-10-5.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. **(a) This section does not apply after June 30, 2008, to a participant who is an Indiana state conservation enforcement officer.**

~~(a)~~ **(b)** Except as provided in subsection ~~(b)~~; **(c)**, every participant is required to retire on the first day of the month following the participant's sixtieth birthday.

~~(b)~~ **(c)** An officer who becomes a participant after becoming fifty (50) years of age is required to retire on the earlier of:

- (1) the first day of the month following the participant's sixty-fifth birthday; or
- (2) the first day of the month following the completion of ten (10) years of service.

SECTION 3. IC 5-10-5.5-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9.5. **(a) This section applies after June 30, 2008, to a participant who is an Indiana state conservation enforcement officer.**

(b) A participant is required to retire on the first day of the month after the month in which the participant becomes sixty-five (65) years of age.

SECTION 4. IC 5-10-5.5-12, AS AMENDED BY P.L.180-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) The amount of annual retirement allowance payable in equal monthly installments to a participant who retires under section 11(a) of this chapter (relating to early retirement) shall be determined in accordance with section ~~10(a)~~ **10** of this chapter (relating to normal retirement). ~~However, For a participant who is not an Indiana state conservation enforcement officer,~~ the amount of annual retirement allowance otherwise payable upon early retirement shall be reduced by one-quarter percent (1/4%) for each full month that the date of early retirement precedes the attainment of the participant's sixtieth birthday. **For a participant who is an Indiana state conservation enforcement officer, the amount of annual retirement allowance otherwise payable upon early retirement shall be reduced by one-quarter percent (1/4%) for each full month that the date of early retirement precedes the attainment of the participant's sixty-fifth birthday.**

(b) The amount of annual retirement allowance payable in equal monthly installments to a participant who retires under section 11(b) or 11(c) of this chapter (relating to early retirement) shall be determined in accordance with section ~~10(a)~~ **10** of this chapter (relating to normal retirement)."

Page 4, line 29, after "(a)" insert **"As used in this section, "fund" refers to the fire protection territory fund established under section 8 of this chapter.**

(b)".

Page 4, line 32, delete "(b)" and insert "(c)".

Page 4, line 36, delete "(c)" and insert "(d)".

Page 5, after line 4, begin a new paragraph and insert:

"SECTION 10. [EFFECTIVE JULY 1, 2008] IC 5-10-5.5-9 and IC 5-10-5.5-12, both as amended by this act, and IC 5-10-5.5-9.5, as added by this act, apply only to a participant in the state excise police, gaming agent, and conservation enforcement officers' retirement fund who:

- (1) is a conservation enforcement officer; and**
- (2) retires after June 30, 2008."**

Re-number all SECTIONS consecutively.

(Reference is to HB 1105 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

TINCHER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1108, 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 6, line 32 after "(c)." insert **"For purposes of this subsection, "any other public source" does not include retirement or disability benefits from a federal, a state, or another state's local governmental retirement or disability program, whether the retirement or disability benefit is based on prior employment by the sheriff or another individual, nor does it include worker's compensation benefits paid to the sheriff."**

(Reference is to HB 1108 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 4.

NIEZGODSKI, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1145, 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 22, nays 0.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1164, 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 22, nays 0.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Energy and Utilities, to which was referred House Bill 1179, 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 11, nays 0.

CROOKS, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1184, 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:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 20-20-22.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 22.2. Teacher Recruitment Program

Sec. 1. As used in this chapter, "applicant" means an individual who applies for a cash payment under this chapter.

Sec. 2. As used in this chapter, "commission" refers to the state student assistance commission established by IC 21-11-2-1.

Sec. 3. As used in this chapter, "fund" refers to the teacher recruitment fund established by section 10 of this chapter.

Sec. 4. As used in this chapter, "program" refers to the teacher recruitment program established under section 5 of this chapter.

Sec. 5. The teacher recruitment program is established.

Sec. 6. (a) The commission shall administer the program established under this chapter.

(b) The purpose of the program is:

- (1) to encourage and promote qualified African American male teachers to pursue a career in teaching in accredited elementary and secondary schools with predominately African American student populations in Indiana;**
- (2) to enhance the number of individuals who may serve as role models for African American students in Indiana; and**
- (3) to rectify the shortage of African American male teachers teaching in accredited elementary and secondary schools in Indiana.**

Sec. 7. (a) To qualify for the program, an applicant must furnish evidence to the commission of the following:

- (1) The applicant is an Indiana resident.**
- (2) The applicant is an African American male.**
- (3) The applicant is currently teaching at an accredited elementary or secondary school with a predominately African American student population located in Indiana.**
- (4) The applicant holds a current Indiana teacher's license that has not been suspended or revoked.**
- (5) The applicant has completed at least one (1) year of teaching service with satisfactory performance ratings in an accredited elementary or secondary school with a predominately African American student population located in Indiana.**
- (6) The applicant has provided the teaching service described in subdivision (5) in instructional activities during full instructional days during the school year and not as a substitute teacher.**
- (7) The applicant complies with all other eligibility criteria established by the commission.**

(b) An applicant for the program must apply to the commission on a form prescribed and provided by the commission.

(c) An applicant shall verify all information submitted with the application for payments.

(d) The commission shall review an applicant's application and determine whether the applicant qualifies for the payment under this chapter.

(e) The commission shall publish and make available to all:

- (1) applicants; and
- (2) members of the public upon request;

a copy of its rules establishing the eligibility criteria for the payments.

Sec. 8. The department shall make available the information published by the commission under section 7(e) of this chapter to all students enrolled in an accredited secondary school located in Indiana.

Sec. 9. Each college and university located in Indiana shall make available the information published by the commission under section 7(e) to all its students.

Sec. 10. (a) The teacher recruitment fund is established to carry out the purposes of this chapter.

(b) The commission shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) 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 funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to be used for purposes of this chapter during the next fiscal year.

Sec. 11. (a) The money in the fund shall be used to provide annual cash payments to teachers who qualify under section 7(a) of this chapter.

(b) The commission may authorize payments in accordance with rules adopted under this chapter.

(c) The maximum amount that may be paid in a calendar year to an individual teacher is four thousand dollars (\$4,000).

(d) The total amount that may be paid in all calendar years that qualify for payments under this chapter to any one (1) individual teacher is twelve thousand dollars (\$12,000).

(e) If there is not enough money in the fund to pay all teachers who qualify for payments, the commission shall pay a pro rata amount of the requested payment for each applicant under rules adopted by the commission under this chapter.

Sec. 12. The commission shall adopt rules under IC 4-22-2 that are consistent with this chapter and reasonably required for the conduct of the commission's responsibilities and duties under this chapter.

Sec. 13. The commission may deny the payments available under this chapter to an applicant who:

- (1) is convicted of:
 - (A) a felony; or
 - (B) a crime involving moral turpitude; or
- (2) provides false or forged information to the commission in connection with an application to obtain payments.

Sec. 13. There is annually appropriated to the commission from the state general fund one million dollars (\$1,000,000) to provide funds to carry out the purposes of this chapter.

(Reference is to HB 1184 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

PORTER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which

was referred House Bill 1227, 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 Veterans Affairs and Public Safety, to which was referred House Bill 1248, 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:

Delete the title and insert the following:

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

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 9-13-2-150.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 150.5. "Registered importer" has the meaning set forth in IC 9-17-2-0.5.**

SECTION 2. IC 9-17-2-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. As used in this chapter, "registered importer" means a person:**

- (1) registered as an importer with the National Highway Traffic Safety Administration; and
- (2) that is a validated member of the United States Department of Homeland Security's Customs-Trade Partnership Against Terrorism (C-TPAT) administered by the United States Customs and Border Protection.

SECTION 3. IC 9-17-2-12 IS AMENDED TO READ AS FOLLOWS EFFECTIVE JULY 1, 2008: **Sec. 12. (a) As used in this section, "dealer" refers to a dealer that has:**

- (1) been in business for not less than five (5) years; and
- (2) sold not less than one hundred fifty (150) motor vehicles during the preceding year.

(b) This section does not apply to the following:

- (1) A new motor vehicle or recreational vehicle sold by a dealer licensed by the state.
- (2) A motor vehicle or recreational vehicle transferred or assigned on a certificate of title issued by the bureau.
- (3) A motor vehicle that is registered under the International Registration Plan.
- (4) A motor vehicle that is titled in a foreign country and imported by a registered importer, if:

(A) the registered importer complies with section 12.5(a) of this chapter; and

(B) section 12.5(d) of this chapter does not apply to the motor vehicle.

(5) A motor vehicle that is titled in another state and is in the lawful possession of a financial institution, a lending institution, an insurance company, or a motor vehicle rental company, if:

(A) the financial institution, lending institution, insurance company, or motor vehicle rental company complies with section 12.5(b) of this chapter; and

(B) section 12.5(d) of this chapter does not apply to the motor vehicle.

(c) An application for a certificate of title for a motor vehicle or recreational vehicle may not be accepted by the bureau unless the motor vehicle or recreational vehicle has been inspected by one (1) of the following:

- (1) An employee of a dealer designated by the bureau to perform an inspection.
- (2) A military policeman assigned to a military post in Indiana.

- (3) A police officer.
- (4) A designated employee of the bureau.

(d) A person described in subsection (c) inspecting a motor vehicle, semitrailer, or recreational vehicle shall do the following:

- (1) Make a record of inspection upon the application form prepared by the bureau.
- (2) Verify the facts set out in the application.

SECTION 4. IC 9-17-2-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS EFFECTIVE JULY 1, 2008: **Sec. 12.5. (a) Except as provided in subsection (d), the bureau may accept an application for a certificate of title for a motor vehicle that is titled in a foreign country and imported by a registered importer without requiring an inspection under section 12(c) of this chapter if the registered importer presents the bureau with the following documentation relating to the motor vehicle:**

- (1) A copy of the registered importer's validation agreement issued by the United States Customs and Border Protection (CBP).**
- (2) A copy of the entry summary issued by the United States Customs and Border Protection (CBP Form 7501).**
- (3) A vehicle history report issued by an independent provider of vehicle history information that includes:**
 - (A) the vehicle's title information;**
 - (B) the vehicle's odometer readings; and**
 - (C) the number of owners of the vehicle.**

(b) Except as provided in subsection (d), the bureau may accept an application for a certificate of title for a motor vehicle that is titled in another state and is in the lawful possession of a financial institution, a lending institution, an insurance company, or a motor vehicle rental company if the financial institution, lending institution, insurance company, or motor vehicle rental company presents the bureau with a vehicle history report issued by an independent provider of vehicle history information that includes:

- (1) the motor vehicle's title information;**
- (2) the motor vehicle's odometer readings; and**
- (3) the number of owners of the motor vehicle.**

(c) A:

- (1) registered importer or;**
- (2) financial institution, lending institution, insurance company, or motor vehicle rental company;**

must maintain a copy of all documentation required by this section for at least ten (10) years.

(d) An inspection of a motor vehicle described in subsection (a) or (b) is required under section 12(c) of this chapter if:

- (1) the registered importer; or**
- (2) the financial institution, lending institution, insurance company, or motor vehicle rental company;**

is unable to provide the bureau with the documentation required by this section."

Renumber all SECTIONS consecutively.

(Reference is to HB 1248 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 4.

TINCHER, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1250, 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 2, line 25, delete "Forty" and insert "Twenty".

Page 2, line 25, delete "(40%)" and insert "(20%)".

Page 2, line 16, strike "2002," and insert "2008,".

Page 2, delete lines 35 through 42.

Page 3, delete line 1, begin a new line double block indented and insert:

"for the community development corporation's use in tourism, recreation, and economic development activities.

(C) For the period beginning July 1, 2002, and continuing through December 2012, the community development corporation shall provide not less than forty percent (40%) of the money received from the special account under this clause as a grant to a nonprofit corporation that leases land in the state park described in this subdivision for the nonprofit corporation's twenty percent (20%) of the money in the special account shall be distributed to Historic Prophetstown use in noncapital projects in the state park described in this subdivision.

Page 3, between lines 31 and 32, begin a new paragraph and insert:

"(e) The Indiana finance authority, in its capacity as the recreational development commission, shall issue bonds for the development of Prophetstown State Park under IC 14-14-1. The principal of and the interest on the bonds is payable solely from the revenues distributed to the department of natural resources under subsection (b)(3)(A)."

Page 4, after line 22, begin a new paragraph and insert:

"SECTION 24. IC 14-14-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. The commission may periodically provide by resolution for the issuance of park revenue bonds of the commission for the purpose of paying all or any part of the cost of at least one (1) park project. The principal of and the interest on the bonds is payable solely from:

- (1) the park revenues; or**
- (2) any other revenues;**

specifically pledged or committed by statute to the payment of the principal and interest."

Renumber all SECTIONS consecutively.

(Reference is to HB 1250 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 20, nays 0.

CRAWFORD, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1269, 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 5, line 3, delete "by a" and insert "in whole or in part out of".

Page 5, line 3, delete "fund" and insert "funds".

Page 5, line 16, delete "or".

Page 6, line 17, delete "." and insert "; or

- (3) the individual is an owner-operator that provides a motor vehicle and the services of a driver under a written contract that is subject to IC 8-2.1-24-23, 45 IAC 16-1-13, or 49 CFR 1057, to a motor carrier."**

Page 6, line 20, delete "(a)(4)" and insert "(a)(2)".

Page 6, line 33, after "(d)" insert "A contractor shall maintain records for a period of not less than five(5) years for an individual performing services for the contractor, regardless of whether the individual is classified as:

- (1) an employee;**
- (2) an independent contractor;**

(3) a sole proprietor; or

(4) a partnership.

(e)".

Page 7, line 1, delete "tax" and insert "individual taxpayer".

Page 7, delete line 2.

Page 7, line 16, delete ", including the" and insert ".".

Page 7, delete line 17.

Page 7, line 28, delete "or a rule adopted under this".

Page 7, line 29, delete "chapter".

Page 8, line 3, delete "chapter or a rule adopted under" and insert "**chapter**";

Page 8, line 4, delete "this chapter";

Page 8, delete lines 12 through 36.

Page 9, line 1, after "chapter" insert "**for a second or subsequent violation**".

Page 9, line 2, delete "unrelated offense described in this" and insert "**violation**".

Page 9, line 3, delete "subsection".

Page 9, line 20, after "The" insert "**complaint shall be filed on a form to be supplied by the department and in a manner prescribed by the department. The**".

Page 9, line 27, after "of" delete "method" and insert "**methods**".

Page 9, line 31, delete "A".

Page 9, delete lines 32 through 34.

Page 10, line 10, after "(15)" insert "**calendar**".

Page 10, line 20, after "(10)" insert "**calendar**".

Page 10, line 35, delete "A party who appears at the conference exclusively through".

Page 10, delete lines 36 through 39.

Page 10, line 40, delete "of the events at issue".

Page 10, run in lines 35 through 40.

Page 10, line 42, delete "A contractor's failure" and insert "**If a contractor fails**".

Page 10, line 42, after "conference" insert ", **the department may make a finding that there is a violation of**".

Page 11, line 1, delete "constitutes evidence that the contractor has violated".

Page 11, line 21, delete "or a rule adopted".

Page 11, line 22, delete "under this chapter".

Page 11, line 24, after "chapter" insert ";".

Page 11, line 24, delete "or the rule;".

Page 12, line 7, delete "fifteen (15) business" and insert "**ten (10) working**".

Page 12, line 10, delete "A" and insert "**The department shall mail a copy of the petition for review to the complainant and to any interested party designated on the complaint. The contractor shall post a**".

Page 12, line 10, delete "shall be posted".

Page 12, line 12, after "place" insert "**where**".

Page 12, line 12, delete "occurred so that the individual whose" and insert "**occurred, or if the contractor is no longer performing services at the place where the alleged violation occurred, at the contractor's principal place of business in a conspicuous place where labor notices regularly are posted.**".

Page 12, delete line 13.

Page 12, line 14, delete "aware of the contested petition".

Page 12, line 17, after "department." insert "**The department shall rule on the petition for review within thirty (30) calendar days after receipt. If the contractor or an agent of the contractor does not file a petition for review within the ten (10) working day period, the department's determination shall be final.**

(d) After the second or subsequent violation determined by the department that occurs within five (5) years of an earlier violation, the department shall notify the contractor or the agent of the contractor of the determination and of the right of the contractor or agent of the contractor to seek a hearing on the determination, which must be requested in writing

within ten (10) working days after the date of the notice and in accordance with IC 4-21.5-3-2. The failure to request a hearing within the ten (10) working day period will result in immediate placement and publication of the contractor's name on a list maintained on the Internet web site of the department as required under section 15(b) of this chapter. If the contractor or agent of the contractor requests a timely hearing, the commissioner shall set a hearing on the alleged violation. The hearing must take place not more than forty-five (45) calendar days after the receipt of the request for the hearing by the department. The hearing must be held in accordance with IC 4-21.5. If the department finds against the contractor or the agent of the contractor, the name of the contractor or the agent of the contractor shall be added to the list. A contract for a public work may not be awarded by the state or a political subdivision to:

(1) a contractor whose name appears on the list; or

(2) a firm, a corporation, a partnership, or an association in which the contractor has an interest;

until four (4) years have elapsed after the posting of the name on the list."

Page 13, line 10, delete "or a rule adopted under this chapter".

Page 13, line 21, after "(2)" insert "**any other**".

Page 13, line 22, delete "chapter or a rule" and insert "**chapter**";

Page 13, delete line 23.

Page 13, line 24, after "(3)" insert "**in the case of an intentional violation or obstruction of the department during an inspection,**".

Page 14, line 27, delete "established" and insert "**created**".

Page 14, line 38, delete "established" and insert "**created**".

(Reference is to HB 1269 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 4.

NIEZGODSKI, Chair

Report adopted.

HOUSE BILLS ON SECOND READING

House Bill 1001

Representative Crawford called down House Bill 1001 for second reading. The bill was read a second time by title.

HOUSE MOTION

(Amendment 1001-95)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 5, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 5. IC 4-9.1-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. For the purpose of meeting casual deficits in the state revenue, the board may negotiate such loans as may be necessary to meet the demands of the state. The loan may not be made for a longer period than four (4) years after the end of the fiscal year in which the loan is made. To evidence the loan, the board may execute certificates of indebtedness or promissory notes, which certificates or notes must recite that they are issued to meet casual deficits in the state revenue.

If there are not sufficient funds coming into the general fund of the state to pay the certificates or notes when due, the board may, notwithstanding IC 6-1.1-18-2, levy a tax on all the taxable property of the state, sufficient to pay the amount of the indebtedness."

Page 6, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 7. IC 4-12-1-12, AS AMENDED BY P.L.2-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) Within forty-five (45)

days following the adjournment of the regular session of the general assembly, the budget agency shall examine the acts of such general assembly and, with the aid of its own records and those of the budget committee, shall prepare a complete list of all appropriations made by law for the budget period beginning on July 1 following such regular session, or so made for such other period as is provided in the appropriation. While such list is being made by it the budget agency shall review and analyze the fiscal status and affairs of the state as affected by such appropriations. A written report thereof shall be made and signed by the budget director and shall be transmitted to the governor and the auditor of state. The report shall be transmitted in an electronic format under IC 5-14-6 to the general assembly.

(b) **A tuition reserve account is established in the state general fund for purposes of this subsection and subsection (g).** Not later than the first day of June of each calendar year, the budget agency shall prepare a list of all appropriations made by law for expenditure or encumbrance during the fiscal year beginning on the first day of July of that calendar year. At the same time, the budget agency shall establish the amount of a reserve from the general fund surplus which such agency estimates will be necessary and required to provide funds with which to pay the distribution to local school units required by law to be made so early in such fiscal year that revenues received in such year prior to the distribution will not be sufficient to cover such distribution. Not later than the first day of June following adjournment of such regular session of the general assembly the amounts of the appropriations for such fiscal year, and the amount of such reserve, shall be written and transmitted formally to the auditor of state who then shall establish the amounts of such appropriations, and the amount of such reserve, in the records of the auditor's office as fixed in such communication of the budget agency.

(c) Within sixty (60) days following the adjournment of any special session of the general assembly, or within such shorter period as the circumstances may require, the budget agency shall prepare for and transmit to the governor and members of the general assembly and the auditor of state, like information, list of sums appropriated, and if required, an estimate for a reserve from the general fund surplus for distribution to local school units, all as is done upon the adjournment of a regular session, pursuant to subsections (a) and (b) of this section to the extent the same are applicable. The budget agency shall transmit any information under this subsection to the general assembly in an electronic format under IC 5-14-6.

(d) The budget agency shall administer the allotment system provided in IC 4-13-2-18.

(e) The budget agency may transfer, assign, and reassign any appropriation or appropriations, or parts of them, excepting those appropriations made to the Indiana state teacher's retirement fund established by IC 5-10.4-2, made for one specific use or purpose to another use or purpose of the agency of state to which the appropriation is made, but only when the uses and purposes to which the funds transferred, assigned and reassigned are uses and purposes the agency of state is by law required or authorized to perform. No transfer may be made as in this subsection authorized unless upon the request of and with the consent of the agency of state whose appropriations are involved. Except to the extent otherwise specifically provided, every appropriation made and hereafter made and provided, for any specific use or purpose of an agency of the state is and shall be construed to be an appropriation to the agency, for all other necessary and lawful uses and purposes of the agency, subject to the aforesaid request and consent of the agency and concurrence of the budget agency.

(f) One (1) or more emergency or contingency appropriations for each fiscal year or for the budget period may be made to the budget agency. Such appropriations shall be in amounts definitely fixed by law, or ascertainable or determinable according to a formula, or according to appropriate provisions of

law taking into account the revenues and income of the agency of state. No transfer shall be made from any such appropriation to the regular appropriation of an agency of the state except upon an order of the budget agency made pursuant to the authority vested in it hereby or otherwise vested in it by law.

(g) Beginning July 1, 2009, the budget agency shall maintain a balance in the state tuition reserve account for purposes of this subsection. The balance is in addition to the reserve established under subsection (b). The purpose of the balance is to provide an amount that will be available to common schools in a year in which state tax revenues are insufficient to fully fund the operation of common schools. Notwithstanding subsection (e) and IC 4-9.1-1-7, the balance may be transferred, distributed, or expended from the tuition reserve account only to the extent that the amount is appropriated by the general assembly. Any part of the balance that is unexpended at the end of a state fiscal year does not revert to the general use of the state general fund but remains available for the purposes of this subsection. Not later than June 30, 2009, the budget agency shall transfer fifty million dollars (\$50,000,000) from the counter-cyclical revenue and economic stabilization fund to the tuition reserve account for purposes of this subsection."

Page 10, line 33, strike "maximum levy" and insert "**property tax limit**".

Page 11, line 5, strike "maximum levy" and insert "**property tax limit**".

Page 40, line 41, strike "IC 6-1.1-21-4(b)".

Page 41, line 2, strike "first from the money".

Page 41, line 3, strike "payable to the county under IC 6-1.1-21-4(b) and then".

Page 41, line 3, strike "all other".

Page 41, line 4, strike "sources" and insert "**any source**".

Page 67, line 28, after "year" insert "**or, in the case of a mobile home that is assessed as personal property, the immediately following January 15,**".

Page 85, delete lines 23 through 42, begin a new paragraph and insert:

"SECTION 101. IC 6-1.1-15-1, AS AMENDED BY P.L.1-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) A taxpayer may obtain a review by the county board 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 a review under this section, including a meeting under subsection (h) with the county ~~or township~~ official referred to in this subsection; and
- (2) the procedures the taxpayer must follow in order to obtain a review under this section.

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

(c) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (a). To obtain the review, the taxpayer must file a notice in writing with the ~~township county~~ assessor. **of the township in which the property is subject to assessment.** The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. For an assessment date in a year before 2009, the notice must be filed on or before May 10 of the year. For an

assessment date in a year after 2008, the notice must be filed not later than the later of:

- (1) May 10 of the year; or
- (2) forty-five (45) days after the date of the statement mailed by the county auditor under IC 6-1.1-17-3(b).

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

(e) The written notice filed by a taxpayer under subsection (b) or (c) 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) A county ~~or township~~ official who receives a notice for review filed by a taxpayer under subsection (b) or (c) shall immediately forward the notice to the county board.

(g) The county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of the notice for review filed by the taxpayer under subsection (b) or (c). The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county ~~or township~~ official with whom the taxpayer filed the notice for review. The taxpayer and the county ~~or township~~ official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board.

(h) Before the county board holds the hearing required under subsection (g), the taxpayer may request a meeting by filing a written request with the county ~~or township~~ official with whom the taxpayer filed the notice for review to:

- (1) attempt to resolve as many issues under review as possible; and
- (2) seek a joint recommendation for settlement of some or all of the issues under review.

A county ~~or township~~ official who receives a meeting request under this subsection before the county board hearing shall meet with the taxpayer. The taxpayer and the county ~~or township~~ official shall present a joint recommendation reached under this subsection to the county board at the hearing required under subsection (g). The county board may adopt or reject the recommendation in whole or in part.

(i) At the hearing required under subsection (g):

- (1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment; and
- (2) the county ~~or township~~ official with whom the taxpayer filed the notice for review must present:
 - (A) the basis for the assessment decision; and
 - (B) the reasons the taxpayer's contentions should be denied.

(j) The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (g). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

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

(k) Regardless of whether the county board adopts a recommendation under subsection (h), the county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (g) to the taxpayer ~~and the county assessor, and the township assessor.~~

(l) If the maximum time elapses:

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

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

Delete page 86.

Page 87, delete lines 1 through 32.

Page 92, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 110. IC 6-1.1-16.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

Chapter 16.5. Tax and Budget Controls: Purpose and Definitions

Sec. 1. The purpose of IC 6-1.1-17, IC 6-1.1-18, and IC 6-1.1-18.5 is to coordinate tax levies and spending in a county so that the total burden on taxpayers from taxes and fees does not rise in any budget year on average faster than the rate at which county personal income in the county is rising, unless the registered voters in the area affected by the taxes and fees agree to a more rapid increase.

Sec. 2. The definitions in this chapter apply throughout IC 6-1.1-17, IC 6-1.1-18, and IC 6-1.1-18.5.

Sec. 3. "Budget year" means a calendar year. However, for the purposes of IC 6-1.1-17-5.6, the term refers to a school year (as defined in IC 20-18-2-17).

Sec. 4. "County board" refers to a county's county board of tax and capital projects review.

Sec. 5. "County maximum permissible expenditure limit" refers to the maximum aggregate expenditures that political subdivisions in a county are permitted to make in a budget year from:

- (1) taxes and fees subject to IC 6-1.1-18.5 that are imposed in the budget year; and
- (2) cash balances derived from taxes and fees subject to IC 6-1.1-18.5 that are imposed in the budget year.

Sec. 6. "County maximum permissible property tax levy limit" refers to the lesser of the following:

- (1) The county maximum permissible expenditure limit for a county.
- (2) The maximum aggregate amount that may be levied by the political subdivisions in a county for a budget year from property taxes to which the property tax levy limits imposed by IC 6-1.1-18.5-3 apply.

Sec. 7. "County personal income" means the estimate of total personal income for a county as computed by the federal Bureau of Economic Analysis.

Sec. 8. "County's tax limits" refers to the following:

- (1) The county maximum permissible expenditure limit for a county.
- (2) The county maximum permissible property tax levy limit for a county.

Sec. 9. "Cumulative fund levy" refers to a levy that is subject to IC 6-1.1-18-12, IC 6-1.1-18-13, or IC 6-1.1-18.5-9.8.

Sec. 10. "Debt service obligations" refers to:

- (1) the principal and interest payable from taxes during a calendar year on bonds, loans, or other obligations; and
- (2) lease rental payments payable from taxes during a calendar year on leases;

of a political subdivision in a county.

Sec. 11. "Excise taxes imposed in lieu of property taxes" refers to the following revenues distributed to political subdivisions:

- (1) Financial institution excise tax revenue (IC 6-5.5).
- (2) Motor vehicle excise taxes (IC 6-6-5).
- (3) Commercial vehicle excise taxes (IC 6-6-5.5).

(4) Boat excise tax (IC 6-6-11).

(5) Aircraft excise tax (IC 6-6-6.5) and local income taxes.

Sec. 12. "Expenditure" refers to an expenditure by a political subdivision that is payable from taxes or fees. The term does not include the clerical functions related to:

- (1) the distribution of taxes or fees received by a county auditor or county treasurer for distribution to a political subdivision in the county; or
- (2) a loan or transfer by a political subdivision of money between the funds or purposes of the same political subdivision.

Sec. 13. "Expenditure limits" refers to the following:

- (1) A county maximum permissible expenditure limit.
- (2) A political subdivision's maximum permissible expenditure limit.

Sec. 14. (a) "Fee" means a special assessment (other than a special benefits tax), lease rentals, or other amounts charged by a political subdivision and payable for:

- (1) permission, consent, or approval to engage in an activity, use property, or improve property;
- (2) an improvement to property; or
- (3) delivery of governmental services, including recreational services.

(b) The term includes the following:

- (1) License and permit fees.
- (2) Payments under a development agreement (as defined in IC 36-1-8-9.5).
- (3) Impact fees (as defined in IC 36-7-4-1305).
- (4) Service charges or user fees.

(c) The term does not include the following:

- (1) A charge for any of the following utility services:
 - (A) Electrical energy.
 - (B) Natural gas, either mixed with another substance or pure, used for heat, light, cooling, or power.
 - (C) Water.
 - (D) Steam.
 - (E) Sewage (as defined in IC 13-11-2-200).
- (2) Payment for or settlement of obligations or judgments established under IC 36-7-9-9 through IC 36-7-9-13 and IC 36-7-9-17 through IC 36-7-9-22 of the unsafe building law.

Sec. 15. "Growth quotient" refers to the growth quotient computed for a budget year under IC 6-1.1-18.5-2.

Sec. 16. "Local income taxes" refers to a tax on adjusted gross income imposed under IC 6-3.5.

Sec. 17. "Petition and remonstrance process" refers to a petition and remonstrance process under IC 6-1.1-20.

Sec. 18. "Political subdivision" has the meaning set forth in IC 36-1-2-13. The term includes a redevelopment district.

Sec. 19. "Political subdivisions in a county" refers to the political subdivisions in a county that have the authority to impose taxes or receive a distribution of taxes. The term:

- (1) includes political subdivisions that are located in more than one (1) county and treated as located in the county under IC 6-1.1-18.5-1.8; and
- (2) excludes political subdivisions that are located in more than one (1) county and treated as located in another county under IC 6-1.1-18.5-1.8.

Sec. 20. "Political subdivision's maximum permissible expenditure limit" refers to the expenditures budgeted by a political subdivision in a county for a budget year from taxes or fees, as approved, increased, or decreased:

- (1) by the county board for the county; or
- (2) in a referendum or a petition and remonstrance process.

Sec. 21. "Political subdivision's maximum permissible property tax levy limit" refers to the property tax levy adopted by a political subdivision in a county for a budget year, as approved, increased, or decreased:

(1) by the county board for the county; or

(2) in a referendum or petition and remonstrance process.

Sec. 22. "Political subdivision's tax limits" refers to the following:

(1) The political subdivision's maximum permissible expenditure limit.

(2) The political subdivision's maximum permissible property tax levy limit.

Sec. 23. "Property taxes" means the following:

(1) Ad valorem property taxes.

(2) Special benefit taxes.

Sec. 24. "Property tax limit" refers to the following:

(1) A county maximum permissible property tax levy limit.

(2) A political subdivision's maximum permissible property tax levy limit.

Sec. 25. "Referendum" refers to a referendum under IC 6-1.1-17-22, IC 6-1.1-20, or IC 6-3.5-9.

Sec. 26. "Redevelopment district" refers to the following:

(1) A district (as defined in IC 6-1.1-21.2).

(2) Another public entity to which tax increment revenues are allocated.

Sec. 27. "Special benefit taxes" means a special tax levied and collected on an ad valorem basis on property in an area for the purpose of financing local public improvements that:

(1) are of special benefit to the residents and property of the area; and

(2) are not political or governmental in nature.

Sec. 28. "Tax increment revenues" means an allocation to a redevelopment district of:

(1) property taxes;

(2) state or local adjusted gross income taxes; or

(3) state gross retail and use taxes;

that are not imposed by a redevelopment district, are based on an increase in the assessed value, wages, sales, or other economic activity occurring in a designated area, and are deposited in a special fund for use by the district to provide a special benefit to the property owners in the redevelopment district. The term includes revenues described in IC 5-28-26-9, IC 6-1.1-21.2-10, IC 12-19-1.5-7, IC 36-7-26-10, IC 36-7-27-8, IC 36-7-31-6, and IC 36-7-31.3-4.

Sec. 29. "Taxes" means the following:

(1) Property taxes.

(2) Local income taxes.

(3) County motor vehicle excise tax imposed under IC 6-3.5-4.

(4) County wheel tax imposed under IC 6-3.5-5.

(5) Taxes imposed under IC 6-9, including innkeeper's taxes, food and beverage taxes, and county admissions taxes.

(6) Supplemental auto rental excise tax imposed under IC 6-6-9.5 or IC 6-6-9.7.

(7) Excise taxes imposed in lieu of property taxes.

(8) A distribution from any entity to replace revenue lost from the granting of an exemption, deduction, or credit that reduces the revenues that would otherwise be derived from a tax described in subdivisions (1) through (7), including a payment in lieu of taxes (PILOT) permitted by law.

Sec. 30. "Tax limit" refers to the following:

(1) A county maximum permissible expenditure limit.

(2) A political subdivision's maximum permissible expenditure limit.

(3) A county maximum permissible property tax levy limit.

(4) A political subdivision's maximum permissible property tax levy limit.

SECTION 111. IC 6-1.1-17-1, AS AMENDED BY P.L.154-2006, SECTION 42, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 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;
- (5) the amount of the political subdivision's assessed valuation reduction determined under section 0.5(d) of this chapter; and
- (6) 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.

(d) Subject to subsection (e), ~~and except as provided in subsection (f);~~ after the county auditor sends a certified statement under subsection (a) or an amended certified statement under this subsection with respect to a political subdivision and before the ~~department of local government finance certifies its county board takes final~~ action with respect to the political subdivision under section ~~16(f)~~ 6 of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall send a certified statement amended under this subsection, under the seal of the board of county commissioners, to:

- (1) the fiscal officer of each political subdivision affected by the amendment; and
- (2) the ~~department of local government finance; county board.~~

(e) Except as provided in subsection ~~(g); (f)~~, before the county auditor makes an amendment under subsection (d), the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor.

~~(f) Subsection (d) does not apply to an adjustment of assessed valuation under IC 36-7-15.1-26.9(d).~~

~~(g)~~ (f) The county auditor is not required to hold a public hearing under subsection (e) if:

- (1) the amendment under subsection (d) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;
- (2) the amendment under subsection (d) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after the county auditor sent the earlier certified statement; or

(3) the county auditor determines that the amendment under subsection (d) will not result in an increase in the tax rate or tax rates of the political subdivision.

SECTION 112. IC 6-1.1-17-2, AS AMENDED BY P.L.1-2006, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. ~~(a)~~ When formulating an annual budget estimate, the proper officers of a political subdivision shall prepare an estimate of the amount of revenue which the political subdivision will receive from the state for and during the budget year for which the budget is being formulated. These estimated revenues shall be shown in the budget estimate. ~~and The estimated revenues subject to the limitations in IC 6-1.1-18.5 shall be taken into consideration in calculating the tax levy which is to be made for the ensuing calendar year. However, this section does not apply to funds to be received from the state or the federal government for:~~

- ~~(1) township assistance;~~
- ~~(2) unemployment relief;~~
- ~~(3) old age pensions; or~~
- ~~(4) other funds which may at any time be made available under "The Economic Security Act" or under any other federal act which provides for civil and public works projects.~~

~~(b) When formulating an annual budget estimate, the proper officers of a political subdivision shall prepare an estimate of the amount of revenue that the political subdivision will receive under a development agreement (as defined in IC 36-1-8-9.5) for and during the budget year for which the budget is being formulated. Revenue received under a development agreement may not be used to reduce the political subdivision's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the political subdivision to reduce the property tax levy of the political subdivision for a particular year."~~

Page 95, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 114. IC 6-1.1-17-5.6, AS AMENDED BY P.L.219-2007, SECTION 51, AND AS AMENDED BY P.L.224-2007, SECTION 7, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5.6. (a) This section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September ~~20~~ 30.

(c) Each year, at least two (2) days before the first meeting ~~after September 20 of the county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

- (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year; ~~and~~
- (2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year. ~~and~~
- ~~(3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.~~

Each year the county auditor shall present these items to ~~the county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ at the board's first meeting ~~after September 20 of that year.~~

(d) The governing body of the school corporation may adopt

a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year following the adoption of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget ~~fixed~~ **approved** by the ~~department of local government finance~~ **county board** before the adoption of a resolution under this subsection.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget ~~fixed~~ **approved** by the ~~department of local government finance~~ **county board** before the adoption of a rescinding resolution under this subsection."

Page 95, delete lines 28 through 30, begin a new line block indented and insert:

"(3) to ensure compliance with IC 6-1.1-18.5."

Page 96, line 30, strike "maximum".

Page 96, line 31, strike "aggregate".

Page 96, line 31, strike "rate permitted within" and insert **"limits applicable to the county or"**.

Page 96, line 31, strike "under".

Page 96, line 32, strike "IC 6-1.1-18 is" and insert **"are"**.

Page 96, line 32, after "shall" delete ",,".

Page 96, line 32, strike "subject to the".

Page 96, line 33, strike "limitations prescribed in IC 20-45-4,".

Page 97, line 9, after "chapter." insert **"If a county board's determination under this section would require the county tax limits to be increased, the county board shall adopt a resolution requesting that a referendum be held under section 22 of this chapter to increase the appropriate tax limits to implement the determination."**

Page 97, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 120. IC 6-1.1-17-16.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16.5. This section applies in each case in which the ~~department of local government finance~~ **county board has the power to approve or disapprove the tax levy for a cumulative building or sinking fund proposed to be established by a political subdivision. The ~~department~~ **county board** may:**

(1) approve the tax levy;

(2) disapprove the tax levy; or

(3) modify the tax levy by approving it at any amount less than the tax levy proposed to be established.

The determination of the county board may be subject to referendum under section 22 of this chapter."

Page 98, delete lines 29 through 42.

Page 99, line 3, after "when" insert **"the legislative body of a political subdivision or the county board adopts a resolution requesting a referendum to:**

(1) **override a determination of the county board concerning budgets, tax rates, or tax levies; or**

(2) **increase a tax limit;**

or both.

(b) **A political subdivision or county board requesting a referendum under this section shall notify the county auditor of the need for a referendum. If a political subdivision is requesting the referendum, the county auditor shall notify**

the members of the county board of the request. The notice must contain at least the following information:

(1) **The information required under IC 3-10-9-6.**

(2) **A description of the area in which the referendum is to be conducted.**

(3) **The text of the public question to be submitted to the voters.**

(4) **If a political subdivision is requesting a referendum at a special election, that the political subdivision agrees to pay the costs of the special election.**

(c) **If a political subdivision requests that voters to override an action of the county board, the public question shall be substantially in the following form:**

"In order to keep the county within the tax and spending limits provided by state law, the county board of tax and capital projects review has [reduced] [denied] (insert appropriate action) the [budget] [tax rate] [tax levy] of _____ (insert the name of the political subdivision). The estimated [property tax rate] [income tax rate] (insert name of affected taxes) impact is _____. Should the action of the county board be approved?"

(d) **The county board shall review the proposed text of a public question prepared by a political subdivision and correct any errors. The county board shall submit the text of a corrected public question to the county auditor within ten (10) days after receiving notice given under subsection (b).**

(e) **If a county board requests that the voters approve an action that would require an increase in the county tax limits, the public question must be substantially in the following form:**

"The county board of tax and capital projects review is recommending that the [budget] [tax rate] [tax levy] of _____ (insert the name of the political subdivision) be increased in excess of the tax and spending limits provided by state law. The estimated [property tax rate] [income tax rate] (insert name of affected taxes) impact is _____. Should the action of the county board be approved?"

(f) **Within seven (7) days after receipt of notice from a political subdivision or county board under subsection (b), the county auditor shall publish notice of the proposed referendum two (2) times, at least one (1) week apart, in accordance with IC 5-3-1.**

(g) **The county auditor shall certify the public question under IC 3-10-9-3 to the county election board of the county where the voters will consider the public question within five (5) days after receipt of the notice from the county auditor.**

(h) **The public question shall be presented to the registered voters in a political subdivision that requested the referendum or, if the county board initiated the referendum to approve an increase in the county tax limits, the political subdivision whose budget, tax rate, or tax levy will be increased by the action of the county board.**

(i) **The referendum shall be held at the next general or municipal election in which an election would regularly be held in the entire area where voters will vote on the public question. However, the referendum shall be held in a special election at the time approved by the county election board if a political subdivision in its resolution requests a special election and agrees to pay the costs of the special election.**

(j) **IC 3 applies to a referendum under this section to the extent that IC 3 is not in conflict with this chapter. If a special election is held under this section, the political subdivisions for whom the special election is conducted shall pay the costs of the special election.**

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

(1) **The executive and fiscal body of each political subdivision for which the referendum was held.**

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

(l) If a majority of the voters voting on the public question vote in favor of the public question, the action of the county board is approved.

(m) If less than a majority of the voters voting on the public question vote in favor of the public question, the action of the county board is voided."

Page 99, delete lines 4 through 42.

Delete page 100.

Page 101, delete lines 1 through 14.

Page 102, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 124. IC 6-1.1-18-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) Subject to the requirements of this section, the proper officers of a political subdivision may transfer money from one (1) of the political subdivision's funds to another fund of the political subdivision after the adoption of an ordinance or resolution specifying the:

- (1) amount of the transfer;
- (2) funds involved;
- (3) date of the transfer; and
- (4) general purpose of the transfer.

(a) (b) Subject to the requirements of this section, the proper officers of a political subdivision may transfer money from one major budget classification to another within a department or office if:

- (1) they determine that the transfer is necessary;
- (2) the transfer does not require the expenditure of more money than the total amount set out in the budget as finally determined under this article; and
- (3) the transfer is made at a regular public meeting and by proper ordinance or resolution.

(c) A political subdivision shall publish a notice of a transfer made under this section one (1) time in conformity with IC 5-3-1.

(d) An amount transferred under this section is available for use after an appropriation of the funds in conformity with section 5 of this chapter.

(b) (e) A transfer may be made under this section without notice and without the approval of the ~~department of local government finance~~ county board of tax and capital projects review.

(f) A transfer of money under this section may not be made if the transfer:

- (1) would violate an agreement governing the payment of bonds, loans, obligations, or leases; or
- (2) would result in insufficient money being available to make the required payments on bonds, loans, obligations, or leases.

(g) A transfer of money under this section does not increase the tax limits of a county or a political subdivision in a county.

SECTION 125. IC 6-1.1-18-7.5, AS ADDED BY P.L.15-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7.5. Notwithstanding any other law, The appropriating body of a political subdivision may appropriate any funds received as a grant from the state or the federal government without using the additional appropriation procedures under section 5 of this chapter, if the funds are provided or designated by the state or the federal government as a reimbursement of an expenditure made by the political subdivision.

SECTION 126. IC 6-1.1-18-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) Except as provided in subsections (b) and (c) of this section, chapter, a political subdivision may not expend any funds which it has received from the state and which it is required to include in its budget estimate under IC 1971, 6-1.1-17-2 unless:

(1) the funds have been included in a budget estimate by the political subdivision; and

(2) the funds have been appropriated by the proper officers of the political subdivision in the amounts and for the specific purposes for which they may be used.

(b) The county council shall appropriate funds for the operation of the county highway department for the entire ensuing budget year for which annual appropriations are being made. The appropriation shall be for an amount which is not less than the greater of:

(1) seventy-five percent (75%) of the total estimated to be in the highway fund in the ensuing budget year; or

(2) ninety-nine percent (99%) of the total estimated to be in the highway fund in the ensuing budget year if the county commissioners file with the county council a four (4) year plan for the construction and improvement of county highways and a one (1) year plan for the maintenance and repair of the county highways.

(c) In the event of a casualty, accident, or extraordinary emergency, the proper officers of a political subdivision may use state funds to make an additional appropriation under section 5 of this chapter.

(d) A political subdivision may expend:

(1) funds received from the state or the federal government for township assistance, unemployment relief, or old age pensions; or

(2) other funds that may at any time be made available under the federal Economic Security Act or under any other federal act that provides for civil and public works projects;

without complying with section 2 or 5 of this chapter."

Page 103, line 1, strike "As used in" and insert "(a) The definitions in this section apply throughout".

Page 103, line 1, delete ":" and insert ".".

Page 103, strike line 2.

Page 103, line 3, strike "the total property taxes imposed by a".

Page 103, line 3, strike "taxing unit for current".

Page 103, strike lines 4 through 8.

Page 103, line 9, before ""Maximum" insert "(b)".

Page 103, line 10, strike "the greater of:".

Page 103, strike line 11.

Page 103, line 12, strike "(A) the".

Page 103, line 12, strike "taxing unit's maximum permissible ad valorem".

Page 103, strike lines 13 through 16.

Page 103, line 17, strike "(i) the".

Page 103, line 17, strike "taxing unit's maximum permissible ad valorem".

Page 103, strike line 18.

Page 103, line 19, strike "(ii) the".

Page 103, line 19, strike "taxing unit's ad valorem property tax levy for".

Page 103, strike lines 20 through 21.

Page 103, line 22, strike "(2)".

Page 103, line 23, before "year immediately" strike "calendar".

Page 103, line 23, strike "ensuing calendar" and insert "budget".

Page 103, line 28, strike "calendar".

Page 103, line 28, delete ":-"

Page 103, line 29, delete "(A)".

Page 103, run in lines 28 through 29.

Page 103, line 30, delete "; and".

Page 103, delete lines 31 through 32.

Page 103, run in lines 30 through 33.

Page 103, line 33, strike "calendar".

Page 103, line 34, strike "calendar".

Page 103, line 37, before ""Taxable" insert "(c)".

Page 103, line 39, strike "For purposes of sections 2 and 3 of this".

Page 103, strike lines 40 through 41.

Page 103, line 42, strike "'Unadjusted assessed value" means the assessed value of a".

Page 104, strike lines 1 through 5.

Page 104, delete lines 6 through 42, begin a new paragraph and insert:

"SECTION 128. IC 6-1.1-18.5-1.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 1.8. For purposes of computing and applying a tax limit to a particular county and the political subdivisions in the county, the political subdivisions in the county:**

(1) include each political subdivision that is wholly located within the county;

(2) include each political subdivision for which the largest part of the assessed value of the taxable property in the political subdivision is located in the county, as determined from the latest abstracts of property, assessments, taxes, deductions, and exemptions filed with the auditor of state under IC 6-1.1-22-5; and

(3) exclude any political subdivision for which the largest part of the assessed value of the taxable property in the political subdivision is located in another county, as determined from the latest abstracts of property, assessments, taxes, deductions, and exemptions filed with the auditor of state under IC 6-1.1-22-5.

SECTION 129. IC 6-1.1-18.5-2, AS AMENDED BY P.L.1-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2. (a) As used in this section, "Indiana nonfarm" county personal income** means the estimate of total ~~nonfarm~~ personal income for ~~Indiana~~ **a county** in a calendar year as computed by the federal Bureau of Economic Analysis, ~~using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.~~

(b) Subject to subsection (c), for purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient applicable to a county and to the political subdivisions in a county, as determined under section 1.8 of this chapter, is the amount determined in the last STEP THREE of the following STEPS formula:

STEP ONE: For each of the **most recent** six (6) calendar years **for which data is available** immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the ~~Indiana nonfarm~~ **county** personal income for the calendar year by the ~~Indiana nonfarm~~ personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient;

(B) One and six-hundredths (1.06);

(c) This subsection applies only to civil taxing units in Lake County. Notwithstanding any other provision, for property taxes first due and payable after December 31, 2007, the assessed value The growth quotient used to determine a civil taxing unit's maximum permissible ad valorem property tax levy under this chapter for a particular calendar year for an ensuing year for Lake County and the political subdivisions in Lake County, as determined under section 1.8 of this chapter, is one (1) unless a tax rate of one percent (1%) will be in effect under

~~IC 6-3.5-1.1-26~~ **IC 6-3.5-1.1-24** or ~~IC 6-3.5-6-32~~ **IC 6-3.5-6-30** in Lake County for that calendar year.

SECTION 130. IC 6-1.1-18.5-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.1. The maximum permissible amount of expenditures that the political subdivisions in a county may, in the aggregate, budget and spend in the ensuing budget year from taxes and fees is the county maximum permissible expenditure limit for the county for the budget year.**

SECTION 131. IC 6-1.1-18.5-2.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.2. The maximum total amount of taxes and fees that the political subdivisions in a county (including political subdivisions acting as a county option income tax council) may, in the aggregate, impose for a budget year is equal to the result of the:**

(1) county maximum permissible expenditure limit for the county for the budget year; minus

(2) the sum of the following:

(A) Cash balances derived from taxes and fees that are budgeted for expenditure for the budget year.

(B) Distributions for the budget year from excise taxes imposed in lieu of property taxes.

SECTION 132. IC 6-1.1-18.5-2.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.3. Except as otherwise permitted by this chapter, the county maximum permissible expenditure limit for a county is equal to the product of the county maximum permissible expenditure limit for the county for the immediately preceding budget year multiplied by the county's growth quotient for the ensuing budget year.**

SECTION 133. IC 6-1.1-18.5-2.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.4. For purposes of calculating a county's county maximum permissible expenditure limit for the 2010 budget year, the county board shall treat the sum of the budgets of the political subdivisions in the county payable from taxes and fees in 2009 as the county's county maximum permissible expenditure limit for the immediately preceding budget year."**

Delete page 105.

Page 106, delete lines 1 through 18.

Page 106, line 21, reset in roman "(a)".

Page 106, line 21, after "(a)" insert **"The maximum total amount of property taxes that the political subdivisions in a county may, in the aggregate, levy for a budget year is equal to the county maximum permissible property tax levy limit for the county for the budget year.**

(b)".

Page 106, line 22, after "chapter" insert ",".

Page 106, line 22, strike "and IC 6-3.5-8-12, a".

Page 106, line 22, strike "taxing unit".

Page 106, line 23, strike "may not".

Page 106, strike line 24.

Page 106, line 25, strike "that exceeds".

Page 106, line 25, delete "the maximum permissible ad valorem property tax" and insert **"the county maximum permissible property tax levy limit for a county for a budget year is equal to the county maximum permissible property tax levy limit for the county"**.

Page 106, line 26, delete "levy determined for the taxing unit".

Page 106, line 27, delete "calendar".

Page 106, line 27, delete "ensuing" and insert **"budget"**.

Page 106, line 28, delete "calendar".

Page 111, delete lines 20 through 42, begin a new paragraph

and insert:

"SECTION 134. IC 6-1.1-18.5-3.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.2. For purposes of calculating a county's county maximum permissible property tax levy limit for the 2010 budget year, the county board shall treat the sum of the maximum permissible ad valorem property tax levy for the preceding calendar year for each of the political subdivisions in the county as the county's county maximum permissible property tax levy limit for the immediately preceding budget year.

SECTION 135. IC 6-1.1-18.5-3.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.3. The maximum amount of expenditures that a political subdivision may budget and spend in a budget year from taxes and fees is the political subdivision's maximum permissible expenditure limit.

SECTION 136. IC 6-1.1-18.5-3.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.4. (a) A political subdivision's maximum permissible expenditure limit for a budget year is the amount budgeted by the political subdivision for the budget year from taxes and fees, as approved, increased, or decreased:

- (1) by the county board for the county; or
- (2) in a referendum or petition and remonstrance process.

(b) The total amount of taxes and fees that a political subdivision (including political subdivisions acting as a county option income tax council) may impose for a budget year is equal to the result of:

- (1) the political subdivision's maximum permissible expenditure limit for the budget year; minus
- (2) the sum of the following:
 - (A) Cash balances derived from taxes and fees that are budgeted for expenditure for the budget year.
 - (B) Distributions for the budget year from excise taxes imposed in lieu of property taxes.
 - (C) Taxes and fees imposed for the budget year by another political subdivision or entity for collection and distribution to the political subdivision, regardless of when the taxes or fees will be distributed to the political subdivision.

SECTION 137. IC 6-1.1-18.5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.5. The total amount of taxes and fees that a political subdivision may impose for a particular fund or purpose may not exceed the limitations imposed by law for the fund or purpose. However, a political subdivision may transfer money between funds and purposes as provided in IC 6-1.1-18.

SECTION 138. IC 6-1.1-18.5-3.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.6. (a) A political subdivision's maximum permissible property tax levy limit for a budget year is the amount levied by the political subdivision for the budget year from property taxes, as approved, increased, or decreased:

- (1) by the county board for the county; or
- (2) in a referendum or petition and remonstrance process.

(b) The maximum levy of taxes imposed by a political subdivision for a budget year in the form of property taxes may not exceed the political subdivision's maximum permissible property tax levy limit for the budget year.

SECTION 139. IC 6-1.1-18.5-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.7. A county board may approve, increase, or decrease a budget,

tax rate, or tax levy adopted by a political subdivision and make a change in the political subdivision's tax limits that reflects the action of the county board without further proceedings if:

- (1) the action will not result in the county tax limits for the county being exceeded in a budget year; and
- (2) the legislative body of the political subdivision does not adopt a resolution requesting that a referendum be held under IC 6-1.1-17-22 to override the action of the county board.

SECTION 140. IC 6-1.1-18.5-3.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.8. A county board may not approve or increase a budget, tax rate, or tax levy adopted by a political subdivision or make a change in the political subdivision's tax limits that reflect the action of the county board if the action will result in the county tax limits for the county being exceeded in a budget year. The action may be taken only if the action is approved in a referendum held under IC 6-1.1-17-22.

SECTION 141. IC 6-1.1-18.5-4.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.6. Subject to sections 4.7 and 17 of this chapter, an action of a political subdivision or agent of a political subdivision is void to the extent that it purports to:

- (1) authorize an expenditure from taxes or fees that exceeds the tax expenditure limitations imposed by this chapter; or
- (2) impose taxes that exceed the property tax limits or other tax limits imposed by this chapter.

SECTION 142. IC 6-1.1-18.5-4.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.7. Political subdivisions must fully fund the payment of their debt service obligations in an amount sufficient to pay any debt service or lease rentals on outstanding obligations, regardless of any reduction in tax collections or spending authority due to the application of any law. Any reduction in collections or spending authority must be applied to the other funds of the political subdivision after debt service or lease rentals have been fully funded.

SECTION 143. IC 6-1.1-18.5-8, AS AMENDED BY P.L.224-2007, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) The ad valorem property tax levy tax limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either: debt service obligations for bonds or leases for a capital project that has been approved in a:

- (1) ~~bonded indebtedness~~; referendum under IC 6-1.1-20 or IC 6-3.5-9; or
- (2) ~~lease rentals under a lease with an original term of at least five (5) years.~~

(b) a petition and remonstrance process under IC 6-1.1-20; including bonds issued to refund previously issued bonds described in subdivision (1) or (2).

(c) For purposes of computing the tax limits imposed under this chapter, a political subdivision's:

- (1) expenditures do not include expenditures for debt service obligations described in subsection (a); and
- (2) taxes and fees do not include revenue raised to pay debt service obligations described in subsection (a).

(c) Authorization granted under this section continues in each budget year in which payments on the debt service obligation must be made. The authorization also applies to refunding obligations that are issued to retire a debt service obligation described in this section if the refunding obligation

does not extend the term in which payments on the original debt service obligation were to be made.

(b) This subsection does not apply to bonded indebtedness incurred or leases executed for a capital project approved by a county board of tax and capital projects review under IC 6-1.1-29.5 after December 31, 2008. A civil taxing unit must file a petition requesting approval from the department of local government finance to incur bonded indebtedness or execute a lease with an original term of at least five (5) years 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 civil taxing unit demonstrates that a longer period is reasonable in light of the civil taxing unit's facts and circumstances. A civil taxing unit must obtain approval from the department of local government finance before the civil taxing unit may:

- (1) incur the bonded indebtedness; or
- (2) enter into the lease.

Before January 1, 2009, the department of local government finance may seek recommendations from the local government tax control board established by section 11 of this chapter when determining whether to authorize incurring the bonded indebtedness or the execution of the lease.

(c) The department of local government finance shall render a decision within three (3) months after the date it receives a request for approval under subsection (b). However, the department of local government finance 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 sends notice of the extension to the executive officer of the civil taxing unit. A civil taxing unit may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) A civil taxing unit does not need approval under subsection (b) to obtain temporary loans made in anticipation of and to be paid from current revenues of the civil taxing unit actually levied and in the course of collection for the fiscal year in which the loans are made.

(e) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of its levy that is committed to fund or pay bond indebtedness or lease rentals with an original term of five (5) years in subsection (a).

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

SECTION 144. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: 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)

Except as provided by subsection (b), the tax limits imposed

by this chapter do not apply to cumulative fund levies. For purposes of computing the tax limits imposed under this chapter, a political subdivision's:

- (1) expenditures do not include expenditures from cumulative fund levies that are used for purposes of a cumulative fund; and
- (2) taxes and fees do not include cumulative fund levies that are used for purposes of a cumulative fund.

(b) Subsection (c) applies to the cumulative fund levies for 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) (c) The maximum property tax rate levied under the statutes listed in subsection (a) (b) must be adjusted each year to account for the change in assessed value of real property that results from:

- (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or
- (2) a general reassessment of real property under IC 6-1.1-4-4.

(c) (d) The new maximum rate under a statute listed in subsection (a) (b) 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 annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or 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 (before the adjustment, if

any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

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

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The 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)~~ **(e) The department of local government finance county board of tax and capital projects review for a county shall compute the maximum rate allowed under subsection ~~(c)~~ (d) and provide the rate to each political subdivision in the county with authority to levy a tax under a statute listed in subsection (a)."**

Page 112, delete lines 1 through 42.

Page 113, delete lines 1 through 21.

Page 113, line 30, strike "limitations established by section 3 of" and insert "**tax limits imposed by**".

Page 113, line 31, strike "taxing unit".

Page 113, line 34, after "unit." insert "**political subdivision**".

Page 113, line 36, strike "taxing unit's levy limitations, rate, and levy" and insert "**tax limits, tax rates, and tax levies**".

Page 113, line 38, strike "taxing unit's levy".

Page 113, line 39, strike "limitations, rate, or levy for the ensuing calendar" and insert "**tax limits, tax rates, or tax levies for the ensuing budget**".

Page 115, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 146. IC 6-1.1-18.5-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 22. The tax limits imposed by this chapter do not apply to a redevelopment district's tax increment revenues. For purposes of computing the tax limits imposed under this chapter, a political subdivision's:**

(1) expenditures do not include expenditures from tax increment revenues; and

(2) taxes and fees do not include tax increment revenues.

SECTION 147. IC 6-1.1-18.5-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 23. (a) This section applies to fees:**

(1) paid to a political subdivision by another entity for the use of property by the other entity; and

(2) pledged by the political subdivision to pay a revenue bond (as defined in IC 5-1-5-1) issued to acquire, construct, or improve the property.

(b) The tax limits imposed by this chapter do not apply to dedicated revenue sources. For purposes of computing the tax limits imposed under this chapter, a political subdivision's:

(1) expenditures do not include expenditures from dedicated revenue sources; and

(2) taxes and fees do not include dedicated revenue sources.

SECTION 148. IC 6-1.1-18.5-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 24. The tax limits imposed by this chapter do not apply to a referendum tax levy imposed under IC 20-46-1. For purposes of computing the tax limits imposed under this chapter, a political subdivision's:**

(1) expenditures do not include expenditures from a referendum tax levy imposed under IC 20-46-1; and

(2) taxes and fees do not include revenue from a referendum tax levy imposed under IC 20-46-1.

SECTION 149. IC 6-1.1-18.5-25 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 25. (a) Except as provided in this section, the tax limits imposed by this chapter do not apply to intergovernmental transfers. For purposes of computing the tax limits imposed under this chapter, a political subdivision's:**

(1) expenditures do not include intergovernmental transfers or payments made from revenue received from an intergovernmental transfer; and

(2) taxes and fees do not include intergovernmental transfers.

(b) For purposes of computing the tax limits imposed under this chapter, the actions of:

(1) transferring fees described in IC 6-1.1-16.5-14 or taxes described in IC 6-1.1-16.5-29 between political subdivisions in a county that are subject to the same county tax limits; and

(2) the expenditure of the transferred amounts by the receiving political subdivision;

shall be treated as a single expenditure. The determination of the budget year in which the expenditure is made shall be determined in accordance with the procedures adopted by a county board.

(c) For purposes of computing the tax limits imposed under this chapter, the transfer of fees described in IC 6-1.1-16.5-14 or taxes described in IC 6-1.1-16.5-29 between political subdivisions that are not subject to the same county tax limits shall be treated as an expenditure when the transfer is made.

SECTION 150. IC 6-1.1-18.5-26 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 26. The tax limits imposed by this chapter do not apply to taxes imposed to comply with a court order holding that a federal law requires a political subdivision to make improvements to property or provide services that require increased operating expenditures, including debt service obligations incurred to fund the expenditures or refund previously issued bonds, loans, or obligations issued to fund the expenditures. For purposes of computing the tax limits imposed under this chapter, a political subdivision's:**

(1) expenditures do not include expenditures made to comply with the court order; and

(2) taxes and fees do not include taxes imposed to fund expenditures made to comply with the court order.

SECTION 151. IC 6-1.1-18.5-27 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 27. The tax limits imposed by this chapter do not apply to property taxes imposed under IC 6-1.1-21.2 to pay the obligations of a redevelopment district. For purposes of computing the tax limits imposed under this chapter, a political subdivision's:**

(1) expenditures do not include expenditures made from property taxes imposed under IC 6-1.1-21.2 to pay the obligations of a redevelopment district; and

(2) taxes and fees do not include property taxes imposed under IC 6-1.1-21.2 to pay the obligations of a redevelopment district.

SECTION 152. IC 6-1.1-20-1.1, AS AMENDED BY P.L.2-2006, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 1.1. As used in this chapter, "controlled project" means any project financed by bonds or a lease. ~~except for~~ The term does not apply to 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).

(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 153. IC 6-1.1-20-1.3, AS AMENDED BY P.L.2-2006, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1.3. As used in this chapter, "lease" means a lease by a political subdivision of any controlled project with lease rentals payable from property taxes that are exempt from the levy limitations of IC 6-1.1-18.5. ~~or IC 20-45-3~~.

SECTION 154. IC 6-1.1-20-1.9, AS ADDED BY P.L.219-2007, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1.9. As used in this chapter, "registered voter" means the following:

(1) In the case of a petition under section 3.1 of this chapter to initiate a petition and remonstrance process, an individual who is registered to vote in the political subdivision on the date the proper officers of the political subdivision publish notice under section 3.1(2) of this chapter of a preliminary determination by the political subdivision to issue bonds or enter into a lease.

(2) In the case of:

(A) a petition under section 3.2 of this chapter in favor of the proposed debt service or lease payments; or

(B) a remonstrance under section 3.2 of this chapter against the proposed debt service or lease payments; an individual who is registered to vote in the political subdivision on the date that is thirty (30) days after the notice of the applicability of the petition and remonstrance process is published under section 3.2(1) of this chapter.

(3) In the case of a referendum under section 3.6 of this chapter, an individual who is qualified and registered to vote in the election in which the local public question is on the ballot.

SECTION 155. IC 6-1.1-20-3.1, AS AMENDED BY P.L.219-2007, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.1. **This section does not apply to a controlled project described in section 3.5(a)(2) 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 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 or registered voters residing 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) persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

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

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

(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 be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of real property within the political subdivision. A person who signs a petition as a registered voter must

indicate the address at which the person is registered to vote. A person who signs a petition as a real property owner must indicate the address of the real property owned by the person in the political subdivision.

(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 voter registration office under subdivision (7).

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

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

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

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

(9) The county voter registration office shall not more than ten (10) business days after receiving the statement from the county auditor under subdivision (8) make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own real property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within thirty-five (35) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

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

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

(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 thirty-five (35) 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 and the number of petitioners who are registered voters residing within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property or registered voters 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 156. IC 6-1.1-20-3.2, AS AMENDED BY P.L.219-2007, SECTION 61, AND AS AMENDED BY P.L.224-2007, SECTION 31, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.2. **This section does not apply to a controlled project described in section 3.5(a)(2) of this chapter.** 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) of this chapter.

A notice under this subdivision must include a statement that any owners of real property *within the political subdivision or registered voters residing* 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.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property *within the political subdivision or a registered voter residing* within the political subdivision. Each signature on a petition must be dated and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county ~~auditor~~ voter registration office under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county ~~auditor~~, voter registration office, deliver to the county ~~auditor~~ voter registration office or the county ~~auditor's~~ voter registration office's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county ~~auditor~~ voter registration office shall issue to an owner or owners of real property *within the political subdivision or a registered voter residing* within the political subdivision the number of petition or remonstrance forms requested by the owner or owners *or the registered voter*. Each form must be accompanied by

instructions detailing the requirements that:

- (A) the carrier and signers must be owners of real property or registered voters;
- (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;
- (D) govern the closing date for the petition and remonstrance period; and
- (E) apply to the carrier under section 10 of this chapter.

Persons requesting forms may not be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition or remonstrance must indicate whether the person is signing the petition or remonstrance as a registered voter within the political subdivision or is signing the petition or remonstrance as the owner of real property within the political subdivision. A person who signs a petition or remonstrance as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition or remonstrance as a real property owner must indicate the address of the real property owned by the person in the political subdivision. The county ~~auditor~~ voter registration office may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county ~~auditor~~ voter registration office shall certify the date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county ~~auditor~~ voter registration office within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county voter registration office shall determine whether each person who signed the petition or remonstrance is a registered voter. The county voter registration office shall not more than fifteen (15) business days after receiving a petition or remonstrance forward a copy of the petition or remonstrance to the county auditor. Not more than ten (10) business days after receiving the copy of the petition or remonstrance, the county auditor shall provide to the county voter registration office a statement verifying:

- (A) whether a person who signed the petition or remonstrance as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of real property in the political subdivision; and
- (B) whether a person who signed the petition or remonstrance as an owner of real property within the political subdivision does in fact own real property within the political subdivision.

(6) The county voter registration office shall not more than ten (10) business days after receiving the statement from the county auditor under subdivision (5) make the final determination of:

- (A) the number of registered voters in the political subdivision that signed a petition and, based on the statement provided by the county auditor, the number of owners of real property within the political subdivision that signed a petition; and
- (B) the number of registered voters in the political subdivision that signed a remonstrance and, based on the statement provided by the county auditor, the

number of owners of real property within the political subdivision that signed a remonstrance.

Whenever the name of an individual who signs a petition or remonstrance as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition or remonstrance under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition or remonstrance only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition or remonstrance is presented to the county voter registration office within thirty-five (35) days before an election, the county voter registration office may defer acting on the petition or remonstrance, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

~~(5)~~ (7) The county ~~auditor~~ voter registration office must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within ~~fifteen (15)~~ thirty-five (35) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county ~~auditor~~ voter registration office may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

~~(6)~~ (8) If a greater number of persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county ~~auditor's~~ voter registration office's certificate under subdivision ~~(5)~~ (7). Withdrawal of a petition carries the same consequences as a defeat of the petition.

~~(7)~~ (9) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within

the political subdivision from the imposition of property taxes to pay debt service or lease rentals. ~~However, the political subdivision must still receive the approval of the department of local government finance if required by:~~

~~(A) IC 6-1.1-18.5-8; or~~

~~(B) IC 20-46-7-8, IC 20-46-7-9, and IC 20-46-7-10."~~

Page 115, line 28, delete "IC 6-1.1-29.5-16;" and insert "**IC 6-1.1-29.5-13;**".

Page 119, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 171. 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, 2009]: Sec. 2. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1. IC 6-1.1-12-37."~~

Page 121, line 31, strike "gross".

Page 122, line 7, strike "gross".

Page 122, line 17, delete "gross".

Page 122, line 28, strike "gross".

Page 125, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 177. IC 6-1.1-21.2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. As used in this chapter, "allocation area" refers to an area that is established under the authority of any of the following statutes and in which tax increment revenues are collected:

(1) IC 8-22-3.5.

(2) IC 36-7-14.

(3) IC 36-7-14.5.

(4) IC 36-7-15.1.

(5) IC 36-7-30.

(6) IC 36-7-30.5.

SECTION 178. IC 6-1.1-21.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. As used in this chapter, "base assessed value" means the base assessed value as that term is defined or used in:

(1) IC 8-22-3.5-9(a);

(2) IC 8-22-3.5-9.5;

~~(3) IC 36-7-14-39(a);~~

(4) IC 36-7-14-39.2;

~~(5) IC 36-7-14-39.3(c);~~

(6) IC 36-7-14-48;

~~(7) IC 36-7-14.5-12.5;~~

~~(8) IC 36-7-15.1-26(a);~~

~~(9) IC 36-7-15.1-26.2(c);~~

~~(10) IC 36-7-15.1-35(a);~~

(11) IC 36-7-15.1-35.5;

~~(12) IC 36-7-15.1-53;~~

~~(13) IC 36-7-15.1-55(c);~~

~~(14) IC 36-7-30-25(a)(2); or~~

~~(15) IC 36-7-30-26(c);~~

(16) IC 36-7-30.5-30; or

(17) IC 36-7-30.5-31.

SECTION 179. IC 6-1.1-21.2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. As used in this chapter, "district" refers to **the following:**

(1) An eligible entity (as defined in IC 8-22-3.5-2.5).

(2) A redevelopment district, for an allocation area established under:

(A) IC 36-7-14; or

(B) IC 36-7-15.1. ~~or~~

(3) A special taxing district, as described in:

(A) IC 36-7-14.5-12.5(d); ~~or~~

(B) IC 36-7-30-3(b); ~~or~~

(C) IC 36-7-30.5-16.

SECTION 180. IC 6-1.1-21.2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. As used in this chapter, "governing body" means the following:

(1) For an allocation area created under IC 8-22-3.5, the

commission (as defined in IC 8-22-3.5-2).

(2) For an allocation area created under IC 36-7-14, the redevelopment commission.

(3) For an allocation area created under IC 36-7-14.5, the redevelopment authority.

(4) For an allocation area created under IC 36-7-15.1, the metropolitan development commission.

(5) For an allocation area created under IC 36-7-30, the military base reuse authority.

(6) For an allocation area created under IC 36-7-30.5, the military base development authority.

SECTION 181. IC 6-1.1-21.2-6.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6.6. As used in this chapter, "obligation" means an obligation to repay:**

(1) the principal and interest on bonds;

(2) lease rentals on leases; or

(3) any other contractual obligation;

payable from tax increment revenues. The term includes a guarantee of repayment from tax increment revenues if other revenues are insufficient to make a payment.

SECTION 182. IC 6-1.1-21.2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. As used in this chapter, "property taxes" means:

(1) property taxes, as defined in:

(A) IC 36-7-14-39(a);

(B) IC 36-7-14-39.2;

~~(C) IC 36-7-14-39.3(c);~~

(D) IC 36-7-14.5-12.5;

~~(E) IC 36-7-15.1-26(a);~~

~~(F) IC 36-7-15.1-26.2(c);~~

~~(G) IC 36-7-15.1-53(a);~~

~~(H) IC 36-7-15.1-55(c);~~

~~(I) IC 36-7-30-25(a)(3); or~~

~~(J) IC 36-7-30-26(c); or~~

(K) IC 36-7-30.5-30; or

(L) IC 36-7-30.5-31; or

(2) for allocation areas created under IC 8-22-3.5, the taxes assessed on taxable tangible property in the allocation area.

SECTION 183. IC 6-1.1-21.2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. As used in this chapter, "special fund" means:

(1) the special funds referred to in IC 8-22-3.5-9(e);

(2) the allocation fund referred to in IC 36-7-14-39(b)(2);

(3) the allocation fund referred to in IC 36-7-14.5-12.5(d);

(4) the special fund referred to in IC 36-7-15.1-26(b)(2);

(5) the special fund referred to in IC 36-7-15.1-53(b)(2); ~~or~~

(6) the allocation fund referred to in IC 36-7-30-25(b)(2);

~~or~~

(7) the allocation fund referred to in IC 36-7-30.5-30(b)(2).

SECTION 184. IC 6-1.1-21.2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 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: on the schedule prescribed by the department of local government finance (for tax incentive revenues imposed for an assessment date before January 16, 2009) and the county board of tax and capital projects review for the county in which the majority of the assessed value in the allocation area is located (for tax incentive revenues imposed for an assessment date after January 15, 2009).**

(b) The tax increment replacement amount is the **greater of**

zero (0) or the net 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, by which:

- (1) laws enacted by the general assembly; and
- (2) actions taken by a county board of tax and capital projects review;

after the establishment of the allocation area have decreased the tax increment revenues of the allocation area for the next calendar year (after adjusting for any increases resulting from laws or actions of the county board) below the sum of the amount needed to make all payments that are due in the next calendar year on obligations payable from tax increment revenues and to maintain any tax increment revenue to obligation payment ratio required by an agreement on which any of the obligations are based.

SECTION 185. IC 6-1.1-21.2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) A tax is imposed each year on all taxable property in the district in which the governing body exercises jurisdiction. This section applies if the tax increment replacement amount for an allocation area in a district is greater than zero (0).

(b) Except as provided in subsections (c) and (d), the tax imposed under this section shall be automatically imposed at a rate sufficient to generate the tax increment replacement amount determined under section 11(b) of this chapter for that year. A governing body may, after a public hearing, do the following:

- (1) Impose a special assessment on the owners of property that is located in an allocation area to raise an amount not to exceed the tax increment replacement amount.
- (2) Impose a tax on all taxable property in the district in which the governing body exercises jurisdiction to raise an amount not to exceed the tax increment replacement amount.
- (3) Reduce the base assessed value of property in the allocation area to an amount that is sufficient to increase the tax increment revenues in the allocation area by an amount that does not exceed the tax increment replacement amount.

(c) The legislative body of the unit that established the district may: governing body shall submit a proposed special assessment or tax levy under this section to the county board of tax and capital projects review. The county board of tax and capital projects review for the county in which the majority of the assessed value of the property in the allocation area is located may:

- (1) reduce the amount of the special assessment or tax to be levied under this section; or
- (2) determine that no special assessment or property tax should be levied under this section; or
- (3) increase the special assessment or tax to the amount necessary to fully fund the tax increment replacement amount.

(d) This subsection applies to a district in which the total assessed value of all allocation areas in the district is greater than

ten percent (10%) of the total assessed value of the district. Except as provided in section 14(d) of this chapter, a tax levy imposed under this section may not exceed the lesser of:

- (1) the tax increment replacement amount; or
- (2) the amount that will result from the imposition of a rate for the tax levy that the department of local government finance estimates will cause the total tax rate in the district to be one hundred ten percent (110%) of the rate that would apply if the tax levy authorized by this chapter were not imposed for the year.

(d) Before a public hearing under subsection (b) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must also be sent to the fiscal officer of each political subdivision that is located in any part in the district. The notice must state that the governing body will meet to consider whether a special assessment or tax should be imposed under this chapter and whether the special assessment or tax 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 specify 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 or tax 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 or tax. 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 (e).

(e) A person who filed a written remonstrance with a governing body under subsection (d) 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 special assessment or tax will help achieve the redevelopment or 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.

SECTION 186. IC 6-1.1-21.2-15, AS AMENDED BY P.L.224-2007, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) A tax levied under this chapter shall be certified by the department of local government finance to the auditor of the county in which the district is located and shall be:

- (1) estimated and entered upon the tax duplicates by the

county auditor; and

(2) collected and enforced by the county treasurer; in the same manner as state and county taxes are estimated, entered, collected, and enforced;

(b) (a) As the special assessment or tax imposed under this chapter is collected by the county treasurer, it shall be transferred to the governing body and accumulated and kept in the special fund for the allocation area.

(c) (b) A special assessment or tax levied under this chapter (1) is exempt from the levy limitations imposed under IC 6-1.1-18.5; and (2) is not subject to IC 6-1.1-20.

(d) Notwithstanding any other provision of this chapter or IC 6-1.1-20.6, a governing body may file with the county auditor a certified statement providing that for purposes of computing and applying a credit under IC 6-1.1-20.6 for a particular calendar year, a taxpayer's property tax liability does not include the liability for a tax levied under this chapter. The department of local government finance shall adopt the form of the certified statement that a governing body may file under this subsection. The department of local government finance shall establish procedures governing the filing of a certified statement under this subsection. If a governing body files a certified statement under this subsection, then for purposes of computing and applying a credit under IC 6-1.1-20.6 for the specified calendar year, a taxpayer's property tax liability does not include the liability for a tax levied under this chapter.

(e) (c) A special assessment or tax levied under this chapter and the use of revenues from a special assessment or tax levied under this chapter by a governing body do not create a constitutional or statutory debt, pledge, or obligation of the governing body, the district, or any unit: county, city, town, or township.

SECTION 187. IC 6-1.1-21.2-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 16. (a) This section applies if the tax increment replacement amount for an allocation area in a district is less than zero (0).**

(b) The governing body of a district shall increase the base assessed value of property in the allocation area by the negative tax increment replacement amount.

SECTION 188. 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, 2009]: 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 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 189. 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, 2009]: 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 in respect to those taxes is considered to be a payment of those property taxes.

SECTION 190. IC 6-1.1-21.9-3, AS ADDED BY P.L.114-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) The board, not later than December 31, 2007, and after review by the budget committee, shall determine the terms of a loan made under this chapter, subject to the following:

(1) The board may not charge interest on the loan.

(2) The loan must be repaid not later than ten (10) years after the date on which the loan was made.

(3) The terms of the loan must allow for prepayment of the

loan without penalty.

(4) The maximum amount of the loan that a qualifying taxing unit may receive with respect to a default described in section 1(c)(3) of this chapter on one (1) or more payments of property taxes first due and payable in a calendar year is the amount, as determined by the board, of revenue shortfall for the qualifying taxing unit that results from the default for that calendar year.

(5) The total amount of all loans under this chapter for all calendar years may not exceed thirteen million dollars (\$13,000,000).

(b) The board may disburse in installments the proceeds of a loan made under this chapter.

(c) A qualified taxing unit may repay a loan made under this chapter from any of the following:

(1) Property tax revenues of the qualified taxing unit that are subject to the levy limitations imposed by IC 6-1.1-18.5 or IC 6-1.1-19.

(2) Property tax revenues of the qualified taxing unit that are not subject to levy limitations as provided in IC 6-1.1-18.5-21 or IC 6-1.1-19-13.

(3) The qualified taxing unit's debt service fund.

(4) (2) Any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.

The payment of any installment on a loan made under this chapter constitutes a first charge against the property tax revenues described in subdivision (1) or (2) that are collected by the qualified taxing unit during the calendar year the installment is due and payable.

~~(d) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.~~

~~(e) (d) Whenever the board receives a payment on a loan made under this chapter, the board shall deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.~~

SECTION 192. IC 6-1.1-21.9-4, AS ADDED BY P.L.114-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) As used in this section, "delinquent tax" means any tax not paid during the calendar year in which the tax was first due and payable.

(b) Except as provided in subsection (c), the following 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 6-1.1-19-1.7:~~

(1) The proceeds of a loan received by the qualified taxing unit under this chapter.

(2) The receipt by a qualified taxing unit of any payment of delinquent tax owed by a qualified taxpayer.

(c) Delinquent tax owed by a qualified taxpayer received by a qualified taxing unit:

(1) must first be used toward the retirement of an outstanding loan made under this chapter; and

(2) is considered, only to the extent that the amount received exceeds the amount of the outstanding loan, 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 6-1.1-19-1.7.~~

(d) If a qualified taxpayer pays delinquent tax during the term of repayment of an outstanding loan made under this chapter, the remaining loan balance is repayable in equal installments over the remainder of the original term of repayment.

(e) Proceeds of a loan made under this chapter may be expended by a 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.

SECTION 193. IC 6-1.1-22-3, AS AMENDED BY P.L.67-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) ~~Except as provided in subsection (b);~~ The auditor of each county shall, before March 15 of each year, prepare a roll of property taxes payable in that year for the county. This roll shall be known as the "tax duplicate" and shall show:

(1) the value of all the assessed property of the county;

(2) the person liable for the taxes on the assessed property; and

(3) any other information that the state board of accounts, with the advice and approval of the department of local government finance, may prescribe.

~~(b) If the county auditor receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the county auditor completes preparation of the tax duplicate under subsection (a); the county auditor shall complete preparation of the tax duplicate when the appeal is resolved by the department of local government finance.~~

~~(c) If the county auditor receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) after the county auditor completes preparation of the tax duplicate under subsection (a); the county auditor shall prepare a revised tax duplicate when the appeal is resolved by the department of local government finance that reflects the action of the department.~~

~~(d) (b) The county auditor shall comply with the instructions issued by the state board of accounts for the preparation, preservation, alteration, and maintenance of the tax duplicate. The county auditor shall deliver a copy of the tax duplicate prepared under subsection (a) to the county treasurer when preparation of the tax duplicate is completed.~~

SECTION 194. IC 6-1.1-22-5, AS AMENDED BY P.L.67-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. ~~(a) Except as provided in subsections (b) and (c);~~ On or before March 15 of each year, the county auditor shall prepare and deliver to the auditor of state and the county treasurer a certified copy of an abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in that year in each taxing district of the county. The county auditor shall prepare the abstract in such a manner that the information concerning property tax deductions reflects the total amount of each type of deduction. The abstract shall also contain a statement of the taxes and penalties unpaid in each taxing unit at the time of the last settlement between the county auditor and county treasurer and the status of these delinquencies. The county auditor shall prepare the abstract on the form prescribed by the state board of accounts. The auditor of state, county auditor, and county treasurer shall each keep a copy of the abstract as a public record.

~~(b) If the county auditor receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the county auditor prepares and delivers the certified copy of the abstract under subsection (a); the county auditor shall prepare and deliver the certified copy of the abstract when the appeal is resolved by the department of local government finance.~~

~~(c) If the county auditor receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) after the county auditor prepares and delivers the certified copy of the abstract under subsection (a); the county auditor shall prepare and deliver a certified copy of a revised abstract when the appeal is resolved by the department of local government finance that reflects the action of the department.~~

SECTION 195. IC 6-1.1-22-9, AS AMENDED BY P.L.219-2007, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) Except as provided in subsections (b) and (c), the property taxes

assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

- (1) Subsection (c).
- ~~(2) Subsection (d);~~
- ~~(3) (2) Subsection (h); (f).~~
- ~~(4) (3) Subsection (i); (g).~~
- ~~(5) (4) IC 6-1.1-7-7.~~
- ~~(6) (5) Section 9.5 of this chapter.~~

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

~~(d) If the county treasurer receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) before the county treasurer mails or transmits statements under section 8(a) of this chapter, the county treasurer may:~~

- ~~(1) mail or transmit the statements without regard to the pendency of the appeal and, if the resolution of the appeal by the department of local government finance results in changes in levies, mail or transmit reconciling statements under subsection (e); or~~
- ~~(2) delay the mailing or transmission of statements under section 8(a) of this chapter so that:~~
 - ~~(A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and~~
 - ~~(B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local government finance.~~

~~(e) A reconciling statement under subsection (d)(1) must indicate:~~

- ~~(1) the total amount due for the year;~~
- ~~(2) the total amount of the installments paid that did not reflect the resolution of the appeal under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) by the department of local government finance;~~
- ~~(3) if the amount under subdivision (1) exceeds the amount under subdivision (2); the adjusted amount that is payable by the taxpayer:~~
 - ~~(A) as a final reconciliation of all amounts due for the year; and~~
 - ~~(B) not later than:~~
 - ~~(i) November 10; or~~
 - ~~(ii) the date or dates established under section 9.5 of this chapter; and~~
- ~~(4) if the amount under subdivision (2) exceeds the amount under subdivision (1); that the taxpayer may claim a refund of the excess under IC 6-1.1-26.~~

~~(f) (d) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.~~

~~(g) (e) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability.~~

~~(h) (f) If in a county the notices of general reassessment under IC 6-1.1-4-4 or notices of assessment under IC 6-1.1-4-4.5 for an assessment date in a calendar year are given to the taxpayers in the county after March 26 of the immediately succeeding calendar year, the property taxes that would otherwise be due~~

under subsection (a) on May 10 of the immediately succeeding calendar year are due on the later of:

- (1) May 10 of the immediately succeeding calendar year; or
- (2) forty-five (45) days after the notices are given to taxpayers in the county.

~~(i) (g) If subsection (h) (f) applies, the property taxes that would otherwise be due under subsection (a) on November 10 of the immediately succeeding calendar year referred to in subsection (h) (f) are due on the later of:~~

- ~~(1) November 10 of the immediately succeeding calendar year; or~~
- ~~(2) a date determined by the county treasurer that is not later than December 31 of the immediately succeeding calendar year.~~

SECTION 196. IC 6-1.1-22-9.5, AS AMENDED BY P.L.1-2007, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 6-1.1-12-37**); and
- (2) that are not payable in one (1) installment under section 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) 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 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."

Page 134, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 198. IC 6-1.1-29-4, AS AMENDED BY P.L.224-2007, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) Except as provided in subsection (b), each ~~county board of tax adjustment (before January 1, 2009) or county board of tax and capital projects review, (after December 31, 2008);~~ except the **county board of tax and capital projects review** for a consolidated city and county and for a county containing a second class city, shall hold its first meeting of each year for the purpose of reviewing budgets, tax rates, and levies on September 22 or on the first business day after September 22, if September 22 is not a business day. The **county board of tax and capital projects review** for a consolidated city and county and for a county containing a second class city shall hold its first meeting of each year for the purpose of reviewing budgets, tax rates, and levies on the first Wednesday following the adoption of city and county budget, tax rate, and tax levy ordinances. The **county board of tax and capital projects review** shall hold the meeting at the office of the county auditor. At the first meeting of each year **conducted to carry out this section**, the **county board of tax and capital projects review** shall elect a chairman and a vice-chairman. After this meeting, the **county board of tax and capital projects review** shall continue to meet from day to day at any convenient place until its business is completed. ~~However, the board must, except as provided in subsection (b), complete its duties on or before the date prescribed in IC 6-1.1-17-9(a).~~

(b) This section does not limit the ability of the county board of tax and capital projects review to meet ~~after December 31, 2008;~~ at any time during a year to carry out its duties under IC 6-1.1-29.5 **or another law.**

SECTION 199. IC 6-1.1-29.5-10, AS ADDED BY P.L.224-2007, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) The fiscal body of a political subdivision that intends to construct, acquire, or carry out a capital project subject to this chapter:

(1) must submit the plan of the capital project to the review board in the manner provided by this chapter; and

(2) ~~except as provided in section 14 of this chapter;~~ may not:

- (A) begin construction or acquisition of the capital project;
- (B) enter into contracts for the construction or acquisition of the capital project;
- (C) procure supplies necessary for construction or acquisition of the capital project;
- (D) issue bonds, notes, or warrants, or otherwise borrow money for the capital project;
- (E) enter into a lease or other agreement that would provide debt service for bonds or other obligations issued by the political subdivision or another entity to finance the capital project; or
- (F) approve any of the actions described in clauses (A) through (E) by another entity;

unless the review board approves the capital project under section 13 of this chapter.

(b) If a political subdivision contains territory in more than one (1) county, the fiscal body of the political subdivision must submit the proposed capital project to the review board of each of those counties.

(c) The fiscal body of a political subdivision may not artificially divide a capital project into multiple capital projects in order to avoid the requirements of this section."

Page 135, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 201. IC 6-1.1-30-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. (a)

Except as provided in subsection (c) and subject to subsection (d), the department of state revenue and the auditor of state shall, when requested by the department of local government finance, withhold a percentage of the distributions of county adjusted gross income tax distributions under IC 6-3.5-1.1, county option income tax distributions under IC 6-3.5-6, or county economic development income tax distributions under IC 6-3.5-7 that would otherwise be distributed to the county under the schedule in IC 6-3.5-1.1-10, IC 6-3.5-1.1-21.1, IC 6-3.5-6-16, IC 6-3.5-6-17.3, IC 6-3.5-7-17, and IC 6-3.5-7-17.3, if:

(1) 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);

(2) 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;

(3) 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;

(4) the county assessor has not forwarded to the department of local government finance in a timely manner sales disclosure form data under IC 6-1.1-5.5-3;

(5) the county auditor has not transmitted the abstract of the property, assessments, taxes, deductions, and exemptions to the auditor of state in the manner and on the schedule required by IC 6-1.1-5.5-4.7;

(6) 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);

(7) 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;

(8) the county does not maintain a certified computer system that meets the requirements of IC 6-1.1-31.5-3.5;

(9) the county auditor has not transmitted the data described in IC 36-2-9-20 to the department of local government finance in the form and on the schedule specified by IC 36-2-9-20;

(10) the county has not established a parcel index numbering system under 50 IAC 12-15-1 in a timely manner; or

(11) a county official has not provided other information to the department of local government finance in a timely manner as required by the department of local government finance.

The percentage to be withheld is the percentage determined by the department of local government finance.

(b) Except as provided in subsection (e), money not distributed for the reasons stated in subsection (a) 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.

(c) The restrictions on distributions under subsection (a) 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.

(d) The department of local government finance shall give the county auditor at least thirty (30) days notice in writing before the department of state revenue or the auditor of state withholds a distribution under subsection (a).

(e) Money not distributed for the reason stated in

subsection (a)(3) 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 (b).

(f) This subsection applies to a county that will not receive a distribution under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7. At the request of the department of local government finance, an amount permitted to be withheld under subsection (a) may be withheld from any state revenues that would otherwise be distributed to the county or one (1) or more taxing units in the county."

Page 154, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 232. IC 6-1.1-45-9, AS AMENDED BY P.L.211-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) Subject to subsection (c), a taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer's enterprise zone property located at the enterprise zone location for which the taxpayer made the qualified investment. The amount of the deduction is equal to the remainder of:

- (1) the total amount of the assessed value of the taxpayer's enterprise zone property assessed at the enterprise zone location on a particular assessment date; minus
- (2) the total amount of the base year assessed value for the enterprise zone location.

(b) To receive the deduction allowed under subsection (a) for a particular year, a taxpayer must comply with the conditions set forth in this chapter.

(c) A taxpayer that makes a qualified investment in an enterprise zone established under IC 5-28-15-11 that is under the jurisdiction of a military base reuse authority board created under IC 36-7-14.5 or IC 36-7-30-3 is entitled to a deduction under this section only if the deduction is approved by the military base reuse authority board.

(d) Except as provided in subsection (c), a taxpayer that makes a qualified investment at an enterprise zone location that is located within an allocation area (as defined by IC ~~12-19-1.5-1~~; that is established under:

- (1) IC 6-1.1-39;
- (2) IC 8-22-3.5;
- (3) IC 36-7-14;
- (4) IC 36-7-14.5;
- (5) IC 36-7-15.1; or
- (6) IC 36-7-30;

and in which tax increment revenues are collected is entitled to a deduction under this section only if the deduction is approved by the governing body of the allocation area."

Page 166, line 28, after "IC 6-1.1-18.5-17" insert ".".

Page 166, line 28, after "IC 6-1.1-18.7-17" strike "or".

Page 166, line 29, strike "IC 20-44-3."

Page 167, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 248. IC 6-3.5-1.1-15, AS AMENDED BY P.L.224-2007, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

- (1) the allocation amount of the civil taxing unit for that calendar year; plus
- (2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus
- (3) in the case of 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.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the

county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

- (A) the attributed allocation amount of the civil taxing unit during that calendar year; by
- (B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

(c) The local government tax control board established by ~~IC 6-1.1-18.5-11~~ (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed allocation amount of its own. The local government tax control board (before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed allocation amount."

Page 179, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 254. 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, 2009]: 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
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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."

Page 197, delete lines 7 through 42, begin a new paragraph and insert:

"(b) As used in this subsection, "homestead" means a homestead that is eligible for a standard deduction under IC 6-1.1-12-37. 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 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~~ **provide a** homestead credit ~~under IC 6-1.1-20.9~~ 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 or the state homestead credit under IC 6-1.1-20.9.~~

(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, **except IC 6-1.1-20.6.**

(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 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~~ **provide a** homestead credit ~~under IC 6-1.1-20.9~~ 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 or the state homestead credit under IC 6-1.1-20.9.~~

(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, **except IC 6-1.1-20.6.**

(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.

(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 (9).

(9) This subdivision applies only to a county described in subdivision (8). ~~Except as otherwise provided, the procedures and definitions in IC 6-1.1-20.9 apply to this subdivision.~~ All of the tax revenue that results each year from a tax rate increase described in subdivision (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~~ **provide a** homestead credit ~~under IC 6-1.1-20.9~~ 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 or the state homestead credit under IC 6-1.1-20.9.~~

(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, **except IC 6-1.1-20.6.**

(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."

Delete pages 198 through 200.

Page 201, delete lines 1 through 34.

Page 204, delete lines 31 through 42, begin a new paragraph and insert:

"(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) (**repealed**); 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 standard deduction** under ~~IC 6-1.1-20.9~~; **IC 6-1.1-12-37.**
- (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 standard deduction** under ~~IC 6-1.1-20.9~~; **IC 6-1.1-12-37.**

(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 March 31 but before August 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 **(before its repeal).**

(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~~; **provide:**

- (1) if the ordinance grants a credit described in subsection (c)(2)(A) or (c)(2)(C), ~~the a homestead credit allowed in the county under IC 6-1.1-20.9 for a year; for homesteads;~~ or
- (2) if the ordinance grants a credit described in subsection (c)(2)(B) or (c)(2)(D), ~~the a property tax replacement credit allowed in the county under IC 6-1.1-21-5 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 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~~ a homestead credit percentage is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide ~~an increased~~ a 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~~ a homestead credit percentage is authorized under this section:

- (1) the amount of the certified distribution that is available to provide ~~an increased~~ a 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~~ a homestead credit is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide ~~an increased~~ a homestead credit for the year; and

(2) except as provided in subsection (1), ~~an increased~~ a 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~~ a residential property tax replacement credit is authorized under this section:

(1) the amount of the certified distribution that is available to provide ~~an increased~~ a residential property tax replacement credit for the year; and

(2) except as provided in subsection (1), ~~an increased~~ a 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~~ a 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."

Delete pages 205 through 207.

Page 208, delete lines 1 through 18.

Page 213, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 267. IC 6-8.1-1-1, AS AMENDED BY P.L.233-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax

(IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); 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 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."

Page 215, after line 42, begin a new paragraph and insert:

"SECTION 269. IC 12-7-2-32, AS AMENDED BY P.L.145-2006, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 32. "Child welfare services", for purposes of the following statutes, ~~means the services for children prescribed in IC 31-26-3-1; has the meaning set forth in IC 31-9-2-19.5:~~

(1) IC 12-13.

(2) IC 12-14.

(3) IC 12-15.

~~(4) IC 12-19.~~

SECTION 270. IC 12-7-2-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 45. "County office" refers to a ~~county local~~ office of ~~the division of family and children resources.~~

SECTION 271. IC 12-7-2-46, AS AMENDED BY P.L.145-2006, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 46. "County director" refers to a director of a ~~county local~~ office ~~or a director of a district office~~ of the division of family resources. ~~or the department of child services.~~

SECTION 272. IC 12-7-2-57.5, AS AMENDED BY P.L.234-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 57.5. ~~(a)~~ "Department", for purposes of IC 12-13-14, has the meaning set forth in IC 12-13-14-1.

~~(b) "Department"; for purposes of IC 12-19; refers to the department of child services.~~

~~(c) "Department"; for purposes of IC 12-20; refers to the department of local government finance established by IC 6-1.1-30-1.1.~~

SECTION 273. IC 12-7-2-64, AS AMENDED BY P.L.1-2007, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 aging.

~~(4) For purposes of IC 12-19-5, the term refers to the director of the department of child services established by 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 274. IC 12-7-2-91 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 275. IC 12-7-2-124.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 124.6. "Local director" refers to a director of a local office of the division of family resources.**

SECTION 276. IC 12-7-2-124.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 124.8. "Local office" refers to a county or district office of the division of family resources.**

SECTION 277. IC 12-8-10-1, AS AMENDED BY P.L.1-2007, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies only to the indicated money of the following state agencies to the extent that the money is used by the agency to obtain services from grantee agencies to carry out the program functions of the agency:

(1) Money appropriated or allocated to a state agency from money received by the state under the federal Social Services Block Grant Act (42 U.S.C. 1397 et seq.).

(2) The division of aging, except this chapter does not apply to money expended under the following:

(A) The following statutes, unless application of this chapter is required by another subdivision of this section:

(i) IC 12-10-6.

(ii) IC 12-10-12.

(B) Epilepsy services.

(3) The division of family resources, for money expended under the following programs:

(A) The child development associate scholarship program.

(B) The dependent care program.

(C) Migrant day care.

~~(D) The youth services bureau.~~

~~(E) The project safe program.~~

~~(F) (D)~~ The commodities program.

~~(G) (E)~~ The migrant nutrition program.

~~(H) (F)~~ Any emergency shelter program.

~~(I) (G)~~ The energy weatherization program.

~~(J) (H)~~ Programs for individuals with developmental disabilities.

(4) The state department of health, for money expended under the following statutes:

(A) IC 16-19-10.

(B) IC 16-38-3.

(5) The group.

(6) All state agencies, for any other money expended for the purchase of services if all the following apply:

(A) The purchases are made under a contract between the state agency and the office of the secretary.

(B) The contract includes a requirement that the office of the secretary perform the duties and exercise the powers described in this chapter.

(C) The contract is approved by the budget agency.

(7) The division of mental health and addiction.

SECTION 278. IC 12-13-5-5, AS AMENDED BY P.L.234-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 (**before January 1, 2009**), 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 279. IC 12-13-7-12, AS AMENDED BY P.L.234-2005, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The division ~~and the department of child services~~ shall do the following:

(1) Prepare and submit to the state board of accounts for approval forms and records for assistance, receipts, disbursements, advancements, transfers, and other financial transactions necessary to administer IC 12-13 through IC 12-19.

(2) Disclose financial transactions connected with subdivision (1).

(b) Upon the approval and adoption by the state board of accounts, the division ~~and the department of child services~~ shall prescribe the forms, records, and method of accounting for all counties.

SECTION 280. IC 12-13-7-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 state~~ family and children's fund, unless otherwise provided by law.

SECTION 281. IC 12-14-25-9, AS AMENDED BY P.L.145-2006, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. ~~(a)~~ The

codirectors of the election division shall notify the division of family resources ~~and the department of child services~~ of the following:

- (1) The scheduled date of each primary, general, municipal, and special election.
- (2) The jurisdiction in which the election will be held.

SECTION 282. IC 12-15-1.5-8, AS AMENDED BY P.L.145-2006, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. ~~(a)~~ The codirectors of the election division shall provide the division of family resources ~~and the department of child services~~ with a list of the current addresses and telephone numbers of the offices of the circuit court clerk or board of registration in each county. The division of family resources ~~and the department of child services~~ shall promptly forward the list and each revision of the list to each **county local** office.

(b) The codirectors shall provide the division of family resources ~~and the department of child services~~ with pre-addressed packets for county offices to transmit applications under section 6(1) or 6(2) of this chapter.

SECTION 283. IC 12-15-2-16, AS AMENDED BY P.L.145-2006, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. An individual:

- (1) who is less than eighteen (18) years of age;
- (2) who is described in 42 U.S.C. 1396a(a)(10)(A)(ii); and
- (3) who is:
 - (A) a child in need of services (as defined in IC 31-34-1);
 - (B) a child placed in the custody of the department of child services ~~or a county office~~ under IC 31-35-6-1 (or IC 31-6-5-5 before its repeal); or
 - (C) a child placed under the supervision or in the custody of the department of child services ~~or a county office~~ by an order of the court;

is eligible to receive Medicaid.

SECTION 284. IC 12-19-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. ~~A county~~ **The division shall establish local office offices** of family and children ~~is established resources~~ in each county ~~or district designated by the division.~~

SECTION 285. IC 12-19-1-2, AS AMENDED BY P.L.138-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The director of the ~~department of child services division~~ shall appoint a **county local** director ~~in for each county:~~

(b) ~~The director of the department of child services shall appoint each county director:~~

- (1) ~~solely on the basis of merit; and~~
- (2) ~~from eligible lists established by the state personnel department: local office.~~

(c) ~~Each county (b) A local~~ director must be a citizen of the United States.

SECTION 286. IC 12-19-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The **county local** director is the executive and administrative officer of the **county local** office.

SECTION 287. IC 12-19-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A **county local** director is entitled to receive as compensation for the **county local** director's services an amount determined by the division that is within:

- (1) the lawfully established appropriations; and
- (2) the salary ranges of the pay plan adopted by the state personnel department and approved by the budget committee.

(b) Compensation paid to a **county local** director shall be paid in the same manner that compensation is paid to other state employees.

SECTION 288. IC 12-19-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) In addition to the compensation paid under this article, a **county local** director may receive for each mile necessarily traveled in the discharge of the **county local** director's duties the same amount per mile that other state employees receive.

(b) A **county local** director is also entitled to a per diem for lodging and meal expenses if the **county local** director's official duties require the **county local** director to travel outside of the county ~~where the local director's county: permanent office is located.~~ The per diem for a **county local** director's lodging and meals shall be paid at the rate set by law for other state employees.

(c) ~~An amount to be paid under this section for traveling expenses or for a per diem for lodging and meals shall be paid only if the amount has been made available by appropriation:~~

SECTION 289. IC 12-19-1-7, AS AMENDED BY P.L.145-2006, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The **county local** 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 or district 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) 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);~~

(a), 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 290. IC 12-19-1-8, AS AMENDED BY P.L.234-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) ~~Except as provided in subsection (b);~~ The costs of personal services in the administration of a **county local** office's duties under this article if the employment is necessary for the administration of the county office's duties imposed upon the county office by this article and rules prescribed by the division or the department shall be paid by the following:

- (1) ~~the division; for activities described in section 7(a)(1) 7(a) of this chapter~~
- (2) ~~The department; for activities described in section 7(a)(2) of this chapter:~~

(b) ~~The division and the department shall negotiate and agree to the payment of personnel services within the administration of a county office for activities that qualify under both section 7(a)(1) and 7(a)(2) of this chapter: shall be paid by the division.~~

SECTION 291. IC 12-19-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The division shall provide the necessary facilities to house the **county local** office.

(b) The division shall pay for the costs of the facilities, supplies, and equipment needed by each **county local** office. ~~including the transfer to the county that is required by IC 12-13-5.~~

SECTION 292. IC 12-19-1-10, AS AMENDED BY P.L.234-2005, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Subject to the rules adopted by the director of the division, a **county local** office shall administer the following:

- (1) Assistance to dependent children in the homes of the dependent children.
- (2) Assistance and services to elderly persons.
- (3) Assistance to persons with disabilities.
- (4) Care and treatment of the following persons, **other than persons for whom the department of child services is providing services under IC 31:**
 - (A) Dependent children.
 - (B) Children with disabilities.

~~(5) Provision of family preservation services.~~

~~(6) (5) Any other welfare activities that are delegated to the county local office by the division, under this chapter, including services concerning assistance to the blind.~~

SECTION 293. IC 12-19-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) A **county local** office may sue and be sued under the name of "The County Office of Family and Children Resources of _____" (**Insert: "County" or "District", as appropriate**).

(b) The **county local** office has all other rights and powers and shall perform all other duties necessary to administer this chapter.

(c) A suit brought against a **county local** office may be filed in the following:

~~(1) The any circuit or superior court with jurisdiction in the county area served by the local office.~~

~~(2) A superior court or any other court of the county.~~

(d) A notice or summons in a suit brought against the **county local** office must be served on the **county local** director. It is not required to name the individual employees of the **county local** office as either plaintiff or defendant.

SECTION 294. IC 12-19-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. (a) A **county local** office 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 local office; or~~

~~(2) for the benefit of children who are committed to the care or supervision of the county person receiving payments or services from the local office.~~

(b) A **county local** office 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 fund and may not be commingled with any other fund or with money received from taxation:

(1) All money received by the **county local** office 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, money described in subsection (c)(1) or (c)(2) may be expended by the **county local** office in any manner consistent with the purposes of the fund's creation and with the intention of the donor.

SECTION 295. IC 12-19-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) This section does not apply to money received to reimburse the **county family and children's fund** for expenditures made from the appropriations of the county office: **appropriated by the general assembly, including any federal grant.**

(b) A **county local** office may receive and administer money available to or for the benefit of a person receiving payments or services from the **county local** 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 local family and children resources** 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 local** office in any manner consistent with the following:

(A) The purpose of the **county local family and children resources** trust clearance fund or with the intention of the donor of the money.

(B) Indiana law.

SECTION 296. IC 12-19-1-18, AS AMENDED BY P.L.145-2006, SECTION 108, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) After petition to and with the approval of the judge of ~~the a~~ circuit court **of the county where an applicant for or recipient of public assistance resides (or, if a superior court has probate jurisdiction in the county, the superior court that has probate jurisdiction where the recipient of public assistance resides), a county local office may take the actions described in subsection (b) if:**

(1) an applicant for public assistance is physically or mentally incapable of completing an application for assistance; or

(2) a recipient of public assistance:

(A) is incapable of managing the recipient's affairs; or

(B) refuses to:

(i) take care of the recipient's money properly; or

(ii) comply with the director of the division's rules and policies.

(b) If the conditions of subsection (a) are satisfied, the **county local** office may designate a responsible person to do the following:

(1) Act for the applicant or recipient.

(2) Receive on behalf of the recipient the assistance the recipient is eligible to receive under any of the following:

(A) This chapter.

(B) IC 12-10-6.

(C) IC 12-14-1 through IC 12-14-9.5.

(D) IC 12-14-13 through IC 12-14-19.

(E) IC 12-15.

(F) IC 16-35-2.

(c) A fee for services provided under this section may be paid to the responsible person in an amount not to exceed ten dollars (\$10) each month. The fee may be allowed:

(1) in the monthly assistance award; or

(2) by vendor payment if the fee would cause the amount of assistance to be increased beyond the maximum amount permitted by statute.

SECTION 297. IC 12-19-1-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) A responsible person approved under section 18 of this chapter preferably must be a relative or friend of good moral character whose interest is limited to the well-being of the applicant or recipient. However, the responsible person may not be any of the following:

(1) An employee of the **county local** office.

(2) The superintendent of a county home.

(3) A person directly or indirectly financially connected with a health facility or an institution giving care to the recipient.

(4) A person directly or indirectly connected with the operation of a health facility or an institution giving care to the recipient.

(b) Costs may not be charged by a person or public official in proceedings concerning the appointment of a responsible person

under section 18 of this chapter."

Page 216, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 298. IC 12-19-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. ~~(a) All bonds issued and loans made under IC 12-1-11 (before its repeal) or this article before January 1, 2000; that are payable from property taxes imposed under IC 12-19-3 (before its repeal):~~

- ~~(1) are direct general obligations of the county issuing the bonds or making the loans; and~~
- ~~(2) are payable out of unlimited ad valorem taxes that shall be levied and collected on all taxable property within the county.~~

~~(b) Each official and body responsible for the levying of taxes for the county must ensure that sufficient levies are made to meet the principal and interest on the all bonds issued and loans made under this article before January 1, 2009, at the time fixed for the payment of the principal and interest, without regard to any other statute. If an official or a body fails or refuses to make or allow a sufficient levy required by this section, the bonds and loans and the interest on the bonds and loans shall be payable out of the county general fund without appropriation.~~

SECTION 299. IC 12-19-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. Unless expressly prohibited by law, the premiums on all bonds that an officer or other person is required to execute under this article shall be paid in the same manner as other expenses of the division ~~or county office~~ are paid out of the appropriation for fixed charges.

SECTION 300. IC 12-19-2-2, AS AMENDED BY P.L.234-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The following are not personally liable, except to the state, for an official act done or omitted in connection with the performance of duties under this article:

- (1) The director of the division.
- (2) Officers and employees of the division.
- (3) Officers and employees of a **county local** office.
- ~~(4) The director of the department of child services.~~
- ~~(5) Officers and employees of the department of child services.~~

SECTION 301. IC 12-19-2-3, AS AMENDED BY P.L.234-2005, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. An officer or employee of:

- (1) the division; **or**
- (2) a **county local** office; **or**
- ~~(3) the department of child services;~~

may administer oaths and affirmations required to carry out the purposes of this article or of any other statute imposing duties on the **county local** office.

SECTION 302. IC 12-19-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. A person who is related to a **county local** director in the following manner is not eligible for a position in the **county local** office:

- (1) Husband or wife.
- (2) Father or mother.
- (3) Son or daughter.
- (4) Son-in-law or daughter-in-law.
- (5) Brother or sister.
- (6) Niece or nephew.
- (7) Uncle or aunt.

SECTION 303. IC 12-19-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. A person prohibited under section 5 of this chapter from employment with a **county local** office may not receive compensation for services performed for the **county local** office from appropriations made by the state or by the county.

SECTION 304. IC 12-24-13-5, AS AMENDED BY

P.L.1-2005, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) **Except as provided in section 6 of this chapter**, whenever placement of a child with a disability (as defined in IC 20-35-1-2) in a state institution is necessary for the provision of special education for that child, the cost of the child's education program, nonmedical care, and room and board shall be paid by the division rather than by the child's parents, guardian, or other responsible party.

(b) The child's parents, guardian, or other responsible party shall pay the cost of any transportation not required by the child's individualized education program (as defined in IC 20-18-2-9). The school corporation in which the child has legal settlement (as determined under IC 20-26-11) shall pay the cost of transportation required by the student's individualized education program under IC 20-35-8-2. However, this section does not relieve an insurer or other third party from an otherwise valid obligation to provide or pay for the services provided to the child.

(c) The Indiana state board of education and the divisions shall jointly establish a procedure and standards for determining when placement in a state institution is necessary for the provision of special education for a child.

SECTION 305. IC 12-24-13-6, AS AMENDED BY P.L.145-2006, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. The department of child services ~~or a county office~~ is responsible for the cost of treatment or maintenance of a child under the department's ~~or county office's~~ custody or supervision who is placed **by or with the consent of the department of child services** in a state institution. ~~only if the cost is reimbursable under the state Medicaid program under IC 12-15-~~

SECTION 306. IC 12-26-10-4, AS AMENDED BY P.L.145-2006, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. If the comfort and the care of an individual are not otherwise provided:

- (1) from the individual's estate;
- (2) by the individual's relatives or friends; or
- (3) through financial assistance from the department of child services **or** the division of family resources; ~~or a county office;~~

the court may order the assistance furnished and paid for out of the general fund of the county.

SECTION 307. IC 13-21-3-16, AS AMENDED BY P.L.189-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) The requirements of this section:

- (1) are in addition to the requirements set forth in ~~IC 6-1.1-18.5-7(b); IC 6-1.1-17 and IC 6-1.1-18.5;~~ and
- (2) do not apply to a district that:
 - (A) owns a landfill;
 - (B) will use property tax revenue to:
 - (i) construct a new landfill cell; or
 - (ii) close a landfill cell;
 at the landfill; and
 - (C) has received approval from the county fiscal body of the county in which the landfill is located to construct or close the landfill cell.

(b) To be eligible to include within the district's budget for the following year tax revenue derived from the imposition of a property tax, the first year that a property tax will be imposed and any subsequent year in which the proposed tax levy will increase by five percent (5%) or more, a board must present identical resolutions to each of the county fiscal bodies within the district seeking approval for the use of property tax revenue within the district. The resolution must state the proposed property tax levy and the proposed use of the revenue. The resolution must be stated so that:

- (1) a "yes" vote indicates approval of the levy and the

proposed use of property tax revenue within the district; and

(2) a "no" vote indicates disapproval of the levy and the proposed use of property tax revenue within the district.

(c) For a resolution described in subsection (b) to be approved by the county fiscal body:

(1) the county fiscal body must record the vote taken on the resolution under subsection (b) before May 1 of the year in which the vote was taken; and

(2) the recorded vote must indicate approval of the use of property tax revenue within the district.

(d) If all of the county fiscal bodies within a district do not record the approval described in subsection (c) before May 1 of the year in which the vote under subsection (b) was taken, the board may not:

(1) impose; or

(2) include within the budget of the board;

a property tax for the year following the year in which the vote was taken.

(e) Notwithstanding subsection (d), after the first year a tax is imposed under this section, the resolution required by subsection (b) for a district that is located in more than two (2) counties need only be approved by a majority of the county fiscal bodies for the counties in which the district is located.

(f) A district may not issue bonds to be repaid, directly or indirectly, with money or property tax revenue of the district until a majority of the members of each of the county fiscal bodies within a district passes a resolution approving the bond issue."

Page 216, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 309. IC 16-33-4-17.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17.5.

(a) In the case of a child who is:

~~(1) admitted to the home from another county; and~~

~~(2) (1) adjudicated to be a delinquent child or child in need of services by the a juvenile court; in the county where the home is located; and~~

~~(2) placed by or with the consent of the department of child services in the home;~~

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 to department of child services shall reimburse the cost of services ordered by the juvenile court; provided to the child, including related transportation costs, and any cost incurred by the a county where the home is located to transport or detain the child before the order is issued. child is adjudicated to be a delinquent child or child in need of services.

(b) A county office of family and children ordered to The department of child services shall reimburse and pay costs under this section shall pay the amount ordered from the county state family and children's fund.

(c) The county office of family and children department of child services may require the parent or guardian of the child, other than a parent, guardian, or custodian associated with the home, to reimburse the county state family and children's fund 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 department of child services 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 department of child services shall obtain custody of the child.

SECTION 311. IC 20-23-9-5, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. If the department of local government finance receives a petition of appeal under section 4 of this chapter, the department of local government finance shall submit the petition to the school property tax control board established by IC 6-1.1-19-4.1 county board of tax and capital projects review for a factfinding hearing.

SECTION 312. IC 20-24-7-2, AS AMENDED BY P.L.2-2006, SECTION 106, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) Not later than the date established by the department for determining ADM, and after May 31 each year, the organizer shall submit to the department the following information on a form prescribed by the department:

(1) The number of students enrolled in the charter school.

(2) The name and address of each student.

(3) The name of the school corporation in which the student has legal settlement.

(4) The name of the school corporation, if any, that the student attended during the immediately preceding school year.

(5) The grade level in which the student will enroll in the charter school.

The department shall verify the accuracy of the information reported.

(b) This subsection applies after December 31 of the calendar year in which a charter school begins its initial operation. The department shall distribute to the organizer the state tuition support distribution. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution of state tuition support under IC 20-43-2 to other school corporations.

(c) The department shall provide to the department of local government finance the following information:

(1) For each county, the number of students who:

(A) have legal settlement in the county; and

(B) attend a charter school;

(2) The school corporation in which each student described in subdivision (1) has legal settlement.

(3) The charter school that a student described in subdivision (1) attends and the county in which the charter school is located.

(4) The amount of the tuition support levy determined under IC 20-45-3-11 for each school corporation described in subdivision (2).

(5) The amount determined under STEP TWO of the following formula:

STEP ONE: Determine the product of:

(A) the target revenue per ADM (as defined in IC 20-43-1-26) determined for a charter school described in subdivision (3); multiplied by

(B) thirty-five hundredths (0.35);

STEP TWO: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the current ADM of a charter school described in subdivision (3).

(6) The amount determined under STEP THREE of the following formula:

STEP ONE: Determine the number of students described in subdivision (1) who:

(A) attend the same charter school; and

(B) have legal settlement in the same school corporation located in the county;

STEP TWO: Determine the subdivision (5) STEP ONE amount for a charter school described in STEP ONE

(A);

STEP THREE: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the STEP TWO amount.

SECTION 313. IC 20-24-7-3, AS AMENDED BY P.L.2-2006, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) This section applies to a conversion charter school.

(b) Not later than the date established by the department for determining ADM and after July 2, the organizer shall submit to a governing body on a form prescribed by the department the information reported under section 2(a) of this chapter for each student who:

- (1) is enrolled in the organizer's conversion charter school; and
- (2) has legal settlement in the governing body's school corporation.

(c) (b) Beginning not more than sixty (60) days after the department receives the information reported under section 2(a) of this chapter, the department shall distribute to the organizer:

- (1) tuition support and other state funding for any purpose for students enrolled in the conversion charter school;
- (2) a proportionate share of state and federal funds received:

(A) for students with disabilities; or

(B) for staff services for students with disabilities; enrolled in the conversion charter school; and

- (3) a proportionate share of funds received under federal or state categorical aid programs for students who are eligible for the federal or state categorical aid and are enrolled in the conversion charter school;

for the second six (6) months of the calendar year in which the conversion charter school is established. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution to the governing body of the school corporation in which the conversion charter school is located. A distribution to the governing body of the school corporation in which the conversion charter school is located is reduced by the amount distributed to the conversion charter school. This subsection does not apply to a conversion charter school after December 31 of the calendar year in which the conversion charter school is established.

(d) This subsection applies beginning with the first property tax distribution described in IC 6-1.1-27-1 to the governing body of the school corporation in which a conversion charter school is located after the governing body receives the information reported under subsection (b). Not more than ten (10) days after the governing body receives a property tax distribution described in IC 6-1.1-27-1, the governing body shall distribute to the conversion charter school the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the quotient of:

(A) the number of students who:

- (i) are enrolled in the conversion charter school; and
- (ii) were counted in the ADM of the previous year for the school corporation in which the conversion charter school is located; divided by

(B) the current ADM of the school corporation in which the conversion charter school is located.

In determining the number of students enrolled under clause (A)(i), each kindergarten student shall be counted as one-half (1/2) student.

STEP TWO: Determine the total amount of the following revenues to which the school corporation in which the conversion charter school is located is entitled for the second six (6) months of the calendar year in which the conversion charter school is established:

(A) Revenues obtained by the school corporation's:

- (i) general fund property tax levy; and
- (ii) excise tax revenue (as defined in IC 20-43-1-12).

(B) The school corporation's certified distribution of

county adjusted gross income tax revenue under IC 6-3.5-1-1 that is to be used as property tax replacement credits.

STEP THREE: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the STEP TWO amount.

(e) Subsection (d) does not apply to a conversion charter school after the later of the following dates:

(1) December 31 of the calendar year in which the conversion charter school is established;

(2) Ten (10) days after the date on which the governing body of the school corporation in which the conversion charter school is located receives the final distribution described in IC 6-1.1-27-1 of revenues to which the school corporation in which the conversion charter school is located is entitled for the second six (6) months of the calendar year in which the conversion charter school is established.

(f) (c) This subsection applies during the second six (6) months of the calendar year in which a conversion charter school is established. A conversion charter school may apply for an advance from the charter school advancement account under IC 20-49-7 in the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the result under subsection (d) STEP ONE (A).

STEP TWO: Determine the difference between:

- (A) the conversion charter school's current ADM; minus
- (B) the STEP ONE amount.

STEP THREE: Determine the quotient of:

- (A) the STEP TWO amount; divided by
- (B) the conversion charter school's current ADM.

STEP FOUR: Determine the product of:

- (A) the STEP THREE amount; multiplied by
- (B) the quotient of:

- (i) the subsection (d) STEP TWO amount; divided by
- (ii) two (2).

SECTION 314. IC 20-24-7-4, AS AMENDED BY P.L.2-2006, SECTION 108, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

(b) This subsection applies to a sponsor that is a state educational institution described in IC 20-24-1-7(2). In a calendar year, a state educational institution may receive from the organizer of a charter school sponsored by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year

(1) under section 12 of this chapter; and

(2) from basic tuition support (as defined in IC 20-43-1-8).

SECTION 315. IC 20-24-7-9, AS AMENDED BY P.L.2-2006, SECTION 109, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) This section applies if:

(1) a sponsor:

- (A) revokes a charter before the end of the term for which the charter is granted; or
- (B) does not renew a charter; or

(2) a charter school otherwise terminates its charter before the end of the term for which the charter is granted.

(b) Any local or state funds that remain to be distributed to the charter school in the calendar year in which an event described in subsection (a) occurs shall be distributed as follows:

- (1) First, to the common school loan fund to repay any existing obligations of the charter school under IC 20-49-7.
- (2) Second, to the entities that distributed the funds to the charter school. A distribution under this subdivision shall

be on a pro rata basis.

(c) If the funds described in subsection (b) are insufficient to repay all existing obligations of the charter school under IC 20-49-7, the state shall repay any remaining obligations of the charter school under IC 20-49-7 from the amount appropriated for state tuition support distributions.

SECTION 316. IC 20-24.5-2-10, AS ADDED BY P.L.2-2007, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. A laboratory school that:

- (1) is operated without an agreement; and
- (2) has an ADM of not more than seven hundred fifty (750);

must be treated as a charter school for purposes of ~~local funding under IC 20-45-3~~ and state funding under IC 20-20-33 and IC 20-43.

SECTION 317. IC 20-26-11-12, AS AMENDED BY P.L.145-2006, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: 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 or with the consent of the department or the department of child services~~ 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 shall pay, from the county family and children's fund from the amount of state tuition support that would otherwise be distributed 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~~ is obligated under subsection (b) is equal to the following:

- (1) The amount under a written agreement among the ~~county office, department,~~ 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 or with the consent of the department or the department of child services~~ 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 shall pay from the county family and children's fund from the amount of state tuition support that would otherwise be distributed to the public school corporation in which the child is enrolled 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 an agreement described in subsection (c) or (d) shall not be treated as a contract.~~

SECTION 318. IC 20-26-11-13, AS AMENDED BY P.L.234-2007, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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, career and technical education, 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 (1/2) 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)~~, (B), the calendar year in which the school year ends:

- (A) State tuition support distributions.

~~(B)~~ Property tax levies;

~~(C)~~ (B) 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)~~ (C) 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, by or with the approval of the department of child services, 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) A school corporation 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 319. IC 20-26-11-17, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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: **department of child 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~~ **department of child services** to the office of the secretary of family and social services: **department of child 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) (e) Not later than December 31 of each year, the ~~office of the secretary of family and social services~~ **department of child 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 320. IC 20-33-2-29, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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; by or with the consent of the department of child services,~~ 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."

Page 217, delete lines 6 through 31, begin a new paragraph and insert:

"SECTION 323. IC 20-40-6-5, AS AMENDED BY P.L.234-2007, SECTION 229, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) ~~Subject to this chapter, the fund is the exclusive fund to be used by a school corporation for the payment of~~ Costs attributable to transportation **are payable from the fund.**

(b) Contracted transportation service costs transferred to the school bus replacement fund under IC 20-40-7 are payable from the school bus replacement fund.

SECTION 324. IC 20-40-8-19, AS AMENDED BY P.L.234-2007, SECTION 230, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19. ~~This~~

section applies during the period beginning January 1, 2008; and ~~ending December 31, 2009.~~ Money in the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation:

- (1) Utility services.
- (2) Property or casualty insurance.
- (3) Both utility services and property or casualty insurance.

~~A school corporation's expenditures under this section may not exceed in 2008 and in 2009 three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution:~~

SECTION 325. IC 20-40-10-2, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. Each corporation shall establish a levy excess fund for purposes of ~~IC 20-44-3-IC 6-1.1-18.5-17.~~

SECTION 326. IC 20-43-1-17, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. "Maximum permissible tuition support levy" ~~has refers to the meaning set forth in IC 20-45-1-15:~~ **maximum permissible tuition support levy that a school corporation was permitted to impose under IC 20-45-3-11 (before its repeal).**

SECTION 310. IC 20-43-3-4, AS AMENDED BY P.L.234-2007, SECTION 135, AND AS AMENDED BY P.L.234-2007, SECTION 238, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the sum of the following:

- (A) The school corporation's basic tuition support for the year that precedes the current year.
- (B) The school corporation's maximum permissible tuition support levy for ~~the calendar year that precedes the current year; made in determining the school corporation's adjusted tuition support levy for the calendar year 2008.~~
- (C) The school corporation's excise tax revenue for ~~the year that precedes the current year by two (2) years:~~ **calendar year 2008.**

STEP TWO: Subtract from the STEP ONE result an amount equal to the ~~sum of the following:~~

- ~~(A) The~~ reduction in the school corporation's state tuition support under any combination of subsection (b), subsection (c), IC 20-10.1-2-1 (before its repeal), or IC 20-30-2-4.
- ~~(B) In 2006, the amount of the school corporation's maximum permissible tuition support levy attributable to the levy transferred from the school corporation's general fund to the school corporation's referendum tax levy fund under IC 20-46-1-6.~~

(b) A school corporation's previous year revenue must be reduced if:

- (1) the school corporation's state tuition support for special education or ~~vocational career and technical~~ education is reduced as a result of a complaint being filed with the department after December 31, 1988, because the school program overstated the number of children enrolled in special education programs or ~~vocational career and technical~~ education programs; and
- (2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in state tuition support for special education and ~~vocational career and technical~~ education because of the overstatement.

(c) **This section applies only to 2009.** A school corporation's previous year revenue must be reduced if an existing elementary

or secondary school located in the school corporation converts **before January 1, 2009**, to a charter school under ~~IC 20-5-5-11~~ **before July 1, 2005**, or IC 20-24-11. ~~after June 30, 2005~~. The amount of the reduction equals the product of:

- (1) the sum of the amounts distributed to the conversion charter school under ~~IC 20-5-5-7-3.5(c) and IC 20-5-5-7-3.5(d)~~ **before July 1, 2005**, and IC 20-24-7-3(c) and IC 20-24-7-3(d) ~~after June 30, 2005~~; **(as effective before January 1, 2009)**; multiplied by
- (2) two (2).

SECTION 328. IC 20-43-4-1, AS AMENDED BY P.L.159-2007, SECTION 4, AND AS AMENDED BY P.L.234-2007, SECTION 136, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) An individual is an eligible pupil if the individual is a pupil enrolled in a school corporation and:

- (1) the school corporation has the responsibility to educate the pupil in its public schools without the payment of tuition;

(2) subject to subdivision (5), the school corporation has the responsibility to pay transfer tuition under IC 20-26-11 because the pupil is:

(A) transferred for education to another school corporation; or

(B) placed in an out-of-state institution or facility by or with the consent of the department of child services;

(3) the pupil is enrolled in a school corporation as a transfer student under IC 20-26-11-6 or entitled to be counted for ADM purposes as a resident of the school corporation when attending its schools under any other applicable law or regulation;

(4) the state is responsible for the payment of transfer tuition to the school corporation for the pupil under IC 20-26-11; or

(5) all of the following apply:

(A) The school corporation is a transferee corporation.

(B) The pupil does not qualify as a qualified pupil in the transferee corporation under subdivision (3) or (4).

(C) The transferee corporation's attendance area includes a state licensed private or public health care facility *or* child care facility *or* ~~foster family home~~ where the pupil was placed:

(i) by or with the consent of the department of child services;

(ii) by a court order;

(iii) by a child placing agency licensed by the ~~division of family resources~~; *or* department of child services;

(iv) by a parent or guardian under IC 20-26-11-8; *or*

(v) *by or with the consent of the department under IC 20-35-6-2.*

(b) For purposes of a *vocational career and technical* education grant, an eligible pupil includes a student enrolled in a charter school.

SECTION 329. IC 20-43-6-3, AS AMENDED BY P.L.234-2007, SECTION 249, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) A school corporation's total regular program tuition support for a calendar year is the amount determined under the applicable provision of this section.

(b) This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a calendar year that is not equal to the school corporation's foundation amount for the calendar year. The school corporation's total regular program tuition support for a calendar year is equal to the school corporation's transition to foundation revenue for the calendar year.

(c) This subsection applies to a school corporation that has transition to foundation revenue per adjusted ADM for a calendar

year that is equal to the school corporation's foundation amount for the calendar year. The school corporation's total regular program tuition support for a calendar year is the sum of the following:

(1) The school corporation's foundation amount for the calendar year multiplied by the school corporation's adjusted ADM for the current year.

(2) The amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

~~(3) The part of the school corporation's maximum permissible tuition support levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility or reopening an existing facility during the preceding year.~~

SECTION 330. IC 20-43-6-4, AS AMENDED BY P.L.234-2007, SECTION 250, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) A school corporation's local contribution for a calendar year is the amount determined under the applicable provision of this section.

(b) This subsection applies to a school corporation that is not a charter school. ~~Determine the sum of the following:~~

~~(1) The school corporation's adjusted tuition support levy;~~

~~(2) The local contribution of a school corporation is the school corporation's excise tax revenue for the year that precedes the current year by one (1) year.~~

(c) This subsection applies to a charter school. ~~Determine the product of:~~

~~(1) the charter school's transition to foundation revenue for the calendar year; multiplied by~~

~~(2) thirty-five hundredths (0.35). The local contribution of a charter school is zero (0).~~

SECTION 331. IC 20-46-1-2, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. As used in this chapter, "excessive tax levy" **for the purposes of section 7 of this chapter**, has the meaning set forth in IC 20-45-1-11 **(repealed)**.

SECTION 332. IC 20-46-1-7, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) This section applies to a school corporation that added an amount to the school corporation's base tax levy before 2002 as the result of the approval of an excessive tax levy by the majority of individuals voting in a referendum held in the area served by the school corporation under IC 6-1.1-19-4.5 (before its repeal).

(b) A school corporation may adopt a resolution before September 21, 2005, to transfer the power of the school corporation to levy the amount described in subsection (a) from the school corporation's general fund to the school corporation's fund. A school corporation that adopts a resolution under this section shall, as soon as practicable after adopting the resolution, send a certified copy of the resolution to the department of local government finance and the county auditor. A school corporation that adopts a resolution under this section may, for property taxes first due and payable after 2005, levy an additional amount for the fund that does not exceed the amount of the excessive tax levy added to the school corporation's base tax levy before 2002.

(c) The power of the school corporation to impose the levy transferred to the fund under this section expires December 31, 2012, unless:

(1) the school corporation adopts a resolution to reimpose or extend the levy; and

(2) the levy is approved, before January 1, 2013, by a majority of the individuals who vote in a referendum that is conducted in accordance with the requirements in this chapter.

As soon as practicable after adopting the resolution under subdivision (1), the school corporation shall send a certified copy of the resolution to the county auditor and the department of local government finance. Upon receipt of the certified resolution, the tax control board shall proceed in the same manner as the tax control board would for any other levy being reimposed or extended under this chapter. However, if requested by the school corporation in the resolution adopted under subdivision (1), the question of reimposing or extending a levy transferred to the fund under this section may be combined with a question presented to the voters to reimpose or extend a levy initially imposed after 2001. A levy reimposed or extended under this subsection shall be treated for all purposes as a levy reimposed or extended under IC 6-1.1-19-4.5(c) (before its repeal) and this chapter, after June 30, 2006.

(d) The school corporation's levy under this section may not be considered in the determination of the school corporation's state tuition support under IC 20-43. ~~or the determination of the school corporation's maximum permissible tuition support levy under IC 20-45-3.~~

SECTION 333. IC 20-46-1-8, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) This **section subsection** applies to a school corporation that includes a request for a levy under this chapter in an emergency appeal under IC 6-1.1-19 (**repealed**) and IC 20-45-6-2 (**repealed**) **that is filed before January 1, 2009.**

(~~b~~) In addition to, or instead of, any recommendation that the tax control board may make in an appeal, the tax control board may recommend that the appellant school corporation be permitted to make a levy for the ensuing calendar year under this chapter.

(b) This subsection applies after December 31, 2008. A school corporation may appeal to the county board of tax and capital projects review to request a referendum under this chapter. The county board of tax and capital projects review shall expedite the review as necessary to permit the referendum to be conducted without a special election. If the county board of tax and capital projects review concludes that the appellant school corporation cannot, in a calendar year, carry out the public educational duty committed to the appellant school corporation by law if the appellant school corporation does not receive emergency financial relief for the calendar year, the county board of tax and capital projects review may permit the school corporation to conduct a referendum under this chapter and, if a levy is approved by the voters in the referendum, make a levy under this chapter.

SECTION 334. IC 20-46-1-9, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) A tax control board recommendation **made before January 1, 2009**, under this chapter may be put into effect only if:

- (1) a majority of the individuals who vote in a referendum that is conducted in accordance with this section and sections 10 through 19 of this chapter approves the appellant school corporation's making a levy for the ensuing calendar year;
- (2) the department of local government finance approves the recommendation in writing **before January 1, 2009**; and
- (3) the appellant school corporation requests that the tax control board take the steps necessary to cause a referendum to be conducted.

(b) A county board of tax and capital projects review determination taken after December 31, 2008, under section 8 of this chapter may be put into effect only if:

- (1) a majority of the individuals who vote in a referendum that is conducted in accordance with this**

section and sections 10 through 19 of this chapter approves the appellant school corporation's making a levy for the ensuing calendar year; and
(2) the appellant school corporation requests that the county board of tax and capital projects review take the steps necessary to cause a referendum to be conducted.

SECTION 335. IC 20-46-1-10, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. The question to be submitted to the voters in the referendum must read as follows:

"For the ___ (insert number) calendar year or years immediately following the holding of the referendum, shall the school corporation impose a property tax rate that does not exceed _____ (insert amount) cents (\$0.____) (insert amount) on each one hundred dollars (\$100) of assessed valuation and that is in addition to the ~~school corporation's normal tuition support property taxes that are subject to the property tax rate~~^{9a}. **limits imposed by law?"**.

SECTION 336. IC 20-46-1-12, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. The tax control board **(before January 1, 2009) or a county board of tax and capital projects review (after December 31, 2008)** shall act under IC 3-10-9-3 to certify the question to be voted on at the referendum to the county election board of each county in which any part of the appellant school corporation is located.

SECTION 337. IC 20-46-1-13, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. Each county clerk shall, upon receiving the question certified by the tax control board **(before January 1, 2009) or a county board of tax and capital projects review (after December 31, 2008)** under this chapter, call a meeting of the county election board to make arrangements for the referendum.

SECTION 338. IC 20-46-1-17, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. Each precinct election board shall count the affirmative votes and the negative votes cast in the referendum and shall certify those two (2) totals to the county election board of each county in which the referendum is held. The circuit court clerk of each county shall, immediately after the votes cast in the referendum have been counted, certify the results of the referendum to the tax control board **(before January 1, 2009) or a county board of tax and capital projects review (after December 31, 2008)**. Upon receiving the certification of all the votes cast in the referendum, the tax control board **(before January 1, 2009)** shall promptly certify the result of the referendum to the department of local government finance. If a majority of the individuals who voted in the referendum voted "yes" on the referendum question:

- (1) the department of local government finance **(before January 1, 2009)**, upon being notified by the tax control board of the result of the referendum, **or the county board of tax and capital projects review (after December 31, 2008)** shall promptly notify the school corporation that the school corporation is authorized to collect, for the calendar year that next follows the calendar year in which the referendum is held, a levy not greater than the amount approved in the referendum;
- (2) the levy may be imposed for the number of calendar years approved by the voters following the referendum for the school corporation in which the referendum is held; and
- (3) the school corporation shall establish a fund under IC 20-40-3-1.

SECTION 339. IC 20-46-1-18, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. A school corporation's levy may not be considered in the determination of the school

corporation's state tuition support under IC 20-43. ~~or the determination of the school corporation's maximum permissible tuition support levy under IC 20-45-3.~~

SECTION 340. IC 20-46-3-5, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. A school corporation may petition the ~~tax control board~~ **county board of tax and capital projects review** to impose a property tax to raise revenue for the purposes of the fund. ~~However, before a school corporation may impose a property tax under this chapter, the school corporation must file a petition with the tax control board under IC 6-1.1-19.~~ The petition must be filed before June 1 of the year preceding the first year the school corporation desires to impose the property tax and must include the following:

- (1) The name of the school corporation.
- (2) A settlement agreement among the parties to a desegregation lawsuit that includes the program that will improve or maintain racial balance in the school corporation.
- (3) The proposed levy.
- (4) Any other item required by the ~~school property tax control county board tax and capital projects review.~~

SECTION 341. IC 20-46-3-6, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. ~~Subject to IC 6-1.1-18-5-9-9;~~ **The county board of tax control board and capital projects review may recommend to the department of local government finance that permit a school corporation be allowed to establish a levy.** The amount of the levy shall be determined each year and the levy may not exceed the lesser of the following:

- (1) The revenue derived from a tax rate of eight and thirty-three hundredths cents (\$0.0833) for each one hundred dollars (\$100) of assessed valuation within the school corporation.
- (2) The revenue derived from a tax rate equal to the difference between the maximum rate allowed for the school corporation's capital projects fund under IC 20-46-6 minus the actual capital projects fund rate that will be in effect for the school corporation for a particular year.

SECTION 342. IC 20-46-6-5, AS ADDED BY P.L.154-2006, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. Subject to IC 6-1.1-18-12, ~~and IC 6-1.1-18-5-9-9;~~ to provide for the fund, the governing body may, for each year in which a plan is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation of the school corporation. The actual rate imposed by the governing body must be advertised in the same manner as other property tax rates.

SECTION 343. IC 20-46-6-20, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 20. An amendment adopted under section 18 or 19 of this chapter, may require any of the following:

- (1) The payment of eligible costs from:
 - (A) money accumulated in the fund for other purposes; or
 - (B) money to be borrowed from other funds of the school corporation or from a financial institution.
- (2) An increase in the property tax rate for the fund to restore money to the fund or to pay principal and interest on a loan. Any increase to the property tax rate for the fund is effective for property taxes first due and payable for the year next certified by the department of local government finance under IC 6-1.1-17-16: **budget year for which tax levies are approved by the county board of tax and capital projects review.** However, the property tax rate may not exceed the maximum rate established under

section 5 of this chapter.

SECTION 344. IC 20-49-3-8, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. The fund may be used to make advances:

- (1) to school corporations, including school townships, under IC 20-49-4 and IC 20-49-5;
- (2) under IC 20-49-6; and
- (3) to charter schools under ~~IC 20-24-7-3(f)~~ **IC 20-24-7-3(c)** and IC 20-49-7."

Page 219, delete lines 8 through 29, begin a new paragraph and insert:

"SECTION 349. IC 31-9-2-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5.5. "Adoption subsidy", for the purposes of IC 31-19-26.5, has the meaning set forth in IC 31-19-26.5-1.**

SECTION 350. IC 31-9-2-9.3, AS ADDED BY P.L.145-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9.3. (a) "Applicant", for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, ~~IC 31-26-3;~~ **IC 31-26-3.5,** IC 31-28-1, IC 31-28-2, and IC 31-28-3, means a person who has applied for assistance for the applicant or another person.

(b) "Applicant", for purposes of IC 31-27, means a person who seeks a license to operate a child caring institution, foster family home, group home, or child placing agency.

SECTION 351. IC 31-9-2-9.7, AS ADDED BY P.L.145-2006, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9.7. "Assistance", for purposes of the following statutes, means money or services regardless of the source, paid or furnished under any of the following statutes:

- (1) IC 31-25-3.
- (2) IC 31-25-4.
- (3) IC 31-26-2.
- ~~(4) IC 31-26-3.~~
- (4) IC 31-26-3.5.**
- (5) IC 31-28-1.
- (6) IC 31-28-2.
- (7) IC 31-28-3.

SECTION 352. IC 31-9-2-10.3, AS ADDED BY P.L.145-2006, SECTION 174, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10.3. "Blind", for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, ~~IC 31-26-3;~~ IC 31-28-1, IC 31-28-2, and IC 31-28-3, means an individual who has vision in the better eye with correcting glasses of 20/200 or less, or a disqualifying visual field defect as determined upon examination by an ophthalmologist or optometrist who has been designated to make such examinations by the county office and approved by the department.

SECTION 353. IC 31-9-2-17, AS AMENDED BY P.L.145-2006, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. "Child in need of services" ~~for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, IC 31-26-3, IC 31-28-1, IC 31-28-2, IC 31-28-3, and IC 31-34;~~ **means refers to a child described in IC 31-34-1.**

SECTION 354. IC 31-9-2-17.8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17.8. "Child services" has the meaning set forth in IC 31-29-1-1.**

SECTION 355. IC 31-9-2-19.5, AS ADDED BY P.L.145-2006, SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19.5. "Child welfare services" ~~for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, IC 31-26-3, IC 31-28-1, IC 31-28-2, and IC 31-28-3;~~ **means the services for children described in IC 31-26-3-1: means services provided under a child welfare program.**

SECTION 356. IC 31-9-2-19.6 IS ADDED TO THE

INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 19.6. "Child welfare program" has the meaning set forth in IC 31-26-3.5-1.**

SECTION 357. IC 31-9-2-20.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 20.3. "Child with special needs", for the purposes of IC 31-19-26.5, has the meaning set forth in IC 31-19-26.5-2.**

SECTION 358. IC 31-9-2-24.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 24.5. "Costs of secure detention" has the meaning set forth in IC 31-40-1-1.5.**

SECTION 359. IC 31-9-2-26, AS AMENDED BY P.L.138-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 26. "County office" or "county office of family and children" refers to a county local office of the department of child services established by IC 31-25-1-1.**

SECTION 360. IC 31-9-2-39.5, AS ADDED BY P.L.145-2006, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 39.5. "Destitute child" for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, IC 31-26-3, IC 31-28-1, IC 31-28-2, and IC 31-28-3, means an individual:**

- (1) who is needy;
- (2) who is not a public ward;
- (3) who is less than eighteen (18) years of age;
- (4) who has been deprived of parental support or care because of a parent's:
 - (A) death;
 - (B) continued absence from the home; or
 - (C) physical or mental incapacity;
- (5) whose relatives liable for the individual's support are not able to provide adequate care or support for the individual without public assistance; and
- (6) who is in need of foster care, under circumstances that do not require the individual to be made a public ward.

SECTION 361. IC 31-9-2-44.3, AS ADDED BY P.L.145-2006, SECTION 191, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 44.3. "Expenses and obligations", for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, IC 31-26-3, IC 31-26-3.5, IC 31-28-1, IC 31-28-2, and IC 31-28-3, refers to expenses, obligations, assistance, and claims:**

- (1) of a county office; the division of family resources;
- (2) incurred in the administration of the public welfare services; of the county;
- (3) incurred as provided by law; and
- (4) for:
 - (A) assistance for aged persons in need;
 - (B) assistance to dependent children; and
 - (C) other assistance or services that a county office the division of family resources is authorized by law to allow.

SECTION 362. IC 31-9-2-44.8, AS ADDED BY P.L.138-2007, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 44.8. "Family preservation services" for purposes of IC 31-34-24 and IC 31-37-24, means short term, highly intensive services designed to protect, treat, and support the following:**

- (1) A family with a child at risk of placement by enabling the family to remain intact and care for the child at home.
- (2) A family that adopts or plans to adopt an abused or neglected child who is at risk of placement or adoption disruption by assisting the family to achieve or maintain a stable, successful adoption of the child.

SECTION 363. IC 31-9-2-76.6 IS ADDED TO THE

INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 76.6. "Local office" refers to a local office established by the department to serve a county or a region.**

SECTION 364. IC 31-9-2-92.5, AS AMENDED BY P.L.145-2006, SECTION 205, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 92.5. (a) "Plan", for purposes of IC 31-34-24, IC 31-34-24.1 has the meaning set forth in IC 31-34-24-1. IC 31-34-24.1-1.**

(b) "Plan", for purposes of IC 31-37-24, has the meaning set forth in IC 31-37-24-1.

(c) (b) "Plan", for purposes of IC 31-25-4, has the meaning set forth in IC 31-25-4-5.

SECTION 365. IC 31-9-2-99.7, AS ADDED BY P.L.145-2006, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 99.7. "Public welfare", for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, IC 31-26-3, IC 31-28-1, IC 31-28-2, and IC 31-28-3, means any form of public welfare or Social Security provided in IC 31-25-3, IC 31-25-4, IC 31-26-2, IC 31-26-3, IC 31-28-1, IC 31-28-2, or IC 31-28-3. The term does not include direct township assistance as administered by township trustees under IC 12-20.**

SECTION 366. IC 31-9-2-102.5, AS ADDED BY P.L.145-2006, SECTION 210, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 102.5. "Recipient", for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, IC 31-26-3, IC 31-28-1, IC 31-28-2, and IC 31-28-3, means a person who has received or is receiving assistance for the person or another person.**

SECTION 367. IC 31-9-2-103.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 103.6. "Region" refers to an area in Indiana designated as a region by the department. However, for purposes of:**

- (1) IC 31-25-2-20, the term refers to a region established under IC 31-25-2-20; and
- (2) IC 31-34-24.1, the term refers to a service region established under IC 31-34-24.1-3.

SECTION 368. IC 31-9-2-103.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 103.7. "Regional services council" refers to a regional services council established for a region under IC 31-34-24.1-3.**

SECTION 369. IC 31-9-2-113.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 113.7. "Secure detention facility" has the meaning set forth in IC 31-40-1-1.5.**

SECTION 370. IC 31-9-2-129 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 129. (a) "Team", for purposes of IC 31-33-3, refers to a community child protection team appointed under IC 31-33-3.**

(b) "Team", for purposes of IC 31-34-24, has the meaning set forth in IC 31-34-24-2.

(c) "Team", for purposes of IC 31-37-24, has the meaning set forth in IC 31-37-24-2.

SECTION 371. IC 31-9-2-135, AS AMENDED BY P.L.138-2007, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 135. (a) "Warrant", for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, IC 31-26-3, IC 31-28-1, IC 31-28-2, and IC 31-28-3, means an instrument that is:**

- (1) the equivalent of a money payment; and
- (2) immediately convertible into cash by the payee for the full face amount of the instrument.

(b) "Warrant", for purposes of the Uniform Child Custody Jurisdiction Act under IC 31-21, has the meaning set forth in IC 31-21-2-21.

SECTION 372. IC 31-19-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. If the child is a ward of:

- (1) a guardian;
- (2) an agency; or
- ~~(3) an office of family and children;~~
- (3) the department;**

the court shall provide for the custody of the child in the adoption decree.

SECTION 373. IC 31-19-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. ~~Upon receipt of a recommendation from the county office of family and children;~~ (a) If the petition for adoption contained a request for aid; regardless of whether the aid is given; financial assistance, the court shall state in the adoption decree the:

- ~~(1) nature;~~
- ~~(2) conditions; and~~
- ~~(3) length of time during which aid shall be paid under IC 31-19-26.~~

refer the petition to the department for a determination of eligibility for:

- (1) adoption assistance under 42 U.S.C. 673, including applicable federal and state regulations; or
- (2) adoption subsidy under IC 31-19-26.5.

(b) The department shall determine the eligibility of the adoptive child for financial assistance and the amount of assistance, if any, that will be provided.

(c) The court may not order payment of:

- (1) adoption assistance under 42 U.S.C. 673; or
- (2) any adoption subsidy under IC 31-19-26.5.

SECTION 374. IC 31-19-26.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 26.5. Adoption Subsidies

Sec. 1. As used in this chapter, "adoption subsidy" means payments by the department, to an adoptive parent of a child with special needs, for the purpose of assisting with the cost of care of the child:

- (1) after a final decree of adoption of the child has been entered under IC 31-19-11; and
- (2) during the time the child is residing with and supported by the adoptive parent or parents.

Sec. 2. As used in this chapter, "child with special needs" means a child who:

- (1) is a hard to place child; and
- (2) meets the requirements of a special needs child, as specified in 42 U.S.C. 673(c) and the rules of the department applicable to those requirements.

Sec. 3. The department may make payments of adoption subsidy under this chapter for the benefit of a child with special needs, if the department has:

- (1) either:
 - (A) entered into a written agreement with the adoptive parent or parents, before or at the time the court enters a final decree of adoption under IC 31-19-11-1, that specifies the amount, terms, and conditions of the adoption assistance payments; or
 - (B) received a written final order in an administrative appeal in accordance with section 12(a)(4) of this chapter concluding that the adoptive parents are eligible for a subsidy payable under this chapter and determining the appropriate subsidy amount;
- (2) determined that sufficient funds are available in the adoption assistance account of the state family and children's fund, and can reasonably be anticipated to be available in that account during the term of the agreement or order, to make the payments as specified in the agreement or order; and
- (3) determined that the child is not eligible for adoption

assistance under 42 U.S.C. 673.

Sec. 4. If the department determines that sufficient funds are not or will not be available in the adoption subsidy account established under this chapter to make adoption assistance payments to adoptive parents of all children who may be eligible for a subsidy payable under this chapter, the department may, in accordance with procedures established by rules:

- (1) approve new adoption subsidy agreements only for the benefit of children for whom the department has wardship responsibility at the time the adoption petition is filed; or
- (2) give priority to funding new adoption subsidy agreements for children for whom the department has had wardship responsibility.

Sec. 5. The amount of adoption subsidy payments under this chapter may not exceed the amount that would be payable by the department for the monthly cost of care of the adopted child in a foster family home at the time the adoption subsidy agreement is made.

Sec. 6. (a) In addition to the adoption subsidy payments determined under section 3 of this chapter, the department may make additional payments for medical or psychological care or treatment of the adoptive child, if all of the following conditions exist:

- (1) The child is a child with special needs, based in whole or in part on a physical, mental, emotional, or medical condition that:

- (A) existed before the filing of the adoption petition; or
- (B) is causally related to specific conditions that existed or events that occurred before the filing of the adoption petition;

as determined by a physician or psychologist licensed in Indiana.

- (2) The child's adoptive parent has applied to the department, in the form and manner specified by the department, for assistance in payment of the cost of special services that the child needs to remedy or ameliorate the condition or conditions identified in subdivision (1).

- (3) The department determines that:

(A) the services required are not and will not be covered by either:

- (i) private health insurance available to the child or adoptive parent; or
- (ii) the Medicaid program in Indiana or the state where the child currently resides; and

(B) payment of the cost of the required services without assistance will cause a significant financial burden and hardship to the adoptive family.

- (4) Sufficient funds are available in the adoption assistance account to cover the cost of additional assistance provided under this section.

(b) A determination by the department under this section is not subject to administrative review or appeal, unless specifically authorized by rule of the department under section 12(a)(4) of this chapter, but is subject to judicial review as provided in IC 4-21.5-5.

Sec. 7. An adoptive child who is:

- (1) a child with special needs based on a medical, physical, or emotional condition that existed before the filing of the adoption petition; and
- (2) the beneficiary of an agreement for adoption subsidy under this chapter;

is eligible for Medicaid.

Sec. 8. (a) As a condition for continuation of subsidy payments under the agreement, the department may require the adoptive parents to submit a verified report, annually or at a time or times specified in the agreement, stating:

- (1) the location of the parents;
- (2) the location and condition of the child; and
- (3) any additional information required by rule of the department or the agreement.

(b) The department may confirm the accuracy and veracity of the report from any reliable sources of information concerning the adoptive family and child, including any governmental or private agency that serves the area in which the child resides.

(c) If the report or information received by the department indicates a substantial change in the conditions that existed when the adoption subsidy agreement was signed, the department may, after notice to the adoptive parent or parents, modify or discontinue the adoption subsidy payments provided in the agreement.

Sec. 9. (a) Except as provided in this section, the term of any adoption subsidy agreement under this chapter, including any extension of the original term, ends when any of the following events occurs:

- (1) The child becomes eighteen (18) years of age.
- (2) The child becomes emancipated.
- (3) The adoptive parent or parents are no longer providing financial support to the child.
- (4) The child dies.
- (5) The child's adoption is terminated.

(b) The department may continue the adoption subsidy payments, in amounts determined by agreement among the department, the child, and the adoptive parents, during a time after the child becomes eighteen (18) years of age and before the child becomes twenty-one (21) years of age if:

- (1) either:
 - (A) the child is enrolled in:
 - (i) a secondary school;
 - (ii) a public or private institution of higher education; or
 - (iii) a course of career or technical education leading to gainful employment; or
 - (B) the child needs continuing support and assistance for a physical, medical, or emotional condition that limits or prevents the child from becoming self-supporting; and
- (2) the adoptive parent or parents:
 - (A) provide the principal source of financial support for the child's room, board, medical care, and other necessary living expenses; and
 - (B) are entitled to claim the child as a dependent on their federal or state income tax return or returns for the year in which the continued subsidy payments are made.

Sec. 10. The department shall establish an adoption assistance account within the state family and children's fund established under IC 31-29-1, for the purpose of funding adoption subsidy payments under this chapter and the state's share of adoption assistance payments under 42 U.S.C. 673. The account consists of:

- (1) amounts specifically appropriated to the department by the general assembly for adoption assistance;
- (2) amounts allocated by the department to the adoption assistance account from the funds available to the department from the state family and children's fund;
- (3) amounts transferred to the department from adoption assistance accounts in county family and children's funds under IC 12-19-7 (before its repeal) that were used for payment of county adoption subsidies under IC 31-19-26 (before its repeal) and the county share of federal adoption assistance payments under 42 U.S.C. 673; and
- (4) any other amounts contributed or paid to the department for adoption assistance under this chapter.

Sec. 11. (a) In determining the availability of funds in the adoption assistance account for payments of adoption subsidies under this chapter, the department shall give priority to payments required by court orders for county adoption subsidies entered under IC 31-19-26 (before its repeal).

(b) The provisions of this chapter applicable to continuation, modification, or termination of adoption subsidy payments shall apply after January 1, 2009, to county adoption subsidy orders entered under IC 31-19-26 (before its repeal).

Sec. 12. (a) The department shall adopt rules under IC 4-22-2, as needed, to carry out this chapter. The rules must include at least the following subjects:

- (1) The application and determination process for subsidies or other assistance provided under this chapter.
- (2) The standards for determination of a child with special needs.
- (3) The process for determining the duration, extension, modification, and termination of agreements, as provided in sections 8 and 9 of this chapter.
- (4) The procedure for administrative review and appeal of determinations made by the department under this chapter.
- (5) The procedure for determining availability of funds for new subsidy agreements and continuation of existing agreements or orders under this chapter and IC 31-19-26 (before its repeal), including any funding limitations or priorities as provided in section 4 of this chapter.

Sec. 13. This chapter does not affect:

- (1) the legal status of an adoptive child;
- (2) the rights and responsibilities of the adoptive parents as provided by law; or
- (3) the eligibility of an adoptive child or adoptive parents for adoption assistance under Title IV-E of the Social Security Act (42 U.S.C. 673), federal and state regulations applicable to the Title IV-E adoption assistance program, or determination of the amount of any assistance provided by the department through the Title IV-E adoption assistance program.

SECTION 375. IC 31-25-2-2, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The director may employ necessary personnel to carry out the department's responsibilities subject to:

- (1) the budget agency's approval under IC 4-12-1-13; and
- (2) IC 4-15-2.

(b) The director shall appoint from eligible lists established by the state personnel department the number of assistants necessary to administer the duties, responsibilities, programs, and services of the department through a local office. The department shall determine the compensation of the assistants within the salary ranges of the pay plan adopted for the department by the state personnel department, and approved by the budget agency, with the advice of the budget committee, and within lawfully established appropriations.

SECTION 376. IC 31-25-2-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. The following are not personally liable, except to the state, for an official act done or omitted in connection with performance of duties under this title:

- (1) The director of the department.
- (2) Other officers and employees of the department.

SECTION 377. IC 31-25-2-7, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) 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 child services. ~~(as defined in IC 12-19-7-1).~~
- (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.
- (11) Providing and administering services to children adjudicated as juvenile delinquents under IC 31-37, subject to IC 31-40-1.**
- (12) Paying for programs and services as provided under IC 31-40.**

(b) This chapter does not authorize or require the department to:

- (1) investigate or report on proceedings under IC 31-17-2; or**
- (2) otherwise monitor child custody or visitation in dissolution of marriage proceedings.**

(c) This chapter does not authorize or require the department to:

- (1) conduct home studies; or**
- (2) otherwise participate in guardianship proceedings under IC 29-3;**

other than those over which the juvenile court has jurisdiction under IC 29-3-2-1(c) or IC 31-30-1-1(10).

SECTION 378. IC 31-25-2-19, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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~~ **department** for medical expenses of children and mothers.
- (2) A fee that does not exceed the time and travel costs incurred by the ~~county office~~ **department** 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 child trust clearance fund account established under IC 12-19-1-16.~~ **IC 31-25-2-20.2.** 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 379. IC 31-25-2-20.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 20.1. (a) The department 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 formerly abused or neglected children are cared for under the supervision of the department; or**
- (2) for the benefit of children who are committed to the care or supervision of the department.**

(b) The department 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 the child trust clearance account established under section 20.2 of this chapter and may not be commingled with any other fund or account or with money received from taxation:

- (1) All money received by the department under this section.**
- (2) All money, proceeds, or income realized from real property or other investments.**

(d) Subject to the approval of the director, money described in subsection (c)(1) or (c)(2) may be expended by the department in any manner consistent with the purposes of the child trust clearance account and with the intention of the donor.

SECTION 380. IC 31-25-2-20.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 20.2. (a) This section does not apply to:**

- (1) money received before January 1, 2009, to reimburse the county family and children's fund for expenditures made from the appropriations of the counties; or**
- (2) money received after December 31, 2008, to reimburse the state family and children's fund for expenditures made by the department for child services.**

(b) The department may receive and administer money available to or for the benefit of a person receiving payments or services from the department. The following apply to all money received under this section:

- (1) The money shall be kept in a special account with the state family and children's fund known as the child trust clearance account and may not be commingled with any other money in the fund or with money received from taxation.**
- (2) The money may be expended by the department in any manner consistent with the following:**
 - (A) The purpose of the child trust clearance account or with the intention of the donor of the money.**
 - (B) Indiana law.**

SECTION 381. IC 31-26-2-10, AS ADDED BY P.L.145-2006, SECTION 272, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) Upon the completion of an investigation under section 9 of this chapter, the ~~county office~~ **department** 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~~ department shall provide assistance to the recipient at least monthly upon warrant of the ~~county~~ auditor of state. The assistance must be

- ~~(1) made from the county state family and children's fund.~~
- ~~and~~
- ~~(2) based on 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 382. IC 31-26-3.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 3.5. Child Welfare Programs

Sec. 1. As used in this chapter, "child welfare program" means a program or an activity that is:

- (1) not a component of child services provided to or for the benefit of a particular child or family; and
- (2) designed to serve groups or categories of children or families in a community for purposes as described in section 2 of this chapter.

Sec. 2. A child welfare program may be established and funded by the department for any of the following purposes:

- (1) Protecting and promoting the welfare of children in a community who are, or are likely to be, at risk of becoming homeless, neglected, or abused due to lack of adequate or appropriate parental support or supervision, in order to reduce the likelihood that the children will become wards of a juvenile court or the department.
- (2) Preventing, remedying, or assisting in the solution of problems that may result in the neglect, abuse, exploitation, or delinquency of children.
- (3) Preventing unnecessary separation of children from their families by identifying family problems, assisting in the resolution of family problems, and preventing breakup of families whenever prevention of child removal is possible and desirable.
- (4) Providing services targeted to assistance of children who are developmentally or physically disabled and their families, for the purposes of prevention of potential abuse, neglect or abandonment of those children, and enabling the children to receive adequate family support and preparation to become self-supporting to the extent feasible.
- (5) Providing family preservation services or family support services (as defined in 42 U.S.C. 629a) for families and children who are not currently receiving individually designed services provided or funded by the department through an open juvenile court child in need of services or delinquency case.

Sec. 3. (a) An application to establish a new child welfare program, or to continue or modify an existing child welfare program, may be submitted by a court, county executive, private nonprofit agency or organization, or an interested person based on guidelines and instructions issued by the department. Except as provided in subsection (b), the application shall be transmitted to the regional services council or councils for the county, region, or geographic area of Indiana that the applicant proposes to serve. Each regional services council must review and submit its recommendations to the director in conformity with procedures established by the department.

(b) An application to establish, continue, or modify a program that will operate on a statewide basis shall be submitted directly to the director of the department for review and evaluation.

Sec. 4. A child welfare program must be approved by the director of the department or the director's designee. The director's approval shall specify the period for which operation of the program is approved and the procedure for submission of any request for continuation, extension, or modification of the approved program. The department may not pay for the costs of any programs that have not been approved by the director.

Sec. 5. The department shall establish policies and

procedures for periodic review and evaluation of approved child welfare programs, including evaluation of the effectiveness and results of the program activities, as part of the consideration of any application to continue or modify the program.

Sec. 6. (a) The department shall establish a child welfare program fund to receive money for establishment and operation of child welfare programs. Receipts credited to the child welfare program fund may be derived from the following sources:

- (1) Any appropriation made by the general assembly that is specifically designated for child welfare programs.
- (2) Any part of the state family and children's fund established under IC 31-29-1 that is set aside and allocated by the department for child welfare programs, at the discretion of the director.
- (3) Any part of federal grant funds received by the department through Title IV-B Parts 1 and 2 of the Social Security Act (42 U.S.C. 620 et seq.) that is allocated by the department for child welfare programs under this chapter at the discretion of the director, subject to the terms and conditions of the grant.
- (4) Any gifts received by the department from individuals or nongovernmental organizations, for purposes of child welfare programs. The department may receive and administer any gifts earmarked for specifically designated child welfare programs, in accordance with the terms of the gift.

(b) Any appropriation made by the general assembly for the child welfare services fund shall remain in the child welfare fund until expended and does not revert to the state general fund at the expiration of the state fiscal year for which with appropriation was made.

Sec. 7. The department may adopt rules under IC 4-22-2 that may be necessary or appropriate to implement any provisions of this chapter.

SECTION 383. IC 31-29 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

ARTICLE 29. CHILD SERVICES: FUNDING

Chapter 1. State Family and Children's Fund

Sec. 1. As used in this chapter, "child services" means the following:

- (1) Services specifically provided by or on behalf of the department for or on behalf of children who are:
 - (A) adjudicated to be:
 - (i) children in need of services under IC 31-34; or
 - (ii) delinquent children under IC 31-37;
 - (B) parties in a child in need of services case filed under IC 31-34 or in a delinquency case filed under IC 31-37 before adjudication or entry of a dispositional decree;
 - (C) subject to temporary care or supervision by the department under any applicable provision of IC 31-33, IC 31-34, or IC 31-37;
 - (D) recipients or beneficiaries of a program of informal adjustment approved under IC 31-34-8 or IC 31-37-9; or
 - (E) recipients or beneficiaries of:
 - (i) adoption assistance under Title IV-E of the federal Social Security Act, 42 U.S.C. 673, as amended;
 - (ii) adoption subsidies or assistance under IC 31-19-26.5; or
 - (iii) assistance, including emergency assistance or assisted guardianships, provided under Title IV-A of the federal Social Security Act, 42 U.S.C. 601 et seq., as amended.
- (2) Costs of using an institution or facility in Indiana

for providing educational services to children described in subdivision (1)(A), under either IC 20-33-2-29 (if applicable) or IC 20-26-11-13 (if applicable).

(3) Assistance awarded by the department to a destitute child under IC 31-26-2.

Sec. 2. As used in this chapter, "fund" refers to a family and children's fund established by this chapter.

Sec. 3. (a) The state family and children's fund is established.

(b) The fund consists of the following:

(1) All amounts appropriated by the general assembly for deposit in the fund, including amounts appropriated for child welfare programs under IC 31-26-3.5 or child services.

(2) All amounts transferred to the fund after December 31, 2008, from county family and children's funds established under IC 12-19-7 (before its repeal).

(3) All grants received from the federal government under Title IV-B of the Social Security Act, (42 U.S.C. 620 et seq.), the Child Abuse and Prevention and Treatment Act, (42 U.S.C. 5106 et seq.), or any other federal or state government program that:

(A) is intended to provide funding for services and programs administered by the department; and

(B) is not required by applicable law or the terms of the grant to be received and administered through a separate fund.

(4) All funds received by the department under Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.) as payment or reimbursement for eligible expenses for child services.

(5) All reimbursements or support payments collected or received by the department for application to the cost of services provided to or for the benefit of children in need of services or delinquent children.

(6) Any money received by the department as a grant or gift from any agency, organization, or person that is designated for child services provided by the department.

(7) Any other money required by law to be placed in the fund.

(c) The fund is available for the purpose of paying expenses and obligations for child services and child welfare programs, as provided in the annual budget approved under this chapter.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 4. The budget agency, after review by the state budget committee, may authorize augmentation of the fund by transfer of additional amounts from the state general fund that the budget agency approves, after review by the budget committee, for purposes of payment of obligations incurred or to be incurred by the department for child services during the remainder of the fiscal year.

SECTION 384. IC 31-31-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 state family and children's fund. ~~established by IC 12-19-7-3.~~

SECTION 385. IC 31-31-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 state family and children's fund. ~~established by IC 12-19-7-3.~~

SECTION 386. IC 31-33-3-1, AS AMENDED BY P.L.234-2005, SECTION 102, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) **A community child protection team is established in each county.** The community child protection team is a communitywide, multidisciplinary child protection team. The team must include the following ~~eleven (11)~~ **twelve (12)** members:

(1) The director of the ~~county local office of family and children~~ that provides child welfare services in the county or the county local office director's designee.

(2) ~~Two (2) designees of the One (1) juvenile court judge or the designee of the juvenile court judge.~~

(3) The county prosecuting attorney or the prosecuting attorney's designee.

(4) The county sheriff or the sheriff's designee.

(5) Either:

(A) the president of the county executive in a county not containing a consolidated city or the president's designee; or

(B) the executive of a consolidated city in a county containing a consolidated city or the executive's designee.

(6) A director of a court appointed special advocate or guardian ad litem program or the director's designee in the county in which the team is to be formed.

(7) Either:

(A) a public school superintendent or the superintendent's designee; or

(B) a director of a local special education cooperative or the director's designee.

(8) Two (2) persons, each of whom is a physician or nurse, with experience in pediatrics or family practice.

(9) ~~One (1) citizen~~ **Two (2) citizens** of the community.

(10) **The chief law enforcement officer of the largest law enforcement agency in the county other than the county sheriff.**

(b) The director of the ~~county local office of family and children~~ serving the county shall appoint, subject to the approval of the director of the department, the members of the team under subsection (a)(7), (a)(8), and (a)(9).

SECTION 387. IC 31-33-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) The community child protection team's duties may include preparing team shall prepare a periodic report regarding the child abuse and neglect reports and complaints that the team reviews under this chapter.

(b) The periodic report may include the following information:

(1) The number of complaints under section 6 of this chapter that the team receives and reviews each month.

(2) A description of the child abuse and neglect reports that the team reviews each month, including the following information:

(A) The scope and manner of the interviewing process during the child abuse or neglect investigation.

(B) The timeliness of the investigation.

(C) The number of children removed from the home.

- (D) The types of services offered.
- (E) The number of child abuse and neglect cases filed with a court.
- (F) The reasons that certain child abuse and neglect cases are not filed with a court.

Reports must be completed following each meeting of the team and submitted to the regional service council for the region that includes the county served by the team.

SECTION 388. IC 31-33-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. Before February 2 of each odd-numbered year, each ~~county office of family and children, regional services council,~~ regional services council, after a public hearing, shall:

- (1) prepare a local plan for the provision of child protection services; and
- (2) submit the plan to:
 - (A) the director; ~~after consultation with local law enforcement agencies;~~
 - (B) a juvenile court;
 - (C) the community child protection team as provided for in IC 31-33-3-1; and
 - (D) appropriate public or voluntary agencies, including organizations for the prevention of child abuse or neglect.

SECTION 389. IC 31-33-4-2, AS AMENDED BY P.L.145-2006, SECTION 279, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. The local plan must describe the implementation of this article in the ~~county region~~ region by the department, ~~and the county office,~~ including the following:

- (1) Organization.
- (2) Staffing.
- (3) Mode of operations.
- (4) Financing of the child protection services.
- (5) The provisions made for the purchase of service and interagency relations.

SECTION 390. IC 31-33-21-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. The costs of any services ~~ordered by the court approved or arranged by the department~~ for any child or the child's parent, guardian, or custodian shall be paid according to IC 31-40.

SECTION 391. IC 31-34-4-2, AS AMENDED BY P.L.52-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) If a child alleged to be a child in need of services is taken into custody under an order of the court under this chapter ~~and the court orders out-of-home placement, the court department shall be responsible for such placement and care and~~ consider placing the child with a:

- (1) suitable and willing blood or an adoptive relative caretaker, including a grandparent, an aunt, an uncle, or an adult sibling;
- (2) de facto custodian; or
- (3) stepparent;

before considering any other out-of-home placement.

(b) Before ~~placing the department places~~ a child in need of services with a blood relative or an adoptive relative caretaker, a de facto custodian, or a stepparent, ~~the court may order the department to:~~

- ~~(1) shall complete a home study of the relative's home, and~~
- ~~(2) provide the court with a placement recommendation.~~

(c) Except as provided in subsection (e), before placing a child in need of services in an out-of-home placement, including placement with a blood or an adoptive relative caretaker, a de facto custodian, or a stepparent, ~~the court shall order the department to~~ shall conduct a criminal history check of each person who is currently residing in the location designated as the out-of-home placement.

(d) Except as provided in subsection (f), ~~a court the~~

~~department may not order make~~ an out-of-home placement if a person described in subsection (c) has:

- (1) committed an act resulting in a substantiated report of child abuse or neglect; or
- (2) been convicted of a felony listed in IC 31-27-4-13 or had a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult.

(e) The court is not required to order the department to conduct a criminal history check under subsection (c) if the ~~court orders department makes~~ an out-of-home placement to an entity or a facility that is not a residence (as defined in IC 3-5-2-42.5) or that is licensed by the state.

(f) ~~A court may order~~ The department may approve an out-of-home placement if:

- (1) a person described in subsection (c) has:
 - (A) committed an act resulting in a substantiated report of child abuse or neglect; or
 - (B) been convicted or had a juvenile adjudication for:
 - (i) reckless homicide (IC 35-42-1-5);
 - (ii) battery (IC 35-42-2-1) as a Class C or D felony;
 - (iii) criminal confinement (IC 35-42-3-3) as a Class C or D felony;
 - (iv) arson (IC 35-43-1-1) as a Class C or D felony;
 - (v) a felony involving a weapon under IC 35-47 or IC 35-47.5 as a Class C or D felony;
 - (vi) a felony relating to controlled substances under IC 35-48-4 as a Class C or D felony; or
 - (vii) a felony that is substantially equivalent to a felony listed in items (i) through (vi) for which the conviction was entered in another state; and
- (2) the court makes a written finding that the person's commission of the offense, delinquent act, or act of abuse or neglect described in subdivision (1) is not relevant to the person's present ability to care for a child, and that the placement is in the best interest of the child.

However, ~~a court the department~~ may not ~~order make~~ an out-of-home placement if the person has been convicted of a felony listed in IC 31-27-4-13 that is not specifically excluded under subdivision (1)(B), or has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult that is not specifically excluded under subdivision (1)(B).

(g) In making its written finding under subsection (f), the court shall consider the following:

- (1) The length of time since the person committed the offense, delinquent act, or abuse or neglect.
- (2) The severity of the offense, delinquent act, or abuse or neglect.
- (3) Evidence of the person's rehabilitation, including the person's cooperation with a treatment plan, if applicable.

SECTION 392. IC 31-34-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) The juvenile court shall release the child to the child's parent, guardian, or custodian. However, the court may order the child detained if the court makes written findings of fact upon the record of probable cause to believe that the child is a child in need of services and that:

- (1) detention is necessary to protect the child;
- (2) the child is unlikely to appear before the juvenile court for subsequent proceedings;
- (3) the child has a reasonable basis for requesting that the child not be released;
- (4) the parent, guardian, or custodian:
 - (A) cannot be located; or
 - (B) is unable or unwilling to take custody of the child; or
- (5) consideration for the safety of the child precludes the use of family services to prevent removal of the child.

(b) **The juvenile court shall include in any order approving or requiring detention of a child all findings and conclusions**

required under:

- (1) applicable provisions of Title IV-E of the federal Social Security Act (42 U.S.C. 670 et seq.); or
- (2) any applicable federal regulation assistance under Title IV-E or any other federal law, including 45 CFR 1356.21;

as a condition of eligibility of a child in need of services for assistance under Title IV-E or any other federal law.

(c) Inclusion in a juvenile court order of language approved and recommended by the judicial conference of Indiana, in relation to:

- (1) removal from the child's home; or
- (2) detention;

of a child who is alleged to be, or adjudicated as, a child in need of services constitutes compliance with subsection (b).

SECTION 393. IC 31-34-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. ~~A court~~ **The department** shall consider placing a child alleged to be a child in need of services with an appropriate family member of the child before considering any other placement for the child.

SECTION 394. IC 31-34-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. ~~A court~~ **The department** may not place a child in:

- (1) a community based correctional facility for children;
- (2) a juvenile detention facility;
- (3) a secure facility;
- (4) a secure private facility; or
- (5) a shelter care facility;

that is located outside the child's county of residence unless placement of the child in a comparable facility with adequate services located in the child's county of residence is unavailable or the child's county of residence does not have an appropriate comparable facility with adequate services.

SECTION 395. IC 31-34-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) After the preliminary inquiry and upon approval by the juvenile court, the intake officer may implement a program of informal adjustment if the officer has probable cause to believe that the child is a child in need of services.

(b) If the juvenile court denies a program of informal adjustment, the court shall state its reasons for the denial. The reasons may include that:

- (1) the juvenile court finds no probable cause to believe that the child is a child in need of services; or
- (2) the juvenile court finds that the coercive intervention of the juvenile court is required.

(c) If the juvenile court does not act to approve or deny a program of informal adjustment within ten (10) days of its submission to the juvenile court, the program of informal adjustment is considered approved.

SECTION 396. IC 31-34-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) Upon the filing of a petition for compliance and after notice and a hearing on the petition for compliance, the juvenile court may order the parent, guardian, or custodian of a child to participate in a program of informal adjustment ~~approved by the court implemented~~ under section 1 of this chapter.

(b) A parent, guardian, or custodian who fails to participate in a program of informal adjustment ~~ordered by the court after being ordered under subsection (a) to participate~~ may be found in contempt of court.

SECTION 397. IC 31-34-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. A program of informal adjustment may not exceed six (6) months, except by approval of the juvenile court. The juvenile court may extend a program of informal adjustment an additional ~~six (6) three (3)~~ months.

SECTION 398. IC 31-34-8-7, AS AMENDED BY P.L.234-2005, SECTION 179, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) Not later than five (5) months after ~~a court approves the department implements~~ a program of informal adjustment under this chapter, the department ~~of child services~~ shall file with the court a report indicating the extent of compliance with the program.

(b) If the court ~~extends approves an extension of~~ the period of the informal adjustment under section 6 of this chapter, the department ~~of child services~~ shall file a supplemental report not later than eleven (11) months after the ~~court initially approves department implements~~ the program of informal adjustment updating the court on the status of a person's compliance with the program.

SECTION 399. IC 31-34-9-1, AS AMENDED BY P.L.145-2006, SECTION 294, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. ~~The prosecuting attorney or~~ The attorney for the department:

- (1) may request the juvenile court to authorize the filing of a petition alleging that a child is a child in need of services; and
- (2) shall represent the interests of the state at this proceeding and at all subsequent proceedings on the petition.

SECTION 400. IC 31-34-18-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Upon finding that a child is a child in need of services, the juvenile court shall order ~~a probation officer or~~ a caseworker to prepare a predispositional report that contains a:

- (1) statement of the needs of the child for care, treatment, rehabilitation, or placement; and
- (2) recommendation for the care, treatment, rehabilitation, or placement of the child.

(b) Any of the following may prepare an alternative report for consideration by the court:

- (1) The child.
- (2) The child's:
 - (A) parent;
 - (B) guardian;
 - (C) guardian ad litem;
 - (D) court appointed special advocate; or
 - (E) custodian.

SECTION 401. IC 31-34-18-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) In addition to providing the court with a recommendation for the care, treatment, or rehabilitation of the child, the person preparing the report shall consider the necessity, nature, and extent of the participation by a parent, guardian, or custodian in a program of care, treatment, or rehabilitation for the child.

(b) If a ~~probation officer or~~ caseworker believes that an out-of-home placement would be appropriate for a child in need of services, the ~~probation officer or~~ caseworker shall consider whether the child should be placed with the child's suitable and willing blood or adoptive relative caretaker, including a grandparent, an aunt, an uncle, or an adult sibling, before considering other out-of-home placements for the child.

SECTION 402. IC 31-34-18-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. The ~~probation officer or~~ caseworker shall also prepare a financial report on the parent or the estate of the child to assist the juvenile court in determining the person's financial responsibility for services provided for the child or the person.

SECTION 403. IC 31-34-18-6.1, AS AMENDED BY P.L.145-2006, SECTION 308, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6.1. (a) The predispositional report prepared by a ~~probation officer or~~ caseworker ~~shall must~~ include the following information:

- (1) A description of all dispositional options considered in preparing the report.
- (2) An evaluation of each of the options considered in relation to the plan of care, treatment, rehabilitation, or

placement recommended under the guidelines described in section 4 of this chapter.

(3) The name, occupation and position, and any relationship to the child of each person with whom the preparer of the report conferred as provided in section 1.1 of this chapter.

(b) If a ~~probation officer~~ or a caseworker is considering an out-of-home placement, including placement with a blood or an adoptive relative caretaker, the ~~probation officer~~ or caseworker shall conduct a criminal history check (as defined in IC 31-9-2-22.5) for each person who is currently residing in the location designated as the out-of-home placement. The results of the criminal history check must be included in the predispositional report.

(c) A ~~probation officer~~ or caseworker is not required to conduct a criminal history check under this section if:

(1) the ~~probation officer~~ or caseworker is considering only an out-of-home placement to an entity or facility that:

- (A) is not a residence (as defined in IC 3-5-2-42.5); or
- (B) is licensed by the state; or

(2) placement under this section is undetermined at the time the predispositional report is prepared.

SECTION 211. IC 31-34-19-6.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec 6.1. (a) Before entering its dispositional decree, the juvenile court shall do the following:

(1) Consider the recommendations for the needs of the child for care, treatment, rehabilitation, or placement made by the department in the department's predispositional report.

(2) Consider the recommendations for the needs of the child for care, treatment, rehabilitation, or placement made by the parent, guardian or custodian, guardian ad litem or court appointed special advocate, foster parent, other caretaker of the child, or other party to the proceeding.

(3) If the juvenile court determines that the best interests of the child require consideration of other dispositional options, submit the juvenile court's own recommendations for care, treatment, rehabilitation, or placement of the child.

(b) If the juvenile court accepts the recommendations in the department's predispositional report, the juvenile court shall enter its dispositional decree with its findings and conclusions under section 10 of this chapter.

(c) If, during or after conclusion of the dispositional hearing, the juvenile court does not accept the recommendations of the department as set out under subsection (a) in the predispositional report and states that the juvenile court wants the department to consider the recommendations made under subsection (a)(2) or (a)(3), the dispositional hearing shall be continued for not more than seven (7) business days after service of notice of the juvenile court's determination. The department shall consider the recommendations received from the juvenile court and submit to the juvenile court a supplemental predispositional report stating the department's final recommendations and reasons for accepting or rejecting the recommendations received from the juvenile court. If the juvenile court accepts the recommendations in the department's supplemental report, the juvenile court may adopt the recommendations as its findings and enter its dispositional decree.

(d) The juvenile court shall accept each final recommendation of the department contained in a supplemental predispositional report submitted under subsection (c), unless the juvenile court finds that a recommendation is:

- (1) unreasonable, based on the facts and circumstances of the case; or

(2) contrary to the welfare and best interests of the child.

(e) If the juvenile court does not accept one (1) or more of the department's final recommendations contained in the department's supplemental predispositional report, the juvenile court shall:

(1) enter its dispositional decree with its written findings and conclusions under sections 6 and 10 of this chapter; and

(2) specifically state why the juvenile court is not accepting the final recommendations of the department.

(f) If the juvenile court enters its findings and decree under subsection (e), the department may appeal the juvenile court's decree under any available procedure provided by the Indiana Rules of Court or Rules of Appellate Procedure to allow any disputes arising under this section to be decided in an expeditious manner.

SECTION 404. IC 31-34-20-1, AS AMENDED BY P.L.52-2007, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Subject to this section and section 1.5 of this chapter, if a child is a child in need of services, the juvenile court may enter one (1) or more of the following dispositional decrees:

(1) Order supervision of the child by ~~the probation department or the county office~~ or the department.

(2) Order the child to receive outpatient treatment:

- (A) at a social service agency or a psychological, a psychiatric, a medical, or an educational facility; or
- (B) from an individual practitioner.

(3) Remove the child from the child's home and **authorize the department to** place the child in another home or shelter care facility. Placement under this subdivision includes authorization to control and discipline the child.

(4) Award wardship ~~to a person or shelter care facility: of the child to the department for supervision, care, and placement.~~

(5) Partially or completely emancipate the child under section 6 of this chapter.

(6) Order

~~(A) the child; or~~

~~(B) the child's parent, guardian, or custodian~~

to receive family complete services recommended by the department and approved by the court under IC 31-34-16, IC 31-34-18, and IC 31-34-19.

(7) Order a person who is a party to refrain from direct or indirect contact with the child.

(8) Order a perpetrator of child abuse or neglect to refrain from returning to the child's residence.

(b) A juvenile court may not place a child in a home or facility that is located outside Indiana unless the placement is recommended or approved by:

- (1) director of the department; or
- (2) director's designee.

(c) If a dispositional decree under this section:

(1) orders or approves removal of a child from the child's home or awards wardship of the child to the department; and

(2) is the first juvenile court order in the child in need of services proceeding that authorizes or approves removal of the child from the child's parent, guardian, or custodian;

the juvenile court shall include in the decree the appropriate findings and conclusions described in IC 31-34-5-3(b).

SECTION 405. IC 31-34-20-1.5, AS AMENDED BY P.L.1-2007, SECTION 207, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1.5. (a) Except as provided in subsection (d), the juvenile court may not enter a dispositional decree ~~placing that approves placement of a child in another home under section 1(3) 1(a)(3) of this chapter or awarding wardship to a county office or the department that~~

will place the child with a person under section ~~1(4)~~ of this chapter if a person who is currently residing in the home in which the child would be placed under section ~~1(3)~~ or ~~1(4)~~ **1(a)(3)** of this chapter has committed an act resulting in a substantiated report of child abuse or neglect, has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult, or has a conviction for a felony listed in IC 31-27-4-13.

(b) The juvenile court shall order the ~~probation officer~~ or caseworker who prepared the predispositional report to conduct a criminal history check (as defined in IC 31-9-2-22.5) to determine if a person described in subsection (a) has committed an act resulting in a substantiated report of child abuse or neglect, has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult, or has a conviction for a felony listed in IC 31-27-4-13. However, the juvenile court is not required to order a criminal history check under this section if criminal history information under IC 31-34-4-2 or IC 31-34-18-6.1 establishes whether a person described in subsection (a) has committed an act resulting in a substantiated report of child abuse or neglect, has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult, or has a conviction for a felony listed in IC 31-27-4-13.

(c) A ~~probation officer~~ or caseworker is not required to conduct a criminal history check under this section if:

(1) the ~~probation officer~~ or caseworker is considering only an out-of-home placement to an entity or a facility that:

(A) is not a residence (as defined in IC 3-5-2-42.5); or
(B) is licensed by the state; or

(2) placement under this section is undetermined at the time the predispositional report is prepared.

(d) A court may enter a dispositional decree ~~placing that approves placement of~~ a child in another home or award wardship to a county office if:

(1) a person described in subsection (a) has:

(A) committed an act resulting in a substantiated report of child abuse or neglect; or

(B) been convicted or had a juvenile adjudication for:

(i) reckless homicide (IC 35-42-1-5);
(ii) battery (IC 35-42-2-1) as a Class C or D felony;
(iii) criminal confinement (IC 35-42-3-3) as a Class C or D felony;

(iv) arson (IC 35-43-1-1) as a Class C or D felony;

(v) a felony involving a weapon under IC 35-47 or IC 35-47.5 as a Class C or D felony;

(vi) a felony relating to controlled substances under IC 35-48-4 as a Class C or D felony; or

(vii) a felony that is substantially equivalent to a felony listed in items (i) through (vi) for which the conviction was entered in another state; and

(2) the court makes a written finding that the person's commission of the offense, delinquent act, or act of abuse or neglect described in subdivision (1) is not relevant to the person's present ability to care for a child, and that the dispositional decree placing a child in another home or awarding wardship to a county office is in the best interest of the child.

However, a court may not enter a dispositional decree ~~placing that approves placement of~~ a child in another home or award wardship to a ~~county office~~ or the department if the person has been convicted of a felony listed in IC 31-27-4-13 that is not specifically excluded under subdivision (1)(B), or has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult that is not specifically excluded under subdivision (1)(B).

(e) In making its written finding under subsection (d), the court shall consider the following:

(1) The length of time since the person committed the

offense, delinquent act, or act that resulted in the substantiated report of abuse or neglect.

(2) The severity of the offense, delinquent act, or abuse or neglect.

(3) Evidence of the person's rehabilitation, including the person's cooperation with a treatment plan, if applicable.

SECTION 406. IC 31-34-20-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. If the juvenile court determines that a parent, guardian, or custodian should participate in a program of care, treatment, or rehabilitation **recommended by the department** for the child, the court may order the parent, guardian, or custodian to do the following:

(1) Obtain assistance in fulfilling the obligations as a parent, guardian, or custodian.

(2) Provide specified care, treatment, or supervision for the child.

(3) Work with a person providing care, treatment, or rehabilitation for the child.

(4) Participate in a program operated by or through the department of correction.

SECTION 407. IC 31-34-21-2, AS AMENDED BY P.L.146-2006, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) The case of each child in need of services under the supervision of ~~the county office~~ or the department must be reviewed at least once every six (6) months, or more often, if ordered by the court.

(b) The first of these periodic case reviews must occur:

(1) at least six (6) months after the date of the child's removal from the child's parent, guardian, or custodian; or

(2) at least six (6) months after the date of the dispositional decree;

whichever comes first.

(c) Each periodic case review must be conducted by the juvenile court in a formal court hearing.

(d) The court may perform a periodic case review any time after a progress report is filed as described in section 1 of this chapter.

SECTION 408. IC 31-34-21-3, AS AMENDED BY P.L.145-2006, SECTION 315, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. Before a case review under section 2 of this chapter, ~~the probation department~~ or the department shall prepare a report in accordance with IC 31-34-22 on the progress made in implementing the dispositional decree.

SECTION 409. IC 31-34-21-5, AS AMENDED BY P.L.145-2006, SECTION 318, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) The court shall determine:

(1) whether the child's case plan, services, and placement meet the special needs and best interests of the child;

(2) whether the county office or the department has made reasonable efforts to provide family services; and

(3) a projected date for the child's return home, the child's adoption placement, the child's emancipation, or the appointment of a legal guardian for the child under section 7.5(1)(E) of this chapter.

(b) The determination of the court under subsection (a) must be based on findings written after consideration of the following:

(1) Whether the department, the child, or the child's parent, guardian, or custodian has complied with the child's case plan.

(2) Written documentation containing descriptions of:

(A) the family services that have been offered or provided to the child or the child's parent, guardian, or custodian;

(B) the dates during which the family services were offered or provided; and

(C) the outcome arising from offering or providing the

family services.

- (3) The extent of the efforts made by the department to offer and provide family services.
- (4) The extent to which the parent, guardian, or custodian has enhanced the ability to fulfill parental obligations.
- (5) The extent to which the parent, guardian, or custodian has visited the child, including the reasons for infrequent visitation.
- (6) The extent to which the parent, guardian, or custodian has cooperated with the department or probation department.
- (7) The child's recovery from any injuries suffered before removal.
- (8) Whether any additional services are required for the child or the child's parent, guardian, or custodian and, if so, the nature of those services.
- (9) The extent to which the child has been rehabilitated.
- (10) If the child is placed out-of-home, whether the child is in the least restrictive, most family-like setting, and whether the child is placed close to the home of the child's parent, guardian, or custodian.
- (11) The extent to which the causes for the child's out-of-home placement or supervision have been alleviated.
- (12) Whether current placement or supervision by the department should be continued.
- (13) The extent to which the child's parent, guardian, or custodian has participated or has been given the opportunity to participate in case planning, periodic case reviews, dispositional reviews, placement of the child, and visitation.
- (14) Whether the department has made reasonable efforts to reunify or preserve a child's family unless reasonable efforts are not required under section 5.6 of this chapter.
- (15) Whether it is an appropriate time to prepare or implement a permanency plan for the child under section 7.5 of this chapter.

(c) The department may appeal an adverse finding of subsection (a) made after a hearing under IC 31-34-5, IC 31-34-19, this chapter, or IC 31-34-23. The department is entitled to an expedited appeal.

SECTION 410. IC 31-34-21-7.5, AS AMENDED BY P.L.145-2006, SECTION 324, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7.5. (a) Except as provided in subsection (d), the juvenile court may not approve a permanency plan under subsection (c)(1)(D), (c)(1)(E), or (c)(1)(F) if a person who is currently residing with a person described in subsection (c)(1)(D) or (c)(1)(E) or in a residence in which the child would be placed under subsection (c)(1)(F) has committed an act resulting in a substantiated report of child abuse or neglect, has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult, or has a conviction for a felony listed in IC 31-27-4-13.

(b) The juvenile court shall order the ~~probation officer~~ or caseworker who prepared the predispositional report to conduct a criminal history check (as defined in IC 31-9-2-22.5) to determine if a person described in subsection (a) has committed an act resulting in a substantiated report of child abuse or neglect, has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult, or has a conviction for a felony listed in IC 31-27-4-13. However, the juvenile court is not required to order a criminal history check under this section if criminal history information under IC 31-34-4-2, IC 31-34-18-6.1, or IC 31-34-20-1.5 establishes whether a person described in subsection (a) has committed an act resulting in a substantiated report of child abuse or neglect, has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult, or has a conviction for a felony listed in IC 31-27-4-13.

(c) A permanency plan under this chapter includes the

following:

(1) The intended permanent or long term arrangements for care and custody of the child that may include any of the following arrangements that the court considers most appropriate and consistent with the best interests of the child:

- (A) Return to or continuation of existing custodial care within the home of the child's parent, guardian, or custodian or placement of the child with the child's noncustodial parent.
- (B) Initiation of a proceeding by the agency or appropriate person for termination of the parent-child relationship under IC 31-35.
- (C) Placement of the child for adoption.
- (D) Placement of the child with a responsible person, including:
 - (i) an adult sibling;
 - (ii) a grandparent;
 - (iii) an aunt;
 - (iv) an uncle; or
 - (v) another relative;

who is able and willing to act as the child's permanent custodian and carry out the responsibilities required by the permanency plan.

(E) Appointment of a legal guardian. The legal guardian appointed under this section is a caretaker in a judicially created relationship between the child and caretaker that is intended to be permanent and self-sustaining as evidenced by the transfer to the caretaker of the following parental rights with respect to the child:

- (i) Care, custody, and control of the child.
- (ii) Decision making concerning the child's upbringing.

(F) Placement of the child in another planned, permanent living arrangement.

(2) A time schedule for implementing the applicable provisions of the permanency plan.

(3) Provisions for temporary or interim arrangements for care and custody of the child, pending completion of implementation of the permanency plan.

(4) Other items required to be included in a case plan under IC 31-34-15 or federal law, consistent with the permanent or long term arrangements described by the permanency plan.

(d) A juvenile court may approve a permanency plan if:

(1) a person described in subsection (a) has:

(A) committed an act resulting in a substantiated report of child abuse or neglect; or

(B) been convicted or had a juvenile adjudication for:

- (i) reckless homicide (IC 35-42-1-5);
- (ii) battery (IC 35-42-2-1) as a Class C or D felony;
- (iii) criminal confinement (IC 35-42-3-3) as a Class C or D felony;
- (iv) arson (IC 35-43-1-1) as a Class C or D felony;
- (v) a felony involving a weapon under IC 35-47 or IC 35-47.5 as a Class C or D felony;
- (vi) a felony relating to controlled substances under IC 35-48-4 as a Class C or D felony; or
- (vii) a felony that is substantially equivalent to a felony listed in items (i) through (vi) for which the conviction was entered in another state; and

(2) the court makes a written finding that the person's commission of the offense, delinquent act, or act of abuse or neglect described in subdivision (1) is not relevant to the person's present ability to care for a child, and that approval of the permanency plan is in the best interest of the child.

However, a court may not approve a permanency plan if the person has been convicted of a felony listed in IC 31-27-4-13

that is not specifically excluded under subdivision (1)(B), or has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult that is not specifically excluded under subdivision (1)(B).

(e) In making its written finding under subsection (d), the court shall consider the following:

- (1) The length of time since the person committed the offense, delinquent act, or act that resulted in the substantiated report of abuse or neglect.
- (2) The severity of the offense, delinquent act, or abuse or neglect.
- (3) Evidence of the person's rehabilitation, including the person's cooperation with a treatment plan, if applicable.

SECTION 411. IC 31-34-21-8, AS AMENDED BY P.L.145-2006, SECTION 325, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. Before a hearing under section 7 of this chapter, ~~the probation department~~ or the department shall prepare a report in accordance with IC 31-34-22 on the progress made in implementing the dispositional decree.

SECTION 412. IC 31-34-24.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 24.1. Regional Services Strategic Plans

Sec. 1. As used in this chapter, "plan" means a regional services strategic plan developed under this chapter.

Sec. 2. As used in this chapter, "regional services council" refers to a regional service council established by section 3 of this chapter.

Sec. 3. A regional services council is established for each region in Indiana. The department shall determine the county or counties that comprise each region. A county may not be divided when establishing a region.

Sec. 4. (a) If the region served by a regional services council consists of at least three (3) counties, the regional services council has the following members:

- (1) The regional manager, who must be an employee of the department.
- (2) Three (3) members who are judges of a juvenile court.
- (3) Three (3) local office directors or district managers assigned to a local office in the region.
- (4) Two (2) family case manager supervisors from the region.
- (5) One (1) family case manager assigned to a local office.
- (6) Two (2) licensed foster parents from the region.
- (7) One (1) guardian ad litem or court appointed special advocate.
- (8) One (1) individual who:
 - (A) is at least sixteen (16) and less than twenty-five (25) years of age;
 - (B) is a resident of the service region; and
 - (C) has received or is receiving services through funds provided, directly or indirectly, through the department.

(b) If the region served by a regional services council consists of one (1) or two (2) counties, the regional services council members must include at least:

- (1) The regional manager, who must be an employee of the department.
- (2) One (1) member who is a judge of a juvenile court.
- (3) Two (2) employees of the department.
- (4) One (1) family case manager supervisor from the region.
- (5) One (1) family case manager assigned to a local office.
- (6) One (1) licensed foster parent from the region.
- (7) One (1) guardian ad litem or court appointed special advocate.

(8) One (1) individual who:

- (A) is at least sixteen (16) and less than twenty-five (25) years of age;
- (B) is a resident of the service region; and
- (C) has received or is receiving services through funds provided, directly or indirectly, through the department.

(c) The director shall appoint the members of the regional services council other than members described in subsection (a)(3) or (b)(3). The local directors in a region shall provide a list of individuals for appointment under subsection (a)(3) to the director. The director shall select members under subsection (a)(3) for a regional service council from the list submitted by the local directors for the region. The regional manager for a region shall appoint the members described in subsection (b)(3) for the regional service council serving the region.

(d) A member of a regional service council serves at the pleasure of the appointing authority. However, a member described in subsection (a)(8) or (b)(8) serves only as long as the member meets the qualifications for appointment under subsection (a)(8) or (b)(8).

Sec. 5. Each county shall participate in a regional services council established under this chapter for the service region in which the county is located.

Sec. 6. (a) Each regional services council shall, according to guidelines and policies established by the department, evaluate local child welfare service needs and determine appropriate delivery mechanisms.

(b) The regional service council shall also administer the creation of a funding recommendation that:

- (1) the department allocates to the service region; and
- (2) is used to fund programs and services administered by the department within the region.

Sec. 7. (a) Each regional services council shall develop a regional strategic plan that is tailored to provide services targeted to the individual needs of children who:

- (1) have been either:
 - (A) adjudicated as, or alleged in a proceeding initiated under this article to be, children in need of services, delinquent under IC 31-37; or
 - (B) identified by the department, based on information received from:
 - (i) a school;
 - (ii) a social service agency;
 - (iii) a court;
 - (iv) a probation department;
 - (v) the child's parent or guardian; or
 - (vi) an interested person in the community having knowledge of the child's environment and family circumstances;

and after an informal investigation, as substantially at risk of becoming children in need of services; and

(2) have been referred to the department by, or with the consent of, the child's parent, guardian, or custodian for services to be provided through the plan based on an individual case plan for the child.

(b) The plan must be developed as described in this chapter.

Sec. 8. (a) The regional manager shall convene an organizational meeting of the members of the regional service council.

(b) The regional manager shall serve as the chairperson of the regional service council. The regional service council shall select one (1) of its members as vice chairperson.

Sec. 9. The regional service council shall transmit a copy of the plan to the director as required under the rules adopted by the department.

Sec. 10. In preparing the plan under section 7 of this chapter, a regional services council shall review and consider

existing publicly and privately funded programs that are available or that could be made available in the regional services council's service region to provide supportive services to or for the benefit of children described in section 7 of this chapter without removing the child from the family home, including programs funded through the following:

- (1) Title IV-B of the federal Social Security Act (42 U.S.C. 620 et seq.).
- (2) Title IV-E of the federal Social Security Act (42 U.S.C. 670 et seq.).
- (3) Title XX of the federal Social Security Act (42 U.S.C. 1397 et seq.).
- (4) The federal 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, prosecuting attorneys, 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.

Sec. 11. A regional services council may include in its plan a program for provision of family preservation services that:

- (1) is or will be in effect in the regional services council's service region;
- (2) includes services for a child less than eighteen (18) years of age, and less than twenty-one (21) years of age under court-ordered circumstances, who reasonably may be expected to face out-of-home placement under IC 31-34 or IC 31-37 as a result of:
 - (A) abuse or neglect;
 - (B) emotional disturbance; or
 - (C) delinquency adjudication; and
- (3) addresses all the objectives of family preservation services.

Sec. 12. Not later than sixty (60) days after receiving the plan, the director of the department or the director's designee shall do one (1) of the following:

- (1) Approve the plan as submitted by the regional services council.
- (2) Approve the plan with amendments, modifications, or revisions.
- (3) Return the plan to the council with directions concerning:
 - (A) subjects for further study and reconsideration; and
 - (B) resubmission of a revised plan.

Sec. 13. (a) A regional services council shall meet at least quarterly to do the following:

- (1) Develop, review, or revise a strategy for implementation through the plan that identifies:
 - (A) the manner in which prevention and early intervention services will be provided or improved;
 - (B) how local collaboration will improve children's services; and
 - (C) how different funds can be used to serve children and families more effectively.
- (2) Reorganize as needed and select its vice chairperson for the ensuing year.
- (3) Review the implementation of the plan and prepare revisions, additions, or updates of the plan that the regional services council considers necessary or appropriate to improve the quality and efficiency of early intervention child welfare services provided in accordance with the plan.

(b) The chairperson or vice chairperson of a regional services council may convene any additional meetings of the

regional services council that are, in the chairperson's or vice chairperson's opinion, necessary or appropriate.

Sec. 14. (a) A regional services council or the regional manager shall transmit copies of the plan, each annual report, and each revised plan as required in the rules adopted by the department under IC 4-22-2 to the following:

- (1) The director.
- (2) Each department office in the service region.
- (3) Each juvenile court in the service region.

(b) A regional services council shall provide the department a copy of each plan, annual report, or revised plan transmitted under subsection (a) for posting on the department's Internet web site.

Sec. 15. A regional services council shall publicize to residents of each county in the service region the existence and availability of the plan, including posting on the department's Internet web site.

Sec. 16. The intake officer, in implementing a program of informal adjustment for a child under IC 31-34-8 or IC 31-37-9, shall consider and use to the extent feasible any available services described in a plan approved under this chapter.

Sec. 17. The department may adopt rules under IC 4-22-2 to administer this chapter.

SECTION 413. IC 31-35-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) A petition to terminate the parent-child relationship involving a delinquent child or a child in need of services may be signed and filed with the juvenile or probate court by any of the following:

- (1) The attorney for the ~~county office of family and children~~ department.
- ~~(2) The prosecuting attorney.~~
- ~~(3) The child's court appointed special advocate.~~
- ~~(4) (3) The child's guardian ad litem.~~

(b) The petition must:

- (1) be entitled "In the Matter of the Termination of the Parent-Child Relationship of _____, a child, and _____, the child's parent (or parents)"; and
- (2) allege that:

(A) one (1) of the following exists:

- (i) the child has been removed from the parent for at least six (6) months under a dispositional decree;
- (ii) a court has entered a finding under IC 31-34-21-5.6 that reasonable efforts for family preservation or reunification are not required, including a description of the court's finding, the date of the finding, and the manner in which the finding was made; or
- (iii) after July 1, 1999, the child has been removed from the parent and has been under the supervision of a county office of family and children for at least fifteen (15) months of the most recent twenty-two (22) months;

(B) there is a reasonable probability that:

- (i) the conditions that resulted in the child's removal or the reasons for placement outside the home of the parents will not be remedied; or
- (ii) the continuation of the parent-child relationship poses a threat to the well-being of the child;

(C) termination is in the best interests of the child; and

(D) there is a satisfactory plan for the care and treatment of the child.

(3) Indicate whether at least one (1) of the factors listed in section 4.5(d)(1) through 4.5(d)(3) of this chapter applies and specify each factor that would apply as the basis for filing a motion to dismiss the petition.

SECTION 414. IC 31-35-2-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.5. (a) This section applies if:

(1) a court has made a finding under IC 31-34-21-5.6 that reasonable efforts for family preservation or reunification with respect to a child in need of services are not required; or

(2) a child in need of services:

(A) has been placed in:

(i) a foster family home, child caring institution, or group home licensed under ~~IC 12-17-4~~; **IC 31-27 or IC 12-28-4**; or

(ii) the home of a person related to the child (as defined in IC 12-7-2-162.5);

as directed by a court in a child in need of services proceeding under IC 31-34; and

(B) has been removed from a parent and has been under the supervision of ~~a county office of family and children~~ **the department** for not less than fifteen (15) months of the most recent twenty-two (22) months, excluding any period not exceeding sixty (60) days before the court has entered a finding and judgment under IC 31-34 that the child is a child in need of services.

(b) A person described in section 4(a) of this chapter shall:

(1) file a petition to terminate the parent-child relationship under section 4 of this chapter; and

(2) request that the petition be set for hearing.

(c) If a petition under subsection (b) is filed by the child's court appointed special advocate or guardian ad litem, the ~~prosecuting attorney or the county office of family and children~~ **are department** is entitled to be joined as a party to the petition upon application to the court.

(d) A party shall file a motion to dismiss the petition to terminate the parent-child relationship if any of the following circumstances apply:

(1) That the current case plan prepared by or under the supervision of the county office of family and children under IC 31-34-15 has documented a compelling reason, based on facts and circumstances stated in the petition or motion, for concluding that filing, or proceeding to a final determination of, a petition to terminate the parent-child relationship is not in the best interests of the child. A compelling reason may include the fact that the child is being cared for by a custodian who is a parent, stepparent, grandparent, or responsible adult who is the child's sibling, aunt, or uncle or a relative who is caring for the child as a guardian.

(2) That:

(A) IC 31-34-21-5.6 is not applicable to the child;

(B) the ~~county office of family and children~~ **department** has not provided family services to the child, parent, or family of the child in accordance with a currently effective case plan prepared under IC 31-34-15 or a permanency plan or dispositional decree approved under IC 31-34, for the purpose of permitting and facilitating safe return of the child to the child's home; and

(C) the period for completion of the program of family services, as specified in the current case plan, permanency plan, or decree, has not expired.

(3) That:

(A) IC 31-34-21-5.6 is not applicable to the child;

(B) the ~~county office of family and children~~ **department** has not provided family services to the child, parent, or family of the child, in accordance with applicable provisions of a currently effective case plan prepared under IC 31-34-15, or a permanency plan or dispositional decree approved under IC 31-34; and

(C) the services that the ~~county office of family and children~~ **department** has not provided are substantial and material in relation to implementation of a plan to permit safe return of the child to the child's home.

The motion to dismiss shall specify which of the allegations

described in subdivisions (1) through (3) apply to the motion. If the court finds that any of the allegations described in subdivisions (1) through (3) are true, as established by a preponderance of the evidence, the court shall dismiss the petition to terminate the parent-child relationship.

SECTION 415. IC 31-35-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. Upon the filing of a petition under section 4 of this chapter,

~~(1) the attorney for the county office of family and children; or~~

~~(2) the prosecuting attorney; department~~

shall represent the interests of the state in all subsequent proceedings on the petition.

SECTION 416. IC 31-35-3-4, AS AMENDED BY P.L.145-2006, SECTION 329, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. If:

(1) an individual is convicted of the offense of:

(A) murder (IC 35-42-1-1);

(B) causing suicide (IC 35-42-1-2);

(C) voluntary manslaughter (IC 35-42-1-3);

(D) involuntary manslaughter (IC 35-42-1-4);

(E) rape (IC 35-42-4-1);

(F) criminal deviate conduct (IC 35-42-4-2);

(G) child molesting (IC 35-42-4-3);

(H) child exploitation (IC 35-42-4-4);

(I) sexual misconduct with a minor (IC 35-42-4-9); or

(J) incest (IC 35-46-1-3); and

(2) the victim of the offense:

(A) was less than sixteen (16) years of age at the time of the offense; and

(B) is:

(i) the individual's biological or adoptive child; or

(ii) the child of a spouse of the individual who has committed the offense;

~~the prosecuting attorney; the attorney for the department, the child's guardian ad litem, or the court appointed special advocate~~ may file a petition with the juvenile or probate court to terminate the parent-child relationship of the individual who has committed the offense with the victim of the offense, the victim's siblings, or any biological or adoptive child of that individual.

SECTION 417. IC 31-35-3-6, AS AMENDED BY P.L.145-2006, SECTION 330, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) ~~The person filing the petition~~ **attorney for the department** shall represent the interests of the state in all subsequent proceedings on the petition.

(b) Upon the filing of a petition under section 4 of this chapter, the attorney for the department ~~or the prosecuting attorney~~ shall represent the interests of the state in all subsequent proceedings.

SECTION 418. IC 31-35-4-4, AS AMENDED BY P.L.145-2006, SECTION 331, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. A statement or videotape may not be admitted in evidence under this chapter unless ~~the prosecuting attorney or the attorney for the department~~ informs the parties of:

(1) an intention to introduce the statement or videotape in evidence; and

(2) the content of the statement or videotape;

at least twenty (20) days before the proceedings to give the parties a fair opportunity to prepare a response to the statement or videotape before the proceeding.

SECTION 419. IC 31-35-5-2, AS AMENDED BY P.L.145-2006, SECTION 332, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. On the motion of ~~the prosecuting attorney or the attorney for the department~~, the court may order that:

(1) the testimony of a child be taken in a room other than the courtroom and be transmitted to the courtroom by

closed circuit television; and
 (2) the questioning of the child by the parties be transmitted to the child by closed circuit television.

SECTION 420. IC 31-35-5-3, AS AMENDED BY P.L.145-2006, SECTION 333, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. On the motion of ~~the prosecuting attorney or~~ the attorney for the department, the court may order that the testimony of a child be videotaped for use at proceedings to determine whether the parent-child relationship should be terminated.

SECTION 421. IC 31-37-6-3, AS AMENDED BY P.L.138-2007, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) Notice of the time, place, and purpose of a detention hearing shall be given to:

- (1) the child;
- (2) the child's parent, guardian, or custodian if the person can be located; ~~and~~
- (3) each foster parent or other caretaker with whom the child has been placed for temporary care under IC 31-37-5; **and**
- (4) the department, if the case involves an allegation that the child committed a delinquent act that would not be a crime if committed by an adult.**

(b) The court shall:

- (1) provide a person who is required to be notified under subsection (a)(2) or (a)(3) an opportunity to be heard; and
- (2) allow a person described in subdivision (1) to make recommendations to the court;

at the detention hearing.

SECTION 422. IC 31-37-6-6, AS AMENDED BY P.L.146-2006, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) The juvenile court shall release the child on the child's own recognizance or to the child's parent, guardian, or custodian upon the person's written promise to bring the child before the court at a time specified. However, the court may order the child detained if the court finds probable cause to believe the child is a delinquent child and that:

- (1) the child is unlikely to appear for subsequent proceedings;
- (2) detention is essential to protect the child or the community;
- (3) the parent, guardian, or custodian:
 - (A) cannot be located; or
 - (B) is unable or unwilling to take custody of the child;
- (4) return of the child to the child's home is or would be:
 - (A) contrary to the best interests and welfare of the child; and
 - (B) harmful to the safety or health of the child; or
- (5) the child has a reasonable basis for requesting that the child not be released.

However, the findings under this subsection are not required if the child is ordered to be detained in the home of the child's parent, guardian, or custodian or is released subject to any condition listed in subsection (d).

(b) If a child is detained for a reason specified in subsection (a)(3), (a)(4), or (a)(5), the child shall be detained under IC 31-37-7-1.

(c) If a child is detained for a reason specified in subsection (a)(4), the court shall make written findings and conclusions that include the following:

- (1) The factual basis for the finding specified in subsection (a)(4).
- (2) A description of the family services available and efforts made to provide family services before removal of the child.
- (3) The reasons why efforts made to provide family services did not prevent removal of the child.

(4) Whether efforts made to prevent removal of the child were reasonable.

(d) Whenever the court releases a child under this section, the court may impose conditions upon the child, including:

- (1) home detention;
- (2) electronic monitoring;
- (3) a curfew restriction;
- (4) a protective order;
- (5) a no contact order;
- (6) an order to comply with Indiana law; or
- (7) an order placing any other reasonable conditions on the child's actions or behavior.

(e) If the juvenile court releases a child to the child's parent, guardian, or custodian under this section, the court may impose conditions on the child's parent, guardian, or custodian to ensure:

- (1) the safety of the child's physical or mental health;
- (2) the public's physical safety; or
- (3) that any combination of subdivisions (1) and (2) is satisfied.

(f) The juvenile court shall include in any order requiring approving temporary detention of a child taken into custody under IC 31-37-5 or detention of a child all findings and conclusions required under:

- (1) applicable provisions of Title IV-E of the federal Social Security Act (42 U.S.C. 670 et seq.); or**
- (2) any applicable federal regulation, including 45 C.F.R. 1356.21;**

as a condition of eligibility of a delinquent child for assistance under Title IV-E or any other federal law.

(g) Inclusion in a juvenile court order of language approved and recommended by the judicial conference of Indiana, in relation to:

- (1) removal from the child's home; or**
- (2) detention;**

of a child who is alleged to be, or adjudicated as, a delinquent child constitutes compliance with subsection (b).

SECTION 423. IC 31-37-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. A child alleged to be a delinquent child under IC 31-37-2, except as provided in section 3 of this chapter, may not be held in:

- (1) a secure facility; or
- (2) a shelter care facility, **a forestry camp, or a training school** that houses persons charged with, imprisoned for, or incarcerated for crimes.

SECTION 424. IC 31-37-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. A preliminary inquiry is an informal investigation into the facts and circumstances reported to the court. Whenever practicable, the preliminary inquiry should include **the following** information: ~~on~~ **the child's**:

- (1) **The child's** background.
- (2) **The child's** current status. ~~and~~
- (3) **The child's** school performance.
- (4) If the child has been detained:**

(A) efforts made to prevent removal of the child from the child's home, including the identification of any emergency situation that prevented reasonable efforts to avoid removal;

(B) whether it is in the best interests of the child to be removed from the home environment; and

(C) whether remaining in the home would be contrary to the health and welfare of the child.

SECTION 425. IC 31-37-8-5, AS AMENDED BY P.L.145-2006, SECTION 337, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) The intake officer shall do the following:

- (1) Send the prosecuting attorney a copy of the preliminary inquiry if the case involves an allegation that the child committed an act that would be a crime if committed by an

adult.

(2) Send to:

- (A) the prosecuting attorney; ~~or and~~
- (B) the attorney for the department;

a copy of the preliminary inquiry if the case involves an allegation that the child committed a delinquent act that would not be a crime if committed by an adult.

(3) Recommend whether to:

- (A) file a petition;
- (B) informally adjust the case;
- (C) refer the child to another agency; or
- (D) dismiss the case.

(b) The prosecuting attorney and the court may agree to alter the procedure described in subsection (a).

SECTION 426. IC 31-37-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. The ~~person who represents the interests of the state and who receives the preliminary inquiry and recommendations~~ **prosecuting attorney** shall decide whether to file a petition. This decision is final only for the office of the person making the decision.

SECTION 427. IC 31-37-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) After the preliminary inquiry and upon approval by the juvenile court, the intake officer may implement a program of informal adjustment if the officer has probable cause to believe that the child is a delinquent child ~~and the child is not removed from the child's home.~~

(b) **If the juvenile court denies a program of informal adjustment, the juvenile court shall state its reasons for the denial. The reasons for denial may include findings by the juvenile court that:**

- (1) **for denial no probable cause exists to believe that the child is a delinquent child; or**
- (2) **the coercive intervention of the juvenile court is required.**

(c) **If the juvenile court does not act to approve or deny a program of informal adjustment within ten (10) days of its submission to the juvenile court, the program of informal adjustment is deemed approved.**

SECTION 428. IC 31-37-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. The child and the child's parent, guardian, custodian, or attorney must consent to the program of informal adjustment. ~~Before payment for services to the family may be paid from the state family and children's fund, written consent must also be obtained from the department.~~

SECTION 429. IC 31-37-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) Upon the filing of a petition for compliance and after notice and a hearing on the petition for compliance, the juvenile court may order the parent, guardian, or custodian of a child to participate in a program of informal adjustment ~~approved by the court~~ **implemented** under section 1 of this chapter.

(b) A parent, guardian, or custodian who fails to participate in a program of informal adjustment ordered by the court may be found in contempt of court.

SECTION 430. IC 31-37-9-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. A program of informal adjustment may not exceed ~~six (6)~~ **three (3)** months, except by approval of the juvenile court. The juvenile court may extend a program of informal adjustment an additional six (6) months.

SECTION 431. IC 31-37-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) ~~The~~ prosecuting attorney may file a petition alleging that a child is a delinquent child.

~~(b) The attorney for the county office of family and children may file a petition alleging that a child is a delinquent child under IC 31-37-2.~~

SECTION 432. IC 31-37-10-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) If the filing of a petition is approved by the court under section 2 of this chapter, the ~~person filing~~ **prosecuting attorney** may request in writing that the child be taken into custody. The person must support this request with sworn testimony or affidavit.

(b) The court may grant the request if the court makes written findings of fact upon the record that a ground for detention exists under IC 31-37-6-6.

SECTION 433. IC 31-37-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. If the court finds that a child is a delinquent child, the court shall do the following:

- (1) Enter judgment accordingly.
- (2) Order a ~~pre-disposition~~ **pre-dispositional** report.
- (3) Schedule a dispositional hearing.

SECTION 434. IC 31-37-15-1, AS AMENDED BY P.L.145-2006, SECTION 339, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. Any of the following may sign and file a petition for the juvenile court to require the participation of a parent, guardian, or custodian in a program of care, treatment, or rehabilitation for the child:

- (1) The prosecuting attorney.
- ~~(2) The attorney for the department.~~
- ~~(3) (2)~~ A probation officer.
- ~~(4) A caseworker.~~
- ~~(5) (3)~~ The department of correction.
- ~~(6) (4)~~ The guardian ad litem or court appointed special advocate.

SECTION 435. IC 31-37-17-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Upon finding that a child is a delinquent child, the juvenile court shall order a probation officer ~~or a caseworker~~ to prepare a predispositional report that contains a:

- (1) statement of the needs of the child for care, treatment, rehabilitation, or placement; ~~and~~
- (2) recommendation for the care, treatment, rehabilitation, or placement of the child;
- (3) determination of the child's eligibility under Title IV-E of the federal Social Security Act (42 U.S.C. 670 et seq.); and**
- (4) statement of the department's concurrence with or its alternative proposal to the probation officer's predispositional report, as provided in section 1.4 of this chapter.**

(b) Any of the following may prepare an alternative report for consideration by the court:

- (1) The child.
- (2) The child's:
 - (A) parent;
 - (B) guardian;
 - (C) guardian ad litem;
 - (D) court appointed special advocate; or
 - (E) custodian.

SECTION 436. IC 31-37-17-1.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1.3. (a) The individuals participating in a meeting described in section 1.1 of this chapter shall assist the person preparing the report in recommending the care, treatment, rehabilitation, or placement of the child.

(b) The individuals shall inform the person preparing the report of resources and programs that are available for the child.

(c) The probation officer ~~or caseworker~~ shall:

- (1) collect and maintain all information relevant to a determination of eligibility under Title IV-E of the federal Social Security Act (42 U.S.C. 670 et seq.); and**
- (2) complete financial eligibility forms designated by the director to assist in obtaining federal reimbursement and other reimbursement.**

SECTION 437. IC 31-37-17-1.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 1.4. (a) A probation officer shall refer the officer's completed predispositional report, except for the statement required under section 1(a)(4) of this chapter, to the department within a reasonable time before its required disclosure under section 6 of this chapter to allow the department time to:**

- (1) review; and
- (2) either concur with or offer an alternative proposal to the recommendations in;

the predispositional report.

(b) The department shall, after review of the predispositional report and any attachments necessary to verify the predispositional report, either:

- (1) concur with the predispositional report; or
- (2) communicate to the probation officer an alternative proposal regarding programs and services.

SECTION 438. IC 31-37-17-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 2. (a) In addition to providing the court with a recommendation for the care, treatment, or rehabilitation of the child, the person preparing the report shall consider the necessity, nature, and extent of the participation by a parent, guardian, or custodian in a program of care, treatment, or rehabilitation for the child.**

(b) If a probation officer or caseworker believes that an out-of-home placement would be appropriate for a delinquent child, the probation officer or caseworker shall consider whether the child should be placed with the child's suitable and willing blood or adoptive relative caretaker, including a grandparent, an aunt, an uncle, or an adult sibling, before considering other out-of-home placements for the child.

SECTION 439. IC 31-37-17-3, AS AMENDED BY P.L.145-2006, SECTION 341, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 3. The probation officer or caseworker shall collect information and prepare a financial report, in the form prescribed by the department on the parent or the estate of the child to assist the juvenile court and the department in:**

- (1) determining the person's financial responsibility; and
- (2) obtaining federal reimbursement;

for services provided for the child or the person.

SECTION 440. IC 31-37-17-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 4. (a) If consistent with the safety and best interest of the child and the community, the person probation officer preparing the report shall recommend care, treatment, rehabilitation, or placement that:**

- (1) is:
 - (A) in the least restrictive (most family like) and most appropriate setting available; and
 - (B) close to the parents' home, consistent with the best interest and special needs of the child;
- (2) least interferes with family autonomy;
- (3) is least disruptive of family life;
- (4) imposes the least restraint on the freedom of the child and the child's parent, guardian, or custodian; and
- (5) provides a reasonable opportunity for participation by the child's parent, guardian, or custodian.

(b) If the report recommends a placement or services for which the department will be responsible for payment under IC 31-40-1, the report must include a risk assessment and needs assessment for the child. The probation officer shall submit to the department a copy of the report and the financial report prepared by the probation officer.

SECTION 441. IC 31-37-17-6.1, AS AMENDED BY P.L.145-2006, SECTION 342, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 6.1. (a) The predispositional report prepared by a probation officer or**

caseworker shall must include the following information:

(1) A description of all dispositional options considered in preparing the report, **including a statement of the department's concurrence with or its alternative proposal to the probation officer's predispositional report.**

(2) An evaluation of each of the options considered in relation to the plan of care, treatment, rehabilitation, or placement recommended under the guidelines described in section 4 of this chapter.

(3) The name, occupation and position, and any relationship to the child of each person with whom the preparer of the report conferred as provided in section 1.1 of this chapter.

(4) A determination of (and all information relevant to a determination of) the child's eligibility under Title IV-E of the federal Social Security Act (42 U.S.C. 670 et seq.).

(b) If a probation officer or a caseworker is considering an out-of-home placement, including placement with a blood or an adoptive relative caretaker, the probation officer or caseworker must conduct a criminal history check (as defined in IC 31-9-2-22.5) for each person who is currently residing in the location designated as the out-of-home placement. The results of the criminal history check must be included in the predispositional report.

(c) A probation officer or caseworker is not required to conduct a criminal history check under this section if:

(1) the probation officer or caseworker is considering only an out-of-home placement to an entity or a facility that:

- (A) is not a residence (as defined in IC 3-5-2-42.5); or
- (B) is licensed by the state; or

(2) placement under this section is undetermined at the time the predispositional report is prepared.

SECTION 442. IC 31-37-18-4, AS AMENDED BY P.L.145-2006, SECTION 343, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 4. If:**

- (1) a child is referred to a probate court;
- (2) the juvenile court initiates a commitment proceeding; or
- (3) the court transfers a commitment proceeding under IC 12-26-1-4;

the juvenile court shall discharge the child or continue the court's proceedings under the juvenile law. However, if the child is under the custody or supervision of a county office or the department, the juvenile court may not release the department from the obligations of the department to the child pending the outcome of the discharge the child until another court has accepted a proceeding under IC 12-26.

SECTION 443. IC 31-37-18-5, AS AMENDED BY P.L.145-2006, SECTION 344, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 5. If the court authorizes a child who is under the custody or supervision of the department to be placed in a state institution (as defined in IC 12-7-2-184) for voluntary treatment in accordance with IC 12-26-3, the court may not release the department from obligations of the department to the child until the earlier of:**

- (1) the date the child is discharged; or
- (2) the date that a parent, guardian, or other responsible person approved by the court assumes the obligations.

SECTION 444. IC 31-37-18-9, AS AMENDED BY P.L.146-2006, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 9. (a) The juvenile court shall accompany the court's dispositional decree with written findings and conclusions upon the record concerning approval, modification, or rejection of the dispositional recommendations submitted in the predispositional report, including the following specific findings:**

- (1) The needs of the child for care, treatment, rehabilitation, or placement.

(2) The need for participation by the parent, guardian, or custodian in the plan of care for the child.

(3) **Efforts made, if the child is removed from the child's parent, guardian, or custodian, to:**

(A) prevent the child's removal from; or

(B) reunite the child with;

the child's parent, guardian, or custodian.

(4) **Family services that were offered and provided to:**

(A) the child; or

(B) the child's parent, guardian, or custodian.

~~(3)~~ (5) The court's reasons for the disposition.

(b) **If the department does not concur with the probation officer's recommendations in the predispositional report and the juvenile court does not follow the department's alternative recommendations, the juvenile court shall accompany the court's dispositional decree with written findings that the department's recommendations contained in the predispositional report are:**

(1) **unreasonable based on the facts and circumstances of the case; and**

(2) **contrary to the welfare and best interests of the child.**

~~(b)~~ (c) The juvenile court may incorporate a finding or conclusion from a predispositional report as a written finding or conclusion upon the record in the court's dispositional decree.

(d) **If the juvenile court enters findings and a decree under subsection (b), the department may appeal the juvenile court's decree under any available procedure provided by the Indiana Rules of Court or Rules of Appellate Procedure to allow any disputes arising under this section to be decided in an expeditious manner.**

SECTION 445. IC 31-37-19-1, AS AMENDED BY P.L.146-2006, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Subject to section 6.5 of this chapter, if a child is a delinquent child under IC 31-37-2, the juvenile court may enter one (1) or more of the following dispositional decrees:

(1) Order supervision of the child by the probation department. ~~or the county office or the department.~~

(2) Order the child to receive outpatient treatment:

(A) at a social service agency or a psychological, a psychiatric, a medical, or an educational facility; or

(B) from an individual practitioner.

(3) Remove the child from the child's home and place the child in another home or shelter care facility. Placement under this subdivision includes authorization to control and discipline the child.

(4) Award wardship to ~~a~~ **the probation department or another person or shelter care facility for supervision, care, and treatment.**

(5) Partially or completely emancipate the child under section 27 of this chapter.

(6) Order:

(A) the child; or

(B) the child's parent, guardian, or custodian;

to receive family services **or complete services approved by the department under IC 31-40-1.**

(7) Order a person who is a party to refrain from direct or indirect contact with the child.

(b) **If the child is removed from the child's home and placed in a foster family home or another facility that is not a secure detention facility, the court shall:**

(A) **approve a permanency plan for the child;**

(B) **find whether or not reasonable efforts were made to prevent or eliminate the need for the removal;**

(C) **designate responsibility for the placement and care of the child with the department or the probation department; and**

(D) **find whether it:**

(i) **serves the best interests of the child to be**

removed; and

(ii) **would be contrary to the health and welfare of the child for the child to remain in the home.**

(c) **If a dispositional decree under this section:**

(1) **orders or approves removal of a child from the child's home or awards wardship of the child to a person or shelter care facility; and**

(2) **is the first court order in the delinquent child proceeding that authorizes or approves removal of the child from the child's parent, guardian, or custodian;**

the court shall include in the decree the appropriate findings and conclusions described in IC 31-37-6-6(f).

SECTION 446. IC 31-37-19-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) **This section applies to a delinquent child if:**

(1) **the probation department of the juvenile court has been awarded wardship under section 1 of this chapter; and**

(2) **the child is placed in an out-of-home residence or facility that is not a secure detention facility.**

(b) **The probation department, after negotiating with the child's parent, guardian, or custodian, shall complete the child's case plan not later than sixty (60) days after the earlier of:**

(1) **the date of the child's first placement; or**

(2) **the date of a dispositional decree.**

(c) **A copy of the completed case plan shall be sent to the department and to the child's parent, guardian, or custodian not later than ten (10) days after the plan's completion.**

(d) **A child's case plan must be in a form prescribed by the department that meets the specifications set by 45 CFR 1356.21, as amended. The case plan must include a description and discussion of the following:**

(1) **A permanency plan for the child and an estimated date for achieving the goal of the plan.**

(2) **The appropriate placement for the child based on the child's special needs and best interests.**

(3) **The least restrictive family-like setting that is close to the home of the child's parent, custodian, or guardian if out-of-home placement is implemented or recommended, including consideration of possible placement with any suitable and willing relative caretaker, before considering other out-of-home placements for the child.**

(4) **Family services recommended for the child, parent, guardian, or custodian.**

(5) **Efforts already made to provide family services to the child, parent, guardian, or custodian.**

(6) **Efforts that will be made to provide family services that are ordered by the court.**

(e) **Each caretaker of a child and the probation department shall cooperate in the development of the case plan for the child. The probation department shall discuss with at least one (1) foster parent or other caretaker of a child the role of the substitute caretaker or facility regarding the following:**

(1) **Rehabilitation of the child and the child's parents, guardians, and custodians.**

(2) **Visitation arrangements.**

(3) **Services required to meet the special needs of the child.**

(f) **The case plan must be reviewed and updated by the probation department at least once every one hundred eighty (180) days.**

SECTION 447. IC 31-37-19-5, AS AMENDED BY P.L.1-2007, SECTION 208, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) **This section applies if a child is a delinquent child under IC 31-37-1.**

(b) **The juvenile court may, in addition to an order under**

section 6 of this chapter, enter at least one (1) of the following dispositional decrees:

- (1) Order supervision of the child by
 - ~~(A)~~ the probation department
 - ~~(B)~~ the county office; or
 - ~~(C)~~ the department.

as a condition of probation under this subdivision. The juvenile court shall after a determination under IC 11-8-8-5 require a child who is adjudicated a delinquent child for an act that would be an offense described in IC 11-8-8-5 if committed by an adult to register with the local law enforcement authority under IC 11-8-8.

- (2) Order the child to receive outpatient treatment:
 - (A) at a social service agency or a psychological, a psychiatric, a medical, or an educational facility; or
 - (B) from an individual practitioner.
- (3) Order the child to surrender the child's driver's license to the court for a specified period of time.
- (4) Order the child to pay restitution if the victim provides reasonable evidence of the victim's loss, which the child may challenge at the dispositional hearing.
- (5) Partially or completely emancipate the child under section 27 of this chapter.
- (6) Order the child to attend an alcohol and drug services program established under IC 12-23-14.
- (7) Order the child to perform community restitution or service for a specified period of time.
- (8) Order wardship of the child as provided in section 9 of this chapter.

SECTION 448. IC 31-37-19-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) This section applies if a child is a delinquent child under IC 31-37-1.

(b) Except as provided in section 10 of this chapter and subject to section 6.5 of this chapter, the juvenile court may:

- (1) enter any dispositional decree specified in section 5 of this chapter; and
- (2) take any of the following actions:
 - (A) Award wardship to:
 - (i) the department of correction for housing in a correctional facility for children; or
 - (ii) a community based correctional facility for children.

Wardship under this subdivision does not include the right to consent to the child's adoption.

(B) If the child is less than seventeen (17) years of age, order confinement in a juvenile detention facility for not more than the lesser of:

- (i) ninety (90) days; or
- (ii) the maximum term of imprisonment that could have been imposed on the child if the child had been convicted as an adult offender for the act that the child committed under IC 31-37-1 (or IC 31-6-4-1(b)(1) before its repeal).

(C) If the child is at least seventeen (17) years of age, order confinement in a juvenile detention facility for not more than the lesser of:

- (i) one hundred twenty (120) days; or
- (ii) the maximum term of imprisonment that could have been imposed on the child if the child had been convicted as an adult offender for the act that the child committed under IC 31-37-1 (or IC 31-6-4-1(b)(1) before its repeal).

(D) Remove the child from the child's home and place the child in another home or shelter care facility. Placement under this subdivision includes authorization to control and discipline the child.

(E) Award wardship to a person or shelter care facility. Wardship under this subdivision does not include the right to consent to the child's adoption.

(F) Place the child in a secure private facility for children licensed under the laws of a state. Placement under this subdivision includes authorization to control and discipline the child.

(G) Order a person who is a respondent in a proceeding under IC 31-37-16 (before its repeal) or IC 34-26-5 to refrain from direct or indirect contact with the child.

(c) If a dispositional decree under this section:

- (1) orders or approves removal of a child from the child's home, or awards wardship of the child to a person or shelter care facility; and**
 - (2) is the first court order in the delinquent child proceeding that authorizes or approves removal of the child from the child's parent, guardian, or custodian;**
- the juvenile court shall include in the decree the appropriate findings and conclusions described in IC 31-37-6-6(f).**

SECTION 449. IC 31-37-19-6.5, AS AMENDED BY P.L.1-2007, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6.5. (a) Except as provided in subsection ~~(c)~~, **(d)**, the juvenile court may not enter a dispositional decree ~~placing~~ **approving placement of** a child in another home under section 1(3) or 6(b)(2)(D) of this chapter or awarding wardship to ~~the county office or the probation~~ department that results in a placement with a person under section 1(4) or 6(b)(2)(E) of this chapter if a person who is currently residing in the home in which the child would be placed under section 1(3), 1(4), 6(b)(2)(D), or 6(b)(2)(E) of this chapter has committed an act resulting in a substantiated report of child abuse or neglect, has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult, or has a conviction for a felony listed in IC 31-27-4-13.

(b) ~~The juvenile court shall order the probation officer or caseworker who prepared the predispositional report to shall~~ conduct a criminal history check (as defined in IC 31-9-2-22.5) to determine if a person described in subsection (a) has committed an act resulting in a substantiated report of child abuse or neglect, has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult, or has a conviction for a felony listed in IC 31-27-4-13. However, ~~the juvenile court probation officer is not required to order~~ **conduct** a criminal history check under this section if criminal history information **obtained** under IC 31-37-17-6.1 establishes whether a person described in subsection (a) has committed an act resulting in a substantiated report of child abuse or neglect, has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult, or has a conviction for a felony listed in IC 31-27-4-13.

(c) The juvenile probation officer is not required to conduct a criminal history check under this section if:

- (1) the probation officer is considering only an out-of-home placement to an entity or a facility that:**
 - (A) is not a residence (as defined in IC 3-5-2-42.5); or**
 - (B) is licensed by the state; or**
- (2) placement under this section is undetermined at the time the predispositional report is prepared.**

~~(c)~~ **(d)** The juvenile court may enter a dispositional decree ~~placing~~ **approving placement of** a child in another home under section 1(3) or 6(b)(2)(D) of this chapter or awarding wardship to the ~~county office or the probation~~ department that results in a placement with a person under section 1(4) or 6(b)(2)(E) of this chapter if:

- (1) a person described in subsection (a) has:
 - (A) committed an act resulting in a substantiated report of child abuse or neglect; or
 - (B) been convicted or had a juvenile adjudication for:
 - (i) reckless homicide (IC 35-42-1-5);
 - (ii) battery (IC 35-42-2-1) as a Class C or D felony;
 - (iii) criminal confinement (IC 35-42-3-3) as a Class C or D felony;

- (iv) arson (IC 35-43-1-1) as a Class C or D felony;
- (v) a felony involving a weapon under IC 35-47 or IC 35-47.5 as a Class C or D felony;
- (vi) a felony relating to controlled substances under IC 35-48-4 as a Class C or D felony; or
- (vii) a felony that is substantially equivalent to a felony listed in items (i) through (vi) for which the conviction was entered in another state; and

(2) the court makes a written finding that the person's commission of the offense, delinquent act, or act of abuse or neglect described in subdivision (1) is not relevant to the person's present ability to care for a child, and that entry of a dispositional decree placing the child in another home is in the best interest of the child.

However, a court may not enter a dispositional decree placing a child in another home under section 1(3) or 6(b)(2)(D) of this chapter or awarding wardship to ~~the county office~~ or the **probation** department if the person has been convicted of a felony listed in IC 31-27-4-13 that is not specifically excluded under subdivision (1)(B), or has a juvenile adjudication for an act that would be a felony listed in IC 31-27-4-13 if committed by an adult that is not specifically excluded under subdivision (1)(B).

~~(c)~~ **(e)** In making its written finding under subsection ~~(c)~~; **(d)**, the court shall consider the following:

- (1) The length of time since the person committed the offense, delinquent act, or act that resulted in the substantiated report of abuse or neglect.
- (2) The severity of the offense, delinquent act, or abuse or neglect.
- (3) Evidence of the person's rehabilitation, including the person's cooperation with a treatment plan, if applicable.

SECTION 450. IC 31-37-19-17.4, AS AMENDED BY P.L.125-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17.4. (a) This section applies if a child is a delinquent child under IC 31-37-1 due to the commission of a delinquent act that, if committed by an adult, would be an offense relating to a criminal sexual act (as defined in IC 35-41-1-19.3).

(b) The juvenile court may, in addition to any other order or decree the court makes under this chapter, order:

- (1) the child; and
- (2) the child's parent or guardian;

to receive psychological counseling as directed by the court, **subject to approval of the department as provided in IC 31-40-1-1.**

SECTION 451. IC 31-37-20-1, AS AMENDED BY P.L.145-2006, SECTION 348, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. At any time after the date of an original dispositional decree, the juvenile court may order ~~the department~~ or the probation department to file a report on the progress made in implementing the decree. If, after reviewing the report, the juvenile court seeks to consider modification of the dispositional decree, the court shall proceed under IC 31-37-22.

SECTION 452. IC 31-37-20-2, AS AMENDED BY P.L.145-2006, SECTION 349, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) The court shall hold a formal hearing:

- (1) every twelve (12) months after:
 - (A) the date of the original dispositional decree; or
 - (B) a delinquent child was removed from the child's parent, guardian, or custodian;
 whichever occurs first; or
- (2) more often if ordered by the juvenile court.

(b) The court shall determine whether the dispositional decree should be modified and whether the present placement is in the best interest of the child. The court, in making the court's determination, may consider the following:

- (1) The services that have been provided or offered to a

parent, guardian, or custodian to facilitate a reunion.

(2) The extent to which the parent, guardian, or custodian has enhanced the ability to fulfill parental obligations.

(3) The extent to which the parent, guardian, or custodian has visited the child, including the reasons for infrequent visitation.

(4) The extent to which the parent, guardian, or custodian has cooperated with the department or probation department.

(5) The child's recovery from any injuries suffered before removal.

(6) Whether additional services are required for the child or the child's parent, guardian, or custodian and, if so, the nature of the services.

(7) The extent to which the child has been rehabilitated.

(c) If the court has ordered wardship of the child to the probation department, a review of the dispositional decree will be held at least once every six (6) months, or more often, if ordered by the court. At the review, the court shall determine whether or not the probation department has made reasonable efforts to finalize a permanency plan for the child, if required under IC 31-37-19-1.5.

SECTION 453. IC 31-37-20-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The court shall hold a formal hearing on the question of continued jurisdiction:

- (1) every eighteen (18) months after:
 - (A) the date of the original dispositional decree; or
 - (B) a delinquent child was removed from the child's parent, guardian, or custodian;
 whichever comes first; or
- (2) more often if ordered by the juvenile court.

(b) The state must show that jurisdiction should continue by proving that the objectives of the dispositional decree have not been accomplished and that a continuation of the decree with or without modifications has a probability of success.

(c) If the state does not sustain the state's burden for continued jurisdiction, the court may:

- (1) authorize a petition for termination of the parent-child relationship; or
- (2) discharge the child or the child's parent, guardian, or custodian.

(d) If the court has ordered wardship of the child to the probation department, a jurisdictional review of the dispositional decree, including a review of the child's permanency plan, if required under IC 31-37-19-1.5, shall be held at least once every twelve (12) months.

SECTION 454. IC 31-37-20-4, AS AMENDED BY P.L.145-2006, SECTION 350, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. Before a hearing under section 2 or 3 of this chapter, the probation department ~~or the department~~ shall prepare a report in accordance with IC 31-37-21 on the progress made in implementing the dispositional decree.

SECTION 455. IC 31-37-21-1, AS AMENDED BY P.L.145-2006, SECTION 351, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) Before a hearing under IC 31-37-20-2 or IC 31-37-20-3, the probation department ~~or the department~~ shall prepare a report on the progress made in implementing the dispositional decree, including the progress made in rehabilitating the child, preventing placement out-of-home, ~~or~~ reuniting the family, **or finalizing another permanency plan as approved by the court.**

(b) Before preparing the report required by subsection (a), the probation department ~~or the department~~ shall consult a foster parent of the child about the child's progress made while in the foster parent's care.

(c) If modification of the dispositional decree is

recommended, the probation department ~~or the department~~ shall prepare a modification report containing the information required by IC 31-37-17 and request a formal court hearing.

SECTION 456. IC 31-37-22-1, AS AMENDED BY P.L.145-2006, SECTION 352, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. While the juvenile court retains jurisdiction under IC 31-30-2, the juvenile court may modify any dispositional decree:

- (1) upon the juvenile court's own motion;
- (2) upon the motion of:
 - (A) the child;
 - (B) the child's parent, guardian, custodian, or guardian ad litem;
 - (C) the probation officer; **or**
 - ~~(D) the caseworker;~~
 - ~~(E) (D) the prosecuting attorney;~~ **or**
 - ~~(F) the attorney for the department;~~ **or**
- (3) upon the motion of any person providing services to the child or to the child's parent, guardian, or custodian under a decree of the court.

SECTION 457. IC 31-37-22-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. If:

- (1) a child is placed in a shelter care facility or other place of residence as part of a court order with respect to a delinquent act under IC 31-37-2-2;
- (2) the child received a written warning of the consequences of a violation of the placement at the hearing during which the placement was ordered;
- (3) the issuance of the warning was reflected in the records of the hearing;
- (4) the child is not held in a juvenile detention facility for more than twenty-four (24) hours, excluding Saturdays, Sundays, and legal holidays, before the hearing at which it is determined that the child violated that part of the order concerning the child's placement in a shelter care facility or other place of residence; and
- (5) the child's mental and physical condition may be endangered if the child is not placed in a secure facility;

the juvenile court may modify its disposition order with respect to the delinquent act and place the child in a public or private facility for children **under section 7 of this chapter.**

SECTION 458. IC 31-37-22-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) If the juvenile court modifies its disposition order under section 5 or 6 of this chapter, the court may order the child placed under one (1) of the following alternatives:

- (1) In a nonlocal secure private facility licensed under the laws of any state. Placement under this alternative includes authorization to control and discipline the child.
- (2) In a local secure private facility licensed under Indiana law. Placement under this alternative includes authorization to control and discipline the child.
- (3) In a local secure public facility.
- (4) In a local alternative facility approved by the juvenile court.
- (5) As a ward of the department of correction for housing in any correctional facility for children. Wardship under this alternative does not include the right to consent to the child's adoption. However, without a determination of unavailable housing by the department of correction, a child found to be subject to section 5 or 6 of this chapter and placed in a secure facility of the department of correction may not be housed with any child found to be delinquent under any other provision of this article.

(b) If the juvenile court places a child under subsection (a)(3) or (a)(4):

- (1) the length of the placement may not exceed thirty (30) days; and
- (2) the juvenile court shall order specific treatment of the

child designated to eliminate the child's disobedience of the court's order of placement.

(c) If the juvenile court places a child under this section in any facility that is not a secure detention facility, the department is not required to pay any of the costs of maintaining the child in the placement, or services provided to the child in placement, unless the department has approved both the change of placement and the case plan for the child. If the change of placement has not been approved by the department, all costs of placement and services provided to the child that would be included in costs of secure detention if the child were placed in a secure detention facility shall be paid by the county of the child's residence from the county general fund.

~~(c) (d)~~ The juvenile court shall retain jurisdiction over any placement under this section (or IC 31-6-7-16(d) before its repeal) and shall review each placement every three (3) months to determine whether placement in a secure facility remains appropriate.

SECTION 459. IC 31-37-25-1, AS AMENDED BY P.L.145-2006, SECTION 356, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. Any of the following may sign and file a petition for the juvenile court to require a person to refrain from direct or indirect contact with a child:

- (1) The prosecuting attorney.
- ~~(2) The attorney for the department;~~
- ~~(3) (2)~~ A probation officer.
- ~~(4) A caseworker;~~
- ~~(5) (3)~~ The department of correction.
- ~~(6) (4)~~ The guardian ad litem or court appointed special advocate.

SECTION 460. IC 31-40-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. This article applies to ~~a financial burden sustained by a county as the result of~~ costs paid by the **county department** 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 461. IC 31-40-1-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 1.5. (a) As used in this chapter, "costs of secure detention" includes all expenses relating to any of the following items:**

- (1) Construction, repair, operation, maintenance, and administration of a secure detention facility.**
 - (2) Room, board, supervision, and support services for housing at a secure detention facility of a child who has been:**
 - (A) taken into custody under IC 31-37-5 and placed in a secure detention facility for purposes of court proceedings under IC 31-37; or**
 - (B) placed in a secure detention facility under IC 31-37-19-6 or IC 31-37-19-10;**
- if the court has not awarded wardship of the child to the department of correction.**
- (3) Services provided by the department, a county probation office, or any service provider contracted by the department or county probation office if the services are provided:**
 - (A) to or for the benefit of the child;**
 - (B) under or consistent with the terms of a dispositional decree entered in accordance with IC 31-37-19-6 or IC 31-37-19-10; and**
 - (C) during the time the child is housed in a secure detention facility.**

(b) As used in this chapter, "secure detention facility" includes:

- (1) a juvenile detention center described in IC 31-31-8 or IC 31-31-9; or**

(2) a secure facility:

(A) that is a camp, a training school, or other facility that is designed and operated primarily for the detention of children determined to be delinquent;

(B) at which more than fifty percent (50%) of the child residents have been:

- (i) adjudicated as a delinquent child under IC 31-37-13-5 or comparable statute in another state, based on commission of a delinquent act that would be an offense if committed by an adult; or
- (ii) taken into custody and placed in the facility as the result of a charge that the child committed a delinquent act as defined in IC 31-37-1-2, or comparable statute in another state; and

(C) that is not a facility:

- (i) licensed by the department under IC 31-37; or
- (ii) owned or operated by or on behalf of the department of correction or any other state agency.

(c) As used in this chapter, the term "services" includes education, provision of necessary clothing and supplies, medical and dental care, counseling and remediation, or any other services or programs included in a dispositional decree or case plan ordered or approved by the juvenile court for the benefit of a delinquent child under IC 31-37.

SECTION 462. IC 31-40-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) Except as otherwise provided in this section and subject to:

- (1) this chapter;
- (2) IC 31-29; and
- (3) any other provisions of applicable law relating to the particular program, activity, or service for which payment is made by or through the department;

the county department shall pay from the county state family and children's fund, the cost of ~~(+) any child services ordered by the juvenile court provided by or through the department for any child or the child's parent, guardian, or custodian. other than secure detention;~~ and

~~(2) (b) The department shall pay from the state family and children's fund the cost of returning a child under IC 31-37-23.~~

~~(b) The county fiscal body shall provide sufficient money to meet the court's requirements.~~

(c) The department is not responsible for payment of any costs of secure detention. The county shall pay from the county general fund all costs of secure detention, other than any costs that are paid from nonpublic funding sources.

(d) The department is not responsible for payment of any costs or expenses for housing or services provided to a delinquent child who is committed to the department of correction. All costs attributable to a child committed to the department of correction that would be costs of secure detention if the child were placed in a secure detention facility shall be paid as provided in IC 11-10-2.

(e) The department is not responsible for payment of any costs or expenses for child services for a child if:

- (1) the juvenile court has not entered the required findings and conclusions in accordance with IC 31-34-5-3, IC 31-34-20-1, IC 31-37-6-6, IC 31-37-19-1, or IC 31-37-19-6 (whichever is applicable); and
- (2) the department has determined that the child otherwise meets the eligibility requirements for assistance under Title IV-E of the federal Social Security Act (42 U.S.C. 670 et seq.).

(f) In all cases under this title, if the juvenile court orders services, programs, or placements that:

- (1) are not eligible for federal assistance under either Title IV-B of the federal Social Security Act (42 U.S.C. 620 et seq.) or Title IV-E of the federal Social Security

Act (42 U.S.C. 670 et seq.); and

(2) have not been recommended or approved by the department;

the department is not responsible for payment of the costs of those services, programs, and placement from the state family and children's fund.

(g) The department is not responsible for payment of any costs or expenses for housing or services provided to a delinquent child placed by a court in a facility located outside Indiana, unless the placement has been recommended or approved by the department.

(h) If:

- (1) the department is not responsible for payment of costs or expenses of services, programs, or placements ordered by a court for a child or the child's parent, guardian, or custodian, as provided in this section; and
- (2) another source of payment for those costs or expenses is not specified in this section or other applicable law;

the county in which the child resides is responsible for payment of those costs and expenses.

SECTION 463. IC 31-40-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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; provided by or through the department.~~

(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 the state 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 department for the cost of, services provided to the child or the parent or guardian unless the court ~~finds~~ **makes a specific finding** that the parent or guardian is unable to pay or that justice would not be served by ordering payment from the parent or guardian.

SECTION 464. IC 31-40-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. 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 department 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 465. IC 31-40-1-5, AS AMENDED BY P.L.145-2006, SECTION 362, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 department places~~ 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);~~ a group home, 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 juvenile 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 **juvenile 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 out-of-home~~ 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 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 department** 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 department** 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 state** 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 466. IC 31-40-1-6, AS AMENDED BY P.L.145-2006, SECTION 363, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 department** that paid the cost of services ~~ordered by the court, provided by or through the department~~, 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 department**.

SECTION 467. IC 31-40-1-7, AS AMENDED BY P.L.145-2006, SECTION 364, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 **state** family and children's 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 state** family and children's 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 468. IC 31-40-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. If the parent or guardian of the estate:

(1) defaults in reimbursing the **county, department**; or

(2) fails to pay a fee authorized by this article; the juvenile court may find the parent or guardian in contempt and enter judgment for the amount due."

Page 225, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 472. IC 33-37-8-5, AS AMENDED BY P.L.60-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) A county user fee fund is established in each county to finance various program services. The county fund is administered by the county auditor.

(b) The county fund consists of the following fees collected by a clerk under this article: ~~and by the probation department for the juvenile court under IC 31-34-8-8 or IC 31-37-9-9:~~

- (1) The pretrial diversion program fee.
- (2) The informal adjustment program fee.
- (3) The marijuana eradication program fee.
- (4) The alcohol and drug services program fee.
- (5) The law enforcement continuing education program fee.
- (6) The deferral program fee.
- (7) The jury fee.
- (8) The drug court fee.
- (9) The reentry court fee.

(c) All of the jury fee and two dollars (\$2) of a deferral program fee collected under IC 33-37-4-2(e) shall be deposited by the county auditor in the jury pay fund established under IC 33-37-11.

SECTION 473. IC 33-38-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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)~~ 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."

Page 226, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 475. IC 36-2-6-4.5, AS AMENDED BY P.L.145-2006, SECTION 373, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.5. (a) A county executive may adopt an ordinance allowing money to be disbursed for lawful county purposes under this section.

(b) Notwithstanding IC 5-11-10, with the prior written approval of the board having jurisdiction over the allowance of claims, the county auditor may make claim payments in advance of board allowance for the following kinds of expenses if the county executive has adopted an ordinance under subsection (a):

- (1) Property or services purchased or leased from the United States government, its agencies, or its political subdivisions.

(2) License or permit fees.

(3) Insurance premiums.

(4) Utility payments or utility connection charges.

(5) General grant programs where advance funding is not prohibited and the contracting party posts sufficient security to cover the amount advanced.

(6) Grants of state funds authorized by statute.

(7) Maintenance or service agreements.

(8) Leases or rental agreements.

(9) Bond or coupon payments.

(10) Payroll.

(11) State or federal taxes.

(12) Expenses that must be paid because of emergency circumstances.

(13) Expenses described in an ordinance.

~~(14) Expenses incurred under a procurement contract under IC 31-25-2-17.~~

(c) Each payment of expenses under this section must be supported by a fully itemized invoice or bill and certification by the county auditor.

(d) The county executive or the county board having jurisdiction over the allowance of the claim shall review and allow the claim at its next regular or special meeting following the preapproved payment of the expense.

(e) A payment of expenses under this section must be published in the manner provided under section 3 of this chapter."

Page 235, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 486. IC 36-6-1.5-12, AS ADDED BY P.L.240-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. The officers of the new township government shall:

(1) obtain from the ~~department of local government finance~~ **county board of tax and capital projects review** approval ~~under IC 6-1.1-18.5-7~~ of:

- (A) a budget;
- (B) an ad valorem property tax levy; and
- (C) a property tax rate;

(2) fix the annual budget under IC 6-1.1-17;

(3) impose a property tax levy; and

(4) take any action necessary to ensure the collection of fees and other revenue;

for the new township government for the budget year following the year the officers take office.

SECTION 487. IC 36-6-1.6-10, AS ADDED BY P.L.240-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. The officers of a new reestablished township government shall:

(1) obtain from the ~~department of local government finance~~ **county board of tax and capital projects review** approval ~~under IC 6-1.1-18.5-7~~ of:

- (A) a budget;
- (B) an ad valorem property tax levy; and
- (C) a property tax rate;

(2) fix the annual budget under IC 6-1.1-17;

(3) impose a property tax levy; and

(4) take any action necessary to ensure the collection of fees and other revenue;

for the new township government for the budget year following the year the officers take office."

Page 240, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 491. IC 36-7-14-39, AS AMENDED BY P.L.154-2006, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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.

(~~F~~) 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) 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) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) 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 39.5 of this chapter in the same year.

(~~F~~) (I) 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~~) (J) 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 (1/2) 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 492. IC 36-7-14-48, AS AMENDED BY P.L.219-2007, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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) 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(a)(1) 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 (as defined in IC 6-1.1-21-2) 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 (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in 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:~~

~~(c) (c) 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) (d) 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 ~~(c)(2)~~:
 (c)(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) 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 (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).~~

SECTION 493. IC 36-7-14.5-12.5, AS AMENDED BY P.L.219-2007, SECTION 127, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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, and 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) (5) 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) (6) 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 and voters 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 240, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 495. IC 36-7-15.1-35, AS AMENDED BY P.L.219-2007, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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) 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(a)(1) 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 (as defined in IC 6-1.1-21-2) 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 (1/2) of the credit to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in a year. Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). 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.

(c) (c) 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.

(d) (d) 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) 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 (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).~~

SECTION 496. IC 36-7-26-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 25. The board may not approve a resolution under section 16 of this chapter until the board has satisfied itself that the city in which the proposed district will be established has maximized the use of tax increment financing under IC 36-7-14 or IC 36-7-14.5 to finance public improvements within or serving the proposed district. ~~subject to the granting of an additional credit under IC 36-7-14-39.5.~~ The city may not grant property tax abatements to the taxpayers within the proposed district or a district, except that the board may approve a resolution under section 16 of this chapter in the proposed district or a district in which real property tax abatement not to exceed three (3) years has been granted.

SECTION 497. IC 36-7-30-25, AS AMENDED BY P.L.154-2006, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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) 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) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
(ii) the STEP ONE sum.
STEP THREE: Multiply:~~

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) 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)~~ (E) 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)~~ (F) 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.~~

(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 (1/2) 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."

Page 242, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 499. IC 36-7-30.5-30, AS AMENDED BY P.L.154-2006, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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) 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) for that year as determined under IC 6-1.1-21-4 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 (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 32 of this chapter in the same year.~~

~~(F) (E) 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) (F) 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.~~

(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 (1/2) 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."

Page 243, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 501. IC 36-8-15-19, AS AMENDED BY P.L.148-2007, SECTION 9, AND P.L.195-2007, SECTION 10, AND AS AMENDED BY P.L.224-2007, SECTION 131, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19. (a) This subsection applies to a county ~~not having a consolidated city~~ that has a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000). For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or the number of public agencies served by the district, the local government tax control board (*before January 1, 2009*) or the county board of tax and capital projects review (*after December 31, 2008*) shall, for property taxes first due and payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.

(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the local government tax control board (*before January 1, 2009*) or the county board of tax and capital projects review (*after December 31, 2008*) shall reduce the ~~maximum permissible ad valorem property tax levy~~ **property tax limit** of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the board, which shall review and set the budget, levy, and rate. ~~as though the district were covered by IC 6-1.1-18.5-7.~~

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the local government tax control board (*before January 1, 2009*) or the county board of tax and capital projects review (*after December 31, 2008*) shall reduce the ~~maximum permissible ad valorem property tax levy~~ **property tax limit** of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is

adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the board, which shall review and set the budget, levy, and rate. ~~as though the unit were covered by IC 6-1.1-18.5-7.~~

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

(g) *A county that has adopted an ordinance under section 1(3) of this chapter may not impose an ad valorem property tax levy on property within the district to fund the operation or implementation of the district.*

Page 244, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 503. IC 36-12-12-9, AS ADDED BY P.L.1-2005, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) A library board may amend an adopted and approved plan to:

- (1) provide money for the purposes described in section 2(b)(4) of this chapter; or
- (2) supplement money accumulated in the capital projects fund for those purposes.

(b) If an emergency arises that results in costs that exceed the amount accumulated in the fund for the purposes described in section 2(b)(4) of this chapter, the library board must immediately apply to the department of local government finance for a determination that an emergency exists. If the department of local government finance determines that an emergency exists, the library board may adopt a resolution to amend the plan. The amendment is not subject to the deadline and the procedures for adoption described in section 3 of this chapter. However, the amendment is subject to modification by the department of local government finance.

(c) An amendment adopted under this section may require the payment of eligible emergency costs from:

- (1) money accumulated in the capital projects fund for other purposes; or
- (2) money to be borrowed from other funds of the library board or from a financial institution.

The amendment may also provide for an increase in the property tax rate for the capital projects fund to restore money to the fund or to pay principal and interest on a loan. However, before the property tax rate for the fund may be increased, the library board must submit and obtain the approval of the appropriate fiscal body or bodies, as provided in section 4 of this chapter. An increase to the property tax rate for the capital projects fund is effective for property taxes first due and payable for the year next certified by the department of local government finance under ~~IC 6-1.1-17-16: budget year for which tax levies are approved by the county board of tax and capital projects review.~~ However, the property tax rate may not exceed the maximum rate established under section 10 of this chapter."

Page 244, line 4, after "(RETROACTIVE)]:" insert "IC 6-1.1-21.2-1;".

Page 244, line 8, after "IC 6-3.5-6-32" delete "." and insert "; IC 6-3.5-8; IC 12-7-2-117; IC 12-19-1-11; IC 12-19-1-12; IC 12-19-6; IC 31-34-8-5;".

Page 244, line 10, after "IC 6-1.1-29.5-14" delete "." and insert "IC 31-26-3; IC 31-34-8-8; IC 31-34-8-9; IC 31-34-24; IC 31-37-9-9; IC 31-37-9-10; IC 31-37-24;".

Page 244, line 13, after "IC 4-35-8-4;" insert "IC 5-22-4-9;".

Page 244, line 15, after "IC 6-1.1-17-13" delete "," and insert ";

Page 244, line 16, after "IC 6-1.1-17-16;" insert "IC 6-1.1-17-17; IC 6-1.1-17-19;".

Page 244, line 16, after "IC 6-1.1-18-2;" insert "IC 6-1.1-18-3; IC 6-1.1-18-6.5; IC 6-1.1-18-10; IC 6-1.1-18-11;".

Page 244, line 17, delete "IC 6-1.1-19-3; IC 6-1.1-19-4.1; IC 6-1.1-19-7;".

Page 244, line 18, after "IC 6-1.1-21.7;" insert "IC 6-1.1-29-1; IC 6-1.1-29-5;".

Page 244, line 19, after "IC 6-3.5-7-25.5;" insert "IC 8-22-3.5-10; IC 8-22-3.5-12;".

Page 244, line 20, delete "IC 12-13-9;" and insert "IC 12-19-1.5;".

Page 244, line 21, delete "IC 16-35-4; IC 16-35-5;" and insert "IC 20-18-2-21.5; IC 20-24-7-12;".

Page 244, line 22, after "IC 20-40-6-3;" insert "IC 20-40-8-1; IC 20-43-1-5; IC 20-43-3-5; IC 20-43-3-6; IC 20-43-6-6; IC 20-44-3; IC 20-45-1-3; IC 20-45-1-4; IC 20-45-1-7; IC 20-45-1-8; IC 20-45-1-9; IC 20-45-1-10; IC 20-45-1-11; IC 20-45-1-13; IC 20-45-1-15; IC 20-45-1-16; IC 20-45-1-17; IC 20-45-1-18; IC 20-45-1-20; IC 20-45-1-22; IC 20-45-2;".

Page 244, line 23, after "IC 20-46-4;" insert "IC 31-19-26; IC 31-25-2-17; IC 31-33-4-4;".

Page 244, line 23, after "IC 36-6-5" delete "." and insert "; IC 36-7-14-39.5; IC 36-7-15.1-26.5; IC 36-7-15.1-26.7; IC 36-7-15.1-26.9; IC 36-7-15.1-56; IC 36-7-30-27; IC 36-7-30.5-32;".

Page 244, line 25, after "[EFFECTIVE JULY 1, 2009]:" insert "IC 6-1.1-18.5-4; IC 6-1.1-18.5-4.5; IC 6-1.1-18.5-5; IC 6-1.1-18.5-6; IC 6-1.1-18.5-7; IC 6-1.1-18.5-9; IC 6-1.1-18.5-9.5; IC 6-1.1-18.5-9.7; IC 6-1.1-18.5-9.9; IC 6-1.1-18.5-10; IC 6-1.1-18.5-10.1; IC 6-1.1-18.5-10.2; IC 6-1.1-18.5-10.3; IC 6-1.1-18.5-10.4; IC 6-1.1-18.5-10.5; IC 6-1.1-18.5-11;".

Page 244, line 25, after "IC 6-1.1-18.5-13;" insert "IC 6-1.1-18.5-13.5; IC 6-1.1-18.5-13.6;".

Page 244, line 26, after "IC 6-1.1-18.5-16" delete "." and insert "; IC 6-1.1-18.5-18; IC 6-1.1-18.5-19; IC 6-1.1-18.5-19.1; IC 6-1.1-18.5-20; IC 6-1.1-18.5-21; IC 6-1.1-19; IC 12-13-9; IC 16-35-4; IC 16-35-5;".

Page 245, between lines 12 and 13, begin a new paragraph and insert:

"(e) The department of local government finance shall adjust the maximum permissible ad valorem tax levy imposed for the March 1, 2008, and January 15, 2009, assessment dates of each county and township to reflect any transfer of duties between assessors under this act."

Page 245, line 13, delete "(e)" and insert "(f)".

Page 245, line 14, delete "(a) The" and insert **"(a) On January 1, 2009, the duties of the department of local government finance, the school property tax control board, and the local government tax control board:**

(1) concerning:

(A) budgets of a political subdivision in a county for a budgetary year after December 31, 2008; or

(B) property tax rates and property tax levies imposed by a political subdivision in a county for an assessment date after January 15, 2009;

including duties to conduct a hearing or hear an appeal; and

(2) concerning review and approval of proposals to engage in a capital project, issue bonds, or enter into leases after June 30, 2008;

are transferred to the county board of tax and capital projects review for the county. Except as provided in this SECTION, any statute in conflict with this subsection that grants a power to or imposes a duty on the department of local government finance, the school property tax control board, or the local government tax control board shall be treated after June 30, 2008, as a grant of power to or an imposition of a duty on the county board of tax and capital projects review. If there is a conflict with the manner in which a statute requires the department of local government finance, the school property tax control board, or the local government tax control board to exercise a power or duty

under IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-20, IC 6-1.1-29, or IC 6-1.1-29.5, the power or duty shall be exercised in conformity with IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-20, IC 6-1.1-29, or IC 6-1.1-29.5.

(b) Notwithstanding the repeal of IC 6-1.1-17-16 by this act, the department of local government finance shall certify budgets for calendar year 2009 and tax rates and tax levies that are imposed for the March 1, 2008, and January 15, 2009, assessment dates in accordance with IC 6-1.1-17-16 (as effective December 31, 2008). The budgets, tax rates, and tax levies certified under this SECTION are the budgets that political subdivisions are permitted to spend in calendar year 2009 and the tax rates and tax levies that may be imposed for the March 1, 2008, and January 15, 2009, assessment dates. Any supplemental budget for calendar year 2009 must be approved in accordance with IC 6-1.1-18-5, as amended by this act.

(c) The tax limits imposed under IC 6-1.1-18.5, IC 6-1.1-19, IC 20-45, and IC 20-46, as effective before January 1, 2009, apply to property taxes imposed for an assessment date before January 16, 2009. The tax limits in IC 6-1.1-18.5, as amended by this act, apply to property taxes imposed for an assessment date after January 15, 2009. For assessment dates after January 15, 2009, any law permitting an appeal to the department of local government finance, the school property tax control board, or the local government tax control board to increase a property tax rate or levy for an assessment date after January 15, 2009, in excess of a statutory maximum permissible levy limitation or a statutory property tax rate limit is void. A law outside IC 6-1.1-18.5, as amended by this act, that exempts a property tax levy or property tax rate from the levy limits in IC 6-1.1-18.5 is void to the extent that it conflicts with IC 6-1.1-18.5, as amended by this act.

(d) The".

Page 245, line 18, delete "(b)" and insert "(e)".

Page 245, line 29, after "(b)" insert "IC 6-1.1-20-3.1, as amended by this act, and".

Page 245, line 29, delete "applies" and insert "apply".

Page 245, between lines 32 and 33, begin a new paragraph and insert:

"(d) A reference to IC 20-43-3 in any law or rule shall be treated after December 31, 2008, as a reference to IC 6-1.1-18.5-17, as amended by this act.

(e) A school corporation may not impose a tuition support levy, an excessive levy for the school corporation's general fund, or a levy for the school corporation's transportation fund after December 31, 2008. After December 31, 2008, a reference in any law to any of these levies, including a reference to a tuition support levy by citation to IC 20-45 or IC 20-46-4, shall be treated as a reference to the state tuition support distribution for the school corporation under IC 20-43.

(f) A law restricting use of money in a fund to a particular purpose is void to the extent that it conflicts with the powers to transfer money between funds granted by IC 6-1.1-18-6, as amended by this act.

(g) A law providing that a property tax levy or special benefits tax is not subject to property tax levy limits or property tax rate limits imposed by law is void to the extent that it conflicts with IC 6-1.1-18.5, as amended by this act.

(h) A law limiting the amount that may be appropriated or levied for a particular fund or purpose is void to the extent that it conflicts with IC 6-1.1-18.5, as amended by this act.

(i) Notwithstanding the repeal of IC 6-1.1-20.9 by this act, a provision in IC 6-3.5 that refers to a credit as an additional homestead credit, an increased homestead credit, or a credit for property that is eligible for a homestead credit under IC 6-1.1-20.9 (repealed by this act), shall be treated after December 31, 2008, as continuing to permit a grant of a

homestead credit against the property tax liability imposed on property that is eligible for a standard deduction under IC 6-1.1-12-37. The credit shall be calculated in the same manner as the credits were calculated before January 1, 2009.

(j) Notwithstanding the repeal of IC 6-1.1-21 by this act, a provision in IC 6-3.5 that refers to a credit as an additional property tax replacement credit or an increased property tax replacement credit shall be treated after December 31, 2008, as continuing to permit the grant of a property tax replacement credit against property tax liability. The credit shall be calculated in the same manner as the credits were calculated before January 1, 2009.

(k) Notwithstanding any other law, a law granting an additional credit reducing property tax liability in an allocation area (as defined in IC 6-1.1-21.2-3) is void.

SECTION 513. [EFFECTIVE JANUARY 1, 2009] (a) A county auditor shall transfer:

- (1) the unencumbered balance on December 31, 2008, of the county's county family and children's fund; and
- (2) any delinquent property tax payments and other amounts that would have been deposited after December 31, 2008, in the county's county family and children's fund;

to the auditor of state for deposit in the state family and children's fund. However, the department of child services and the county executive may enter into an agreement concerning the amount to be transferred to the auditor of state if an amount needs to be retained by the county to pay a county obligation for the costs of child services (as defined in IC 12-19-7-1 (repealed by this act)) delivered before January 1, 2009. A transfer of funds under this subsection shall be made on the schedule determined by the department of child services.

(b) A county auditor shall transfer:

- (1) the unencumbered balance on December 31, 2008, of the county's children's psychiatric residential treatment services fund; and
- (2) any delinquent property tax payments and other amounts that would have been deposited after December 31, 2008, in the county's children's psychiatric residential treatment services fund;

to the auditor of state for deposit in the Medicaid contingency and reserve account of the state general fund. However, the division of family resources and the county executive may enter into an agreement concerning the amount to be transferred to the auditor of state if an amount needs to be retained by the county to pay a county obligation for the costs of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1 (repealed by this act)) delivered before January 1, 2009. A transfer of funds under this subsection shall be made on the schedule determined by the division of family resources.

(c) Notwithstanding the repeal of IC 12-19-5, IC 12-19-7, and IC 12-19-7.5 by this act, a county's obligation to pay for child services (as defined in IC 12-19-7-1 (repealed)) or children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1 (repealed)) provided before January 1, 2009, is not terminated. A county's obligation to levy property taxes to pay principal, interest, and other costs of a loan that were entered into or could have been entered into or bonds that were issued or could have been issued under IC 12-19-5, IC 12-19-7, or IC 12-19-7.5 (before their repeal) to meet these obligations is transferred to the county's debt service fund.

(d) Notwithstanding the repeal of IC 12-13-8 by this act:

- (1) the unencumbered balance on December 31, 2008, of the county's county medical assistance to wards fund; and
- (2) any delinquent property tax payments and other

amounts that would have been deposited after December 31, 2008, in the county's county medical assistance to wards fund;

shall be transferred by a county auditor to the state after December 31, 2008, in the manner provided in IC 12-13-9-1 (before its repeal by this act). The amount transferred under this subsection shall be deposited for use by the division of family resources to defray the expenses and obligations incurred by the division of family resources for medical assistance to wards and associated administrative costs.

(e) A county and any combination of:

- (1) the division of family resources; and
- (2) the department of child services;

may enter into agreements to resolve any issues arising under this act concerning payments to vendors, payments to the county, payments to the state, collection of amounts due to a county or the state from a parent, guardian, or custodian, and other matters affected by this act. Notwithstanding the amendment of IC 31-40 by this act, the agreement, if approved by the governor and the county fiscal body, governs the responsibilities of the state and the county.

(f) An allocation of tax incentive revenues that are lost to a special fund as a result of property taxes terminated by this act may be replaced in the same manner as tax increment revenues are replaced under IC 6-1.1-21.2. However, the lost revenue may be replaced only to the extent that the district has insufficient revenue to pay bonds, notes, other evidences of indebtedness, or leases issued or entered into before April 1, 2008. After March 31, 2008, property taxes or allocations from property taxes terminated by this act may not be pledged to the payment of bonds, notes, other evidences of indebtedness, or leases for any year after December 31, 2008.

(g) After December 31, 2008, a reference in any court order or other document to:

(1) the county office of family and children, for purposes of:

- (A) wardship, supervision, or services that are the obligation of the department of child services under IC 31-40-1-2, as amended by this act, shall be treated after December 31, 2008, as a reference to the department of child services; and
- (B) services provided under IC 12, as amended by this act, shall be treated as a reference to the division of family resources; and

(2) the county family and children's fund shall be treated after December 31, 2008, as a reference to the state family and children's fund.

(h) Money in a county family and children trust clearance fund established under IC 12-19-1-16 (as effective December 31, 2008) on December 31, 2008, that is required to be administered in a child trust clearance account established by IC 31-25-2-20.2 shall be transferred to the child trust clearance account.

(i) The unencumbered balance in the following funds, which are repealed by this act, shall, on June 30, 2009, or any earlier date determined by the budget agency, be transferred to the appropriate account determined by the budget agency:

- (1) State medical assistance to wards fund.
- (2) Children with special health care needs state fund.
- (3) Children with special health care needs federal fund."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

CRAWFORD

Motion prevailed.

HOUSE MOTION
(Amendment 1001-65)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 119, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 131. IC 6-1.1-20.6-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.5. AS used in this chapter, "qualified homestead property" means a homestead that satisfies the following requirements:

(1) The individual who:

- (A) owns the homestead;
- (B) is purchasing the homestead under a contract; or
- (C) has a beneficial interest in the owner of the homestead;

is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year for which a credit is claimed under section 7(b)(2)(D) of this chapter.

(2) The:

- (A) adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual claiming the exemption; or
- (B) combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual and the individual's spouse;

for the preceding calendar year does not exceed the amount specified in section 7(d) of this chapter.

(3) The gross assessed value of the homestead is less than two hundred thousand dollars (\$200,000)."

Page 122, line 3, delete ", " and insert "other than qualified homestead property,".

Page 122, between lines 32 and 33, begin a new line double block indented and insert:

"(D) In the case of property tax liability attributable to qualified homestead property, the amount of the credit is the amount by which the person's property tax liability attributable to the person's qualified homestead property for property taxes first due and payable in that calendar year exceeds the person's property tax liability attributable to the person's qualified homestead property for property taxes first due and payable in 2008."

Page 123, between lines 12 and 13, begin a new paragraph and insert:

"(d) The following adjusted gross income limits apply to an individual who claims a credit under subsection (b)(2)(D) for the first time:

(1) In the case of an individual who files a single return, the adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual claiming the exemption may not exceed thirty-five thousand dollars (\$35,000) for the calendar year preceding the calendar year for which the individual claims the credit.

(2) In the case of an individual who files a joint income tax return with the individual's spouse, the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual and the individual's spouse may not exceed fifty thousand dollars (\$50,000) for the calendar year preceding the calendar year for which the individual claims the credit.

For each calendar year thereafter for which the individual claims a credit under subsection (b)(2)(D), the adjusted gross income limit is the amount applied to the individual in the preceding calendar year under subdivision (1) or (2), whichever is appropriate, plus the amount of a cost of living adjustment expressed as a percentage that is equal to the annual cost of living adjustment computed under 42 U.S.C. 415 and published in the Federal Register in accordance with 42 U.S.C. 215(i)(2)(D) for that year."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

CRAWFORD

Representative Foley rose to a point of order, citing Rule 118, stating that the motion was attempting to incorporate into House Bill 1001 a bill pending before the House. The Speaker ruled the point was not well taken.

The question then was on the motion of Representative Crawford (1001-65). Motion prevailed.

HOUSE MOTION
(Amendment 1001-50)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 71, line 12, after "a" insert "**supplemental**".

Page 71, line 12, delete "in an amount equal to thirty-five percent (35%) of" and insert "**from**".

Page 71, line 16, before "The auditor" begin a new paragraph and insert:

"(b) The amount of the deduction under this section is equal to the sum of the following:

(1) Thirty-five percent (35%) of the assessed value determined under subsection (a) that is not more than two hundred thousand dollars (\$200,000).

(2) Thirty percent (30%) of the assessed value determined under subsection (a) that is more than two hundred thousand dollars (\$200,000) and is not more than three hundred thousand dollars (\$300,000).

(3) Twenty-five percent (25%) of the assessed value determined under subsection (a) that is more than three hundred thousand dollars (\$300,000) and is not more than four hundred thousand dollars (\$400,000).

(4) Twenty percent (20%) of the assessed value determined under subsection (a) that is more than four hundred thousand dollars (\$400,000) and is not more than five hundred thousand dollars (\$500,000).

(5) Fifteen percent (15%) of the assessed value determined under subsection (a) that is more than five hundred thousand dollars (\$500,000) and is not more than six hundred thousand dollars (\$600,000).

(6) Ten percent (10%) of the assessed value determined under subsection (a) that is more than six hundred thousand dollars (\$600,000) and is not more than seven hundred thousand dollars (\$700,000).

(7) Five percent (5%) of the assessed value determined under subsection (a) that is more than seven hundred thousand dollars (\$700,000) and is not more than eight hundred thousand dollars (\$800,000).

(8) Zero percent (0%) of the assessed value determined under subsection (a) that is more than eight hundred thousand dollars (\$800,000).

(c)".

Page 71, line 19, delete "(b)" and insert "(c)".

(Reference is to HB 1001 as printed January 17, 2007.)

STILWELL

Upon request of Representatives Bosma and Espich, the Speaker ordered the roll of the House to be called. Roll Call 16: yeas 49, nays 45. Motion prevailed.

HOUSE MOTION
(Amendment 1001-66)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 6, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 6. IC 4-24-7-4, AS AMENDED BY P.L.246-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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, reduce the next distribution of property tax replacement credits under IC 6-1.1-21 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."

Page 215, after line 42, begin a new paragraph and insert:

"SECTION 205. IC 11-12-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) Except as otherwise provided in this section, a county receiving financial aid under this chapter shall be charged a sum for each person committed to the department of correction and confined in a state correctional facility equal to seventy-five percent (75%) of the average daily cost of confining a person in certain state correctional facilities as calculated by the state board of accounts. The daily cost is determined by dividing the average daily population of the state prison, the Pendleton Correctional Facility, and the Putnamville Correctional Facility into the previous fiscal year's operating expense of those three (3) facilities and reducing the quotient to an average daily cost. However, no charge may be made for those persons:

- (1) convicted of:
 - (A) murder or a Class A or Class B felony;
 - (B) involuntary manslaughter, reckless homicide, battery, criminal confinement, child molesting, robbery, burglary, or escape as Class C felonies;
 - (C) any other felony resulting in bodily injury to any other person;
 - (D) any other felony committed by means of a deadly weapon;
 - (E) any felony for which an habitual offender sentence was imposed;
 - (F) any offense for which the sentence is nonsuspendible under IC 35-50-2-2(a); or
 - (G) dealing in marijuana as a Class D felony under IC 35-48-4-10(b)(1)(B) or a Class C felony under IC 35-48-4-10(b)(2);

(2) transferred to the department of correction after they have violated the terms of their community corrections sentence; or

- (3) who were charged with:
 - (A) a felony resulting in serious bodily injury; or
 - (B) a felony committed by means of a deadly weapon; and the sentencing court noted on the commitment order that such charges were dismissed pursuant to a plea agreement under IC 35-35-3; or

(4) who are committed to the department as a delinquent offender (other than a delinquent offender whose commitment is prohibited under IC 31-37-19-7).

(b) The amount charged a county under this section may not exceed the amount of financial aid received under this chapter. The amount charged shall be deducted from the subsidy payable to the participating county. All charges are a charge upon the county of original jurisdiction.

(c) Notwithstanding subsection (a), if a county receives financial aid under this chapter for a program or a facility for persons convicted of crimes but has not received financial aid under this chapter for a program or a facility for delinquent offenders, the costs of keeping delinquent offenders in state programs or facilities operated by the department of correction shall be paid under IC 11-10-2-3.

(d) Notwithstanding subsection (a), if a county receives financial aid under this chapter for a program or a facility for delinquent offenders but has not received financial aid under this chapter for a program or a facility for persons convicted of crimes, the costs of keeping persons convicted of crimes in state programs or facilities operated by the department of correction shall be paid by the department of correction.

(e) Notwithstanding subsection (a), (c) No charge may be made for:

- (1) the initial twelve (12) months of the county's participation in the subsidy program;
- (2) each month during which:
 - (A) the county maintains a residential facility or a portion of a residential facility as part of its community corrections plan; and
 - (B) the residential facility or the community corrections portion of the residential facility operates at the rated bed capacity specified in the county's community corrections plan; or
- (3) each month during which a county that has no residential facility as part of its community corrections plan operates a community corrections program at the offender-supervisor ratio specified by the plan.

(f) (d) A county fulfills the rated bed capacity requirement of subsection (c)(2) (c)(2) if the following conditions are met:

- (1) Each bed used in the calculation of rated bed capacity must be filled each day of the month unless a vacancy occurs because of the release, escape, or incarceration of the bed's occupant.

- (2) A vacancy that occurs because of the release, escape, or incarceration of the occupant of a bed used in the calculation of rated bed capacity must be filled within two (2) days after its occurrence.

(g) (e) A county fulfills the offender-supervisor ratio requirement of subsection (c)(3) if the following conditions are met:

- (1) Each opening used in the calculation of the offender-supervisor ratio specified in the community corrections plan must be filled each day of the month unless a vacancy occurs because of the release, escape, or incarceration of an offender.
- (2) A vacancy that occurs because of the release, escape, or incarceration of an offender must be filled within two (2) working days after its occurrence."

Page 244, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 242. IC 11-10-2-3 IS REPEALED [EFFECTIVE JANUARY 1, 2009]."

Page 249, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 251. [EFFECTIVE JANUARY 1, 2009] (a) A county may not impose a property tax levy after December 31, 2008, for the county general fund to the extent that the levy is for the reimbursement of the department of correction under IC 11-10-2-3 or a related provision for the costs of keeping delinquent offenders.

(b) The obligation to pay the costs of keeping delinquent offenders (as defined in IC 11-8-1-9) (to the extent that the costs are for services delivered after December 31, 2008) is transferred from the counties to the state. The obligation transferred includes the costs of using after December 31, 2008, an institution or a facility in Indiana for providing educational services that, before January 1, 2009, were chargeable to a county family and children's fund, a county office, or a county under IC 20-26-11-12, IC 20-26-11-13, and IC 20-33-2-29.

(c) The following definitions apply throughout this subsection:

- (1) "Account" means an obligation of a county under IC 11-10-2-3 (before its repeal by this act) or another law to reimburse the state, including the department of correction, for the cost of keeping a delinquent offender before January 1, 2009.
- (2) "Delinquent account" means an account that has not been paid to the state before six (6) months after the account is forwarded under this SECTION or IC 4-24-7-4 (before its amendment by this act).

All accounts accruing before January 1, 2009, and not previously forwarded to a county auditor, and any reconciliations for any period before January 1, 2009, shall be forwarded to the county auditor before March 16, 2009. 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. The county council of each county shall annually appropriate sufficient funds to pay these accounts. The department of correction may reduce the amount of financial aid otherwise due to a county under IC 11-12-2 and offset the reduction against any part of the amount of a delinquent account due from the county.

(d) A county and the department of correction may enter into agreements to resolve any issues arising under this act concerning payments to vendors, payments to the county, payments to the state, collection of amounts due to a county or the state from a parent, guardian, or custodian, and other matters affected by this act. Notwithstanding this act, the agreement, if approved by the governor and the county fiscal body, governs the responsibilities of the state and the county.

(e) This SECTION applies notwithstanding any other law.

SECTION 252. [EFFECTIVE JULY 1, 2009] **In addition to the amount appropriated to the department of correction in P.L.234-2007, there is appropriated to the department of correction a sufficient amount from the state general fund to replace the revenue lost to the department of correction, after December 31, 2008, and before July 1, 2009, for keeping delinquent offenders, as determined by the budget agency, from the repeal of IC 11-10-2-3 and related provisions by this act, beginning January 1, 2009, and ending June 30, 2009. The amount appropriated by this subsection shall be used for keeping delinquent offenders in the same manner as proceeds from counties would have been used."**

Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)

CRAWFORD

Motion prevailed.

HOUSE MOTION
(Amendment 1001-35)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 119, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 130. IC 6-1.1-20.6-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE FEBRUARY 29, 2008 (RETROACTIVE)]: **Sec. 0.5. As used in this chapter, "agricultural property" means tangible property, other than a homestead, devoted to agricultural use."**

Page 119, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 132. IC 6-1.1-20.6-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE FEBRUARY 29, 2008 (RETROACTIVE)]: **Sec. 1.5. As used in this chapter, "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.

SECTION 133. IC 6-1.1-20.6-2, AS ADDED BY P.L.246-2005, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE FEBRUARY 29, 2008 (RETROACTIVE)]: **Sec. 2. As used in this chapter, "homestead" has the meaning set forth in IC 6-1.1-20.9-1. means an individual's principal place of residence that:**

- (1) is located in Indiana;
- (2) the individual either owns or 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; and
- (3) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling."

Page 122, between lines 20 and 21, begin a new line double block indented and insert:

"(C) In the case of property tax liability attributable to the person's agricultural property, the amount of the credit is the amount by which the person's property tax liability attributable to the person's agricultural property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the agricultural property for property taxes first due and payable in that calendar year."

Page 122, line 21, delete "(C)" and insert "(D)".

Page 122, line 22, delete "or" and insert ",".

Page 122, line 23, after "property," insert **"or agricultural property,"**.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

BATTLES

Motion prevailed.

HOUSE MOTION
(Amendment 1001-59)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 165, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 184. IC 6-3-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 6. (a) Each taxable year, an individual who rents a dwelling for use as the individual's principal place of residence may deduct from the individual's adjusted gross income (as defined in IC 6-3-1-3.5(a)), the lesser of:**

- (1) the amount of rent paid by the individual with respect to the dwelling during the taxable year; or
- (2) ~~two five thousand five hundred~~ dollars ~~(\$2,500)~~; **(\$5,000)**.

(b) Notwithstanding subsection (a), a husband and wife filing a joint adjusted gross income tax return for a particular taxable year may not claim a deduction under this section of more than ~~two five thousand five hundred~~ dollars ~~(\$2,500)~~; **(\$5,000)**.

(c) The deduction provided by this section does not apply to an individual who rents a dwelling that is exempt from Indiana property tax.

(d) For purposes of this section, a "dwelling" includes a single family dwelling and unit of a multi-family dwelling."

Page 246, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 246. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **IC 6-3-2-6, as amended by this act, applies only to taxable years beginning after December 31, 2007."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

SUMMERS

Upon request of Representatives Bosma and Espich, the Speaker ordered the roll of the House to be called. Roll Call 17: yeas 74, nays 22. Motion prevailed.

HOUSE MOTION
(Amendment 1001-8)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 3, reset in roman line 1.

Page 3, line 2, reset in roman "(H)".

Page 3, line 2, delete "(G)".

Page 3, line 3, reset in roman "(I)".

Page 3, line 3, delete "(H)".

Page 4, reset in roman line 16.

Page 4, line 17, reset in roman "(9)".

Page 4, line 17, delete "(8)".

Page 4, line 18, reset in roman "(10)".

Page 4, line 18, delete "(9)".

Page 4, line 19, reset in roman "(11)".

Page 4, line 19, delete "(10)".

Page 4, line 20, reset in roman "(12)".

Page 4, line 20, delete "(11)".

Page 4, line 22, delete "(12)" and insert "(13)".

Page 4, line 23, delete "(13)" and insert "(14)".

Page 5, reset in roman line 18.

Page 5, line 19, reset in roman "(H)".

Page 5, line 19, delete "(G)".
 Page 5, line 20, reset in roman "(I)".
 Page 5, line 20, delete "(H)".
 Page 228, delete lines 2 through 35.
 Page 244, line 28, delete "to:" and insert "to each elected township assessor or township trustee-assessor whose assessment duties prescribed by IC 6-1.1 are eliminated under this act."
 Page 244, delete lines 29 through 32.
 Page 244, line 37, delete "appointed".
 Page 244, line 40, delete "(a)(1)" and insert "(a)".
 Page 244, line 41, delete "An elected county assessor shall comply".
 Page 244, delete line 42.
 Page 245, delete lines 1 through 3.
 Renumber all SECTIONS consecutively.
 (Reference is to HB 1001 as printed January 17, 2008.)
 SAUNDERS

Motion prevailed.

HOUSE MOTION
 (Amendment 1001-79)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 2-2.1-4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 4. General Expenditure Controls

Sec. 1. This chapter applies after December 30, 2008.

Sec. 2. As used in this chapter, "budget period" means a biennium beginning July 1 of an odd-numbered year.

Sec. 3. As used in this chapter, "controlled state fund" refers to the following:

- (1) The state general fund.
- (2) The counter-cyclical revenue and economic stabilization fund.

Sec. 4. (a) As used in this chapter, "expenditure" refers to an expenditure from a controlled state fund in a state fiscal year.

(b) The term does not include the following:

- (1) A payment of a tax refund or refundable tax credit related to a state tax liability.
- (2) A transfer between controlled state funds or accounts within a controlled state fund.
- (3) The costs of judgments and settlements.
- (4) A distribution of revenue from any of the following excise taxes to a political subdivision (as defined in IC 36-1-2-13):
 - (A) Financial institutions excise tax (IC 6-5.5).
 - (B) Motor vehicle excise taxes (IC 6-6-5).
 - (C) Commercial vehicle excise taxes (IC 6-6-5.5).
 - (D) Boat excise tax (IC 6-6-11).
 - (E) Aircraft excise tax (IC 6-6-6.5).
- (5) A distribution of state tax revenues collected under IC 7.1 that is payable to a city or town.
- (6) The costs of making motor vehicle excise tax replacement payments.
- (7) A distribution or an allocation of state tax revenues to a unit of local government under IC 36-7-13, IC 36-7-26, IC 36-7-27, IC 36-7-31, or IC 36-7-31.3.
- (8) The costs of providing supplemental distributions under IC 4-33-13-5 to replace riverboat admissions taxes.
- (9) A transfer from the state general fund to the build Indiana fund required under IC 4-33-13-5(d).
- (10) A distribution of state tax revenues collected under any other statute that is:

- (A) deposited in a controlled state fund; and
- (B) payable to a unit (as defined in IC 36-1-2-23).

Sec. 5. As used in this chapter, "IPI growth quotient" refers to the Indiana personal income growth quotient determined under section 7 of this chapter.

Sec. 6. As used in this chapter, "state spending cap" for a state fiscal year refers to the limit on expenditures determined under section 8 of this chapter.

Sec. 7. (a) The IPI growth quotient for a specified state fiscal year is the amount determined under STEP THREE of the following formula:

STEP ONE: For each of the six (6) calendar years immediately preceding the specified state fiscal year, divide:

- (A) the Indiana personal income for the calendar year; by
- (B) the Indiana personal income for the immediately preceding calendar year.

STEP TWO: Add the quotients determined under STEP ONE.

STEP THREE: Divide:

- (A) the STEP TWO result; by
- (B) six (6).

(b) Not later than January 31 of each odd-numbered year, the budget agency shall determine the IPI growth quotient for the state fiscal year beginning July 1 of the odd-numbered year.

(c) The budget agency shall publish the IPI growth quotient determined under subsection (b) for a particular budget period in the Indiana Register not later than February 15 of each odd-numbered year. In addition, the budget agency shall publish historic IPI growth quotient data in the Indiana Register not later than July 1 of each odd-numbered year.

Sec. 8. (a) The maximum total expenditure allowed from controlled state funds for a budget period is the sum of the maximum total expenditures allowed from controlled state funds for each state fiscal year of the budget period.

(b) The maximum total expenditure allowed from controlled state funds for the state fiscal year beginning July 1, 2009, is the amount determined under STEP SIX of the following formula:

STEP ONE: Determine the actual total expenditure from controlled state funds for the state fiscal year beginning July 1, 2007.

STEP TWO: Adjust the STEP ONE result to account for differences in spending responsibilities from controlled state funds between:

- (A) the state fiscal year beginning July 1, 2007; and
 - (B) the state fiscal year beginning July 1, 2009;
- in terms of actual expenditures for the state fiscal year beginning July 1, 2007.**

STEP THREE: Determine the IPI growth quotient for the state fiscal year beginning July 1, 2008.

STEP FOUR: Multiply:

- (A) the STEP TWO result; by
- (B) the STEP THREE result.

STEP FIVE: Determine the IPI growth quotient for the state fiscal year beginning July 1, 2009.

STEP SIX: Multiply:

- (A) the STEP FOUR result; by
- (B) the STEP FIVE result.

(c) This subsection applies only to state fiscal years beginning in an odd-numbered year after June 30, 2011. The maximum total expenditure allowed from controlled state funds for the first state fiscal year of a budget period beginning July 1 of an odd-numbered year is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the maximum total expenditure allowed from controlled state funds for the state fiscal

year beginning July 1 of the immediately preceding even-numbered year, as calculated under subsection (d).

STEP TWO: Determine the IPI growth quotient for the first state fiscal year of the budget period.

STEP THREE: Multiply:

- (A) the STEP ONE result; by
- (B) the STEP TWO result.

(d) This subsection applies only to state fiscal years beginning in an even-numbered year after June 30, 2010. The maximum total expenditure allowed from controlled state funds for the second state fiscal year of a budget period beginning July 1 of an even-numbered year is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the maximum total expenditure allowed from controlled state funds for the first state fiscal year of the budget period, as calculated under subsection (b) or (c).

STEP TWO: Determine an estimated IPI growth quotient for the second state fiscal year of the budget period, based on an estimate by the budget agency of Indiana personal income for the calendar year that includes July 1 of the first state fiscal year of the budget period.

STEP THREE: Multiply:

- (A) the STEP ONE result; by
- (B) the STEP TWO result.

(e) The budget agency shall publish:

(1) the maximum total expenditure amounts determined under subsections (a), (b), (c), and (d), as applicable; and

(2) the IPI growth quotients for each state fiscal year; for the budget period beginning July 1 of an odd-numbered year in the Indiana Register not later than February 15 of the odd-numbered year. Except for revisions to correct calculation errors, the maximum total expenditure amounts published under this subsection remain in effect for the duration of the corresponding budget period.

Sec. 9. Except as provided in sections 10, 11, and 14 of this chapter, the state spending cap for a state fiscal year equals the amount of the maximum total expenditure determined under section 8(b), 8(c), or 8(d) of this chapter, as applicable. The general assembly shall not appropriate, and the budget director may not allot, a total sum of expenditures in a state fiscal year that exceeds the state spending cap.

Sec. 10. (a) An increase in the state spending cap, other than by an application of the IPI growth quotient, may occur only if at least one (1) of the following occurs:

- (1) A spending responsibility has shifted from another level of government to a controlled state fund.
- (2) A spending responsibility has shifted from a fund not limited by this chapter to a fund limited by this chapter.

(3) There has been:

- (A) an expansion of:
 - (i) state services; and
 - (ii) state spending; and
- (B) a tax increase enacted to finance the additional state services and spending.

(b) An increase in the state spending cap for spending described in subsection (a) requires the approval of a two-thirds (2/3) majority of the house of representatives and a two-thirds (2/3) majority of the senate.

Sec. 11. The general assembly, in a regular session, may authorize an emergency appropriation by enacting a supplemental appropriations act and a joint resolution that contains all the statements described in section 12 of this chapter. A supplemental appropriations act must be approved by a two-thirds (2/3) majority of the house of representatives and a two-thirds (2/3) majority of the senate.

Sec. 12. A joint resolution described in section 11 of this chapter must contain the following:

- (1) A statement that all spending authorized in the act exceeds the limit of the state spending cap.
- (2) A description of the amount of emergency expenditures and an explanation of the specific circumstances that created the need for a supplemental appropriation.

Sec. 13. Except as allowed in an emergency appropriation under section 11 of this chapter, all appropriations for expenditures for a state fiscal year, including continuing appropriations, are void if the total amount appropriated for expenditures exceeds the amount allowed by the state spending cap for the state fiscal year under this chapter. If the appropriations for a state fiscal year are voided under this section, the general assembly in a regular or special session may reappropriate an amount that does not exceed the amount allowed by the state spending cap under this chapter.

Sec. 14. (a) Subject to subsection (c), reductions in the state spending cap are mandatory in each year when spending responsibility is:

- (1) shifted from a controlled state fund or to another level of government; or
- (2) transferred from a controlled state fund to a fund that is not limited by this chapter.

The state spending cap must be decreased by the amount of the shift or transfer.

(b) The amount of the state spending cap reduction shall be determined by the budget agency upon the recommendation of the budget committee by a simple majority vote.

(c) If the budget agency determines that:

- (1) the amount of a state spending cap reduction required under subsection (a) is less than one-tenth of one percent (0.1%); or
- (2) there is a need to waive the mandatory downward adjustment;

the state spending cap reduction must receive a unanimous recommendation from the budget committee to take effect.

SECTION 2. IC 2-2.1-5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 5. Budget Bill Requirements

Sec. 1. This chapter applies after December 30, 2008.

Sec. 2. As used in this chapter, "controlled state fund" has the meaning set forth in IC 2-2.1-4-3.

Sec. 3. As used in this chapter, "digest" refers to the description of the contents of a bill or a conference committee report that is located on:

- (1) the cover page of a bill; or
- (2) the first page of a conference committee report.

Sec. 4. As used in this chapter, "expenditure" has the meaning set forth in IC 2-2.1-4-4.

Sec. 5. The digest of a budget bill or a conference committee report on a budget bill must contain the following information:

- (1) The total amount of appropriations from controlled state funds.
- (2) The total amount of appropriations for expenditures subject to IC 2-2.1-4 from controlled state funds.
- (3) The expenditure limit for controlled state funds established under IC 2-2.1-4."

Page 6, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 8. IC 4-10-21-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 0.5. This chapter expires June 30, 2009.

SECTION 9. IC 4-13-2-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) For the purpose of the administration of the allotment system provided by this section, each fiscal year shall be divided into four (4) quarterly allotment periods, beginning respectively on the first day of July, October, January, and April. However, in any case where the quarterly allotment period is impracticable, the ~~state~~ budget director may prescribe a different period suited to the circumstances but not extending beyond the end of any fiscal year.

(b) Except as otherwise expressly provided in this section, the provisions of this chapter relating to the allotment system and to the encumbering of funds shall apply to appropriations and funds of all kinds, including standing or annual appropriations and dedicated funds, from which expenditures are to be made from time to time by or under the authority of any state agency. However, the provisions relating to the allotment system shall not apply to moneys made available for the purpose of conducting a postaudit of financial transactions of any state agency. Likewise, appropriations for construction or for the acquisition of real estate for public purposes may be exempted from the allotment system by the ~~state~~ budget director, but in such cases ~~he~~ **the budget director** shall prescribe such regulations as will insure the proper application and encumbering of funds.

(c) No appropriation to any state agency shall become available for expenditure until:

(1) such state agency shall have submitted to the ~~state~~ budget agency a request for allotment, such request for allotment to consist of an estimate of the amount required for each activity and each purpose for which money is to be expended during the applicable allotment period; and

(2) such estimate contained in the request for allotment shall have been approved, increased, or decreased by the ~~state~~ budget director and funds allotted therefor as hereinafter provided.

The form of a request for allotment, including a request by hand, mail, facsimile transmission, or other electronic transmission, shall be prescribed by the ~~state~~ budget agency with the approval of the auditor of state and shall be submitted to them at least twenty-five (25) days prior to the beginning of the allotment period.

(d) Each request for allotment shall be reviewed by the ~~state~~ budget agency, and respective amounts therein shall be allotted for expenditure if:

(1) the estimate therein is within the terms of the appropriation as to amount and purpose, having due regard for the probable future needs of the state agency for the remainder of the fiscal year or other term for which the appropriation was made; and

(2) the agency contemplates expenditure of the allotment during the period.

Otherwise, the ~~state~~ budget agency shall modify the estimate so as to conform with the terms of the appropriation and the prospective needs of the state agency and shall reduce the amount to be allotted accordingly. The ~~state~~ budget agency shall act promptly upon all requests for allotment and shall notify every state agency of its allotments at least five (5) days before the beginning of each allotment period. The total amount allotted to any agency for the fiscal year or other term for which the appropriation was made shall not exceed the amount appropriated for such year or term.

(e) The ~~state~~ budget director shall also have authority at any time to modify or amend any allotment previously made by ~~him~~ **the budget director**.

(f) In case the ~~state~~ budget director shall discover at any time that:

(1) the probable receipts from taxes or other sources for any fund will be less than were anticipated; and

(2) as a consequence the amount available for the

remainder of the term of the appropriation or for any allotment period will be less than the amount estimated or allotted therefor;

~~he~~ **the budget director** shall, with the approval of the governor, and after notice to the state agency or agencies concerned, reduce the amount or amounts allotted or to be allotted so as to prevent a deficit.

(g) This subsection applies to state fiscal years beginning after June 30, 2009. The definitions in IC 2-2.1-4 apply throughout this subsection. Allotments for a state fiscal year that exceed the state spending cap are void. The budget agency shall allot money for an appropriation, including an appropriation that is not made in a specific amount, to provide that the total allotment for expenditures from controlled state funds in a state fiscal year does not exceed the state spending cap. If the budget director discovers that the projected expenditures for the remainder of a state fiscal year will probably exceed the state spending cap, the budget director shall, with the approval of the governor and after notice to the state agency or agencies concerned, reduce the amount or amounts allotted or to be allotted to prevent a total allotment that exceeds the state spending cap.

~~(g)~~ **(h)** The ~~state~~ budget agency shall promptly transmit records of all allotments and modifications thereof to the auditor of state.

~~(h)~~ **(i)** The auditor of state shall maintain as a part of the central accounting system for the state, as hereinbefore provided, records showing at all times, by funds, accounts, and other pertinent classifications, the amounts appropriated, the estimated revenues, the actual revenues or receipts, the amounts allotted and available for expenditure, the total expenditures, the unliquidated obligations, actual balances on hand, and the unencumbered balances of the allotments for each state agency.

~~(i)~~ **(j)** No payment shall be made from any fund, allotment, or appropriation unless the auditor of state shall first certify that there is a sufficient unencumbered balance in such fund, allotment, or appropriation after taking into consideration all previous expenditures to meet the same. In the case of an obligation to be paid from federal funds, a notice of a federal grant award shall be considered an appropriation against which obligations may be incurred, funds may be allotted, and encumbrances may be made.

~~(j)~~ **(k)** Every expenditure or obligation authorized or incurred in violation of the provisions of this chapter shall be void. Every payment made in violation of the provisions of this chapter shall be illegal, and every official authorizing or making such payment, or taking part therein, and every person receiving such payment, or any part thereof, shall be jointly and severally liable to the state for the full amount so paid or received. If any appointive officer or employee of the state shall knowingly incur any obligation or shall authorize or make any expenditure in violation of the provisions of this chapter, or take any part therein, it shall be ground for ~~his~~ **the officer's or employee's** removal by the officer appointing ~~him~~ **the officer or employee**, and if the appointing officer be other than the governor and shall fail to remove such officer or employee, the governor may exercise such power of removal after giving notice of the charges and opportunity for hearing thereon to the accused officer or employee and to the officer appointing ~~him~~ **the officer or employee**."

Page 244, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 244. [EFFECTIVE JULY 1, 2008] **(a) IC 2-2.1-4, as added by this act, applies only to appropriations and allotments for state fiscal years that begin after June 30, 2009.**

(b) IC 2-2.1-5, as added by this act, applies to a regular session of the general assembly that begins after June 30, 2008."

Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)

BOSMA

Representative Pelath rose to a point of order, citing Rule 118, stating that the motion was attempting to incorporate into House Bill 1001 a bill pending before the House. The Speaker ruled the point was well taken and the motion was out of order.

APPEAL OF THE RULING OF THE CHAIR

Mr. Speaker: We hereby appeal the ruling of the Chair that Representative Bosma's amendment (1001-79) violates House Rule 118. The amendment is assuredly not pending before the House as a bill as it is significantly different in a number of ways from Representative Noe's House Bill 1349.

BOSMA
FOLEY

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

The question was, Shall the ruling of the Chair be sustained? Roll Call 18: yeas 50, nays 45. The ruling of the Chair was sustained.

The Speaker Pro Tempore yielded the gavel to the Speaker.

Representatives Crouch and L. Lawson were excused.

HOUSE MOTION (Amendment 1001-72)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 112, line 4, delete "in a referendum".

Page 112, line 5, delete "or IC 6-3.5-9." and insert ".".

Page 112, line 22, delete "a referendum initiated under".

Page 115, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 127. IC 6-1.1-20-3.4, AS ADDED BY P.L.224-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.4. (a) Notwithstanding any other provision of this chapter, the executive of a political subdivision may initiate the petition and remonstrance process under this chapter for the approval or disapproval of a proposed controlled project of the political subdivision that has been disapproved under IC 6-1.1-29.5 by the county board of tax and capital projects review. **However, this section does not apply to a capital project that meets the criteria in section (a)(2) and (a)(3) of this chapter.**

(b) The executive of a political subdivision may initiate the petition and remonstrance process under this chapter for a proposed controlled project that has been disapproved by the county board of tax and capital projects review by giving notice of the applicability of the petition and remonstrance process as provided in section 3.2(1) of this chapter not more than sixty (60) days after the county board of tax and capital projects review disapproves the proposed controlled project.

(c) Section 3.2 of this chapter applies to a petition and remonstrance process initiated under this section. However, a sufficient petition requesting the application of a petition and remonstrance process is not required to be filed as set forth in section 3.1 of this chapter before the executive of a political subdivision may initiate the petition and remonstrance process as provided in this section.

(d) If the number of owners of real property within the political subdivision and registered voters residing within the political subdivision that sign a petition in favor of the proposed controlled project is greater than the number of owners of real property within the political subdivision and registered voters residing within the political subdivision that sign a remonstrance against the proposed controlled project, the political subdivision may undertake the proposed controlled project, notwithstanding

the disapproval of the proposed controlled project by the county board of tax and capital projects review under IC 6-1.1-29.5".

Page 115, line 28, delete "and".

Page 115, line 29, delete "the political subdivision" and insert "**a school corporation**".

Page 115, line 31, delete "political subdivision's" and insert "**school corporation's**".

Page 115, line 33, delete "." and insert "; **and**

(3) consists of a project to acquire land or structures or erect, construct, reconstruct, improve, rehabilitate, remodel, repair, complete, extend, enlarge, or furnish structures for:

(A) sports, recreational, or fitness purposes, including gymnasiums, swimming pools, playing and athletic fields, or facilities for physical training; or

(B) any purpose that is not directly related to providing:

(i) classroom learning; or

(ii) laboratories directly supporting classroom learning;

unless the project is necessary to eliminate a threat to the health, safety, or welfare of students, as determined by the county board of tax and capital projects review."

Page 134, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 141. IC 6-1.1-29.5-14, AS ADDED BY P.L.224-2007, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. If the review board disapproves a capital project under section 13 of this chapter **(other than a capital project that meets the criteria in IC 6-1.1-20-3.5(a)(2) and IC 6-1.1-20-3.5(a)(3))**, the political subdivision that proposed the project may take any action under section 10(a)(2) of this chapter with regard to the capital project if:

(1) not more than sixty (60) days after the review board's disapproval, the political subdivision initiates the petition and remonstrance process under IC 6-1.1-20-3.4; and

(2) the capital project is approved in the petition and remonstrance process under IC 6-1.1-20."

Page 208, delete lines 19 through 42.

Delete pages 209 through 211.

Page 212, delete lines 1 through 11.

Page 244, delete lines 9 through 10.

Page 245, delete lines 31 through 32.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

NIEZGODSKI

Upon request of Representatives Espich and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 19: yeas 49, nays 44. Motion prevailed.

HOUSE MOTION (Amendment 1001-1)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 165, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 185. IC 6-3.1-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 6. (a) An individual who is eligible for an earned income tax credit under Section 32 of the Internal Revenue Code is eligible for a credit under this chapter equal to **six percent (6%) nine percent (9%)** of the amount of the federal earned income tax credit that the individual:

(1) is eligible to receive in the taxable year; and

(2) claimed for the taxable year;

under Section 32 of the Internal Revenue Code.

(b) If the credit amount exceeds the taxpayer's adjusted gross

income tax liability for the taxable year, the excess, less any advance payments of the credit made by the taxpayer's employer under IC 6-3-4-8 that reduce the excess, shall be refunded to the taxpayer."

Page 244, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 241. IC 6-3.1-21-10 IS REPEALED [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]."

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 253. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] IC 6-3.1-21-6, as amended by this act, applies only to taxable years beginning after December 31, 2007."

Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)
DAY

Representative Bosma rose to a point of order, citing Rule 80, stating that the motion was not germane to the bill. The Speaker ruled the point was not well taken.

APPEAL OF THE RULING OF THE CHAIR

Mr. Speaker: We hereby appeal the ruling of the Chair that Representative Day's amendment (1001-1) does not violate House Rule 80. Amendment 1 concerns the earned income tax credit yet the underlying bill concern property tax. The amendment is certainly not germane to the bill.

BOSMA
FOLEY

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

The question was, Shall the ruling of the Chair be sustained? Roll Call 20: yeas 49, nays 43. The ruling of the Chair was sustained.

The Speaker Pro Tempore yielded the gavel to the Speaker.

The question then was on the motion of Representative Day (1001-1). Motion prevailed.

HOUSE MOTION
(Amendment 1001-38)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 219, line 8, after "Sec. 4. (a) If the region served by a regional services council consists of at least three (3) counties, the regional services council has the following members:

- (1) The regional manager, who must be an employee of the department.
- (2) Three (3) members who are judges of a juvenile court.
- (3) Three (3) local office directors or district managers assigned to a local office in the region.
- (4) Two (2) family case manager supervisors from the region.
- (5) One (1) family case manager assigned to a local office.
- (6) Two (2) licensed foster parents from the region.
- (7) One (1) guardian ad litem or court appointed special advocate.
- (8) One (1) individual who:
 - (A) is at least sixteen (16) and less than twenty-five (25) years of age;
 - (B) is a resident of the service region; and
 - (C) has received or is receiving services through funds provided, directly or indirectly, through the department."

as inserted on motion of Representative Crawford adopted January 22, 2008, begin a new line block indented and insert:

"(9) One (1) knowledgeable representative of agencies providing social services to or for the region. The member described in this subdivision serves in an

advisory nonvoting capacity."

Page 219, line 8, after "(b) If the region served by a regional services council consists of one (1) or two (2) counties, the regional services council members must include at least:

- (1) The regional manager, who must be an employee of the department.
- (2) One (1) member who is a judge of a juvenile court.
- (3) Two (2) employees of the department.
- (4) One (1) family case manager supervisor from the region.
- (5) One (1) family case manager assigned to a local office.
- (6) One (1) licensed foster parent from the region.
- (7) One (1) guardian ad litem or court appointed special advocate.
- (8) One (1) individual who:
 - (A) is at least sixteen (16) and less than twenty-five (25) years of age;
 - (B) is a resident of the service region; and
 - (C) has received or is receiving services through funds provided, directly or indirectly, through the department."

as inserted on motion of Representative Crawford adopted January 22, 2008, begin a new line block indented and insert:

"(9) One (1) knowledgeable representative of agencies providing social services to or for the region. The member described in this subdivision serves in an advisory nonvoting capacity."

Page 219, line 8, after "Sec. 13. (a) A regional services council shall meet at least quarterly to do the following:

- (1) Develop, review, or revise a strategy for implementation through the plan that identifies:
 - (A) the manner in which prevention and early intervention services will be provided or improved;
 - (B) how local collaboration will improve children's services; and
 - (C) how different funds can be used to serve children and families more effectively.
- (2) Reorganize as needed and select its vice chairperson for the ensuing year.
- (3) Review the implementation of the plan and prepare revisions, additions, or updates of the plan that the regional services council considers necessary or appropriate to improve the quality and efficiency of early intervention child welfare services provided in accordance with the plan."

as inserted on motion of Representative Crawford adopted January 22, 2008, begin a new line block indented and insert:

"(4) Take public testimony regarding local service needs and system changes."

Page 250, line 16, after "." insert **"Payment for child services (as defined in IC 31-9-2-17.7) shall be made not later than sixty (60) days after the date the department receives the service provider's invoice together with a properly prepared claim voucher and documentation."**

(Reference is to HB 1001 as printed January 17, 2008, and as amended on motion of Representative Crawford adopted January 22, 2008.)

WELCH

Motion prevailed.

Representatives Crouch and L. Lawson, who had been excused, were present.

HOUSE MOTION
(Amendment 1001-39)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 1, delete lines 1 through 6.

Page 93, line 40, strike "board of tax and capital projects review" and insert **"council"**.

Page 94, line 6, strike "board of tax and capital projects

review" and insert "council".

Page 95, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 108. IC 6-1.1-17-5, AS AMENDED BY P.L.219-2007, SECTION 50, AND AS AMENDED BY P.L.224-2007, SECTION 6, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

~~(1) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.~~

~~(2) The fiscal body of a municipality, not later than September 30.~~

~~(3) (1) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:~~

~~(A) the time required in section 5.6(b) of this chapter; or~~

~~(B) September 20 30 if a resolution adopted under section 5.6(d) of this chapter is in effect.~~

~~(4) (2) The proper officers of all other political subdivisions, not later than September 20 30.~~

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting *after September 20* of the county board of tax adjustment (*before January 1, 2009*) or the county *board of tax and capital projects review council* (*after December 31, 2008*), ~~held under IC 6-1.1-29-4~~, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment (*before January 1, 2009*) or the county *board of tax and capital projects review council* (*after December 31, 2008*) at the board's **or council's** first meeting ~~under IC 6-1.1-29-4~~ *after September 20 of that year.*

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment (*before January 1, 2009*) or the county *board of tax and capital projects review council* (*after December 31, 2008*) within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 109. IC 6-1.1-17-5.6, AS AMENDED BY P.L.219-2007, SECTION 51, AND AS AMENDED BY P.L.224-2007, SECTION 7, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE January 1, 2009]: Sec. 5.6. (a) This section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000).

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September ~~20~~ 30.

(c) Each year, at least two (2) days before the first meeting *after September 20* of the county board of tax adjustment (*before January 1, 2009*) or the county *board of tax and capital projects review council* (*after December 31, 2008*), ~~held under IC 6-1.1-29-4~~, the school corporation shall file with the county auditor:

(1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;

(2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and

(3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment (*before January 1, 2009*) or the county *board of tax and capital projects review council* (*after December 31, 2008*) at the board's **or council's** first meeting *after September 20 of that year.*

(d) The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget fixed by the department of local government finance before the adoption of a rescinding resolution under this subsection."

Page 95, line 18, strike "board of tax and capital projects".

Page 95, line 19, before "(after" strike "review" and insert "council".

Page 95, line 20, after "subdivision" insert "(other than a county)".

Page 95, line 21, after "board" insert "or council".

Page 95, line 32, strike "board of tax and capital projects

review" and insert **"council"**.

Page 95, line 38, strike "board of tax and capital projects review" and insert **"council"**.

Page 95, line 41, after "board" insert **"or council"**.

Page 96, line 1, after "of the" delete "county".

Page 96, line 2, after "board" insert **"or council"**.

Page 96, line 11, delete "board of tax and capital projects review" and insert **"council"**.

Page 96, line 18, strike "board of tax and".

Page 96, line 19, strike "capital projects review" and insert **"council"**.

Page 96, line 20, delete "." and insert **"or council."**.

Page 96, line 24, delete "county".

Page 96, line 24, after "board" insert **"or council"**.

Page 96, line 29, strike "board of tax and capital projects".

Page 96, line 30, strike "review" and insert **"council"**.

Page 96, line 32, strike "county".

Page 96, line 32, after "board" insert **"or council"**.

Page 96, line 34, after "board" insert **"or council"**.

Page 96, line 41, strike "county".

Page 96, line 41, after "board" insert **"or council"**.

Page 97, line 8, delete "county".

Page 97, line 8, after "board" insert **"or council"**.

Page 97, line 14, strike "board of tax and".

Page 97, line 15, strike "capital projects review" and insert **"council"**.

Page 97, line 27, strike "board of tax and capital projects".

Page 97, line 28, strike "review" and insert **"council"**.

Page 97, line 42, delete "board of tax and capital projects review" and insert **"council"**.

Page 98, line 25, delete "board of tax and" and insert **"council"**.

Page 98, line 26, delete "capital projects review".

Page 98, line 33, delete "board of tax and capital projects" and insert **"council"**.

Page 98, line 34, delete "review".

Page 99, line 4, delete "board of tax and capital projects review" and insert **"council"**.

Page 99, line 7, delete "board of tax" and insert **"council"**.

Page 99, line 8, delete "and capital projects review".

Page 99, line 16, delete "board of tax and" and insert **"council"**.

Page 99, line 17, delete "capital projects review".

Page 101, line 9, strike "board of tax and capital projects review" and insert **"council"**.

Page 101, delete lines 15 through 42, begin a new paragraph and insert:

"SECTION 119. IC 6-1.1-18-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given once in accordance with IC 5-3-1-2(b).

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

- (1) distributions from the motor vehicle highway account established under IC 8-14-1-1 or the local road and street account established under IC 8-14-2-4; or
- (2) revenue from property taxes levied under IC 6-1.1;

the political subdivision must report the additional appropriation to the ~~department of local government finance~~ **county council**. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

(c) However, if the additional appropriation is not made from a fund described under subsection (b), subsections (f), (g), (h),

and (i) do not apply to the political subdivision. Subsections (f), (g), (h), and (i) do not apply to an additional appropriation made from the cumulative bridge fund if the appropriation meets the requirements under IC 8-16-3-3(c).

(d) A political subdivision may make an additional appropriation without approval of the ~~department of local government finance~~ **county council** if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the ~~department of local government finance~~ **county council**.

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

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

(g) In making the determination under subsection (f), the ~~department of local government finance~~ **county council** shall limit the amount of the additional appropriation to revenues available, or to be made available, which have not been previously appropriated.

(h) If the ~~department of local government finance~~ **county council** disapproves an additional appropriation under subsection (f), the ~~department~~ **county council** shall specify the reason for its disapproval on the determination sent to the political subdivision. **The determination of the county council is final.**

(i) A political subdivision may request a reconsideration of a determination of the ~~department of local government finance~~ **county council** under this section by filing a written request for reconsideration. A request for reconsideration must:

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

(2) state with reasonable specificity the reason for the request.

~~The department of local government finance must act on a request for reconsideration within fifteen (15) days of receiving the request: in the manner specified by the county council."~~

Page 102, delete lines 1 through 40.

Page 103, line 26, delete "board of tax and capital projects review" and insert **"council"**.

Page 103, line 35, delete "board of" and insert **"council."**

Page 103, delete line 36.

Page 105, line 18, delete "board of tax and capital projects review," and insert **"council,"**.

Page 105, line 33, delete "board of tax and" and insert **"council,"**.

Page 105, line 34, delete "project review,".

Page 105, line 36, delete "board of tax and capital projects review," and insert **"council,"**.

Page 106, line 3, delete "board of tax and capital projects review" and insert **"council"**.

Page 106, line 6, delete "board of tax and capital projects review." and insert **"council."**

Page 106, line 9, delete "board of tax and capital projects review" and insert **"council"**.

Page 106, line 12, delete "property tax".

Page 106, line 13, delete "replacement credits and".

Page 111, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 123. IC 6-1.1-18.5-7, AS AMENDED BY P.L.224-2007, SECTION 21, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year.

(b) If under subsection (a) a civil taxing unit is not subject to the levy limits imposed under section 3 of this chapter for a calendar year, the civil taxing unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for that calendar year to the local government tax control board established by section 11 of this chapter (before January 1, 2009) or the county ~~board of tax and capital projects review council~~ (after December 31, 2008) before the tax levy is advertised. The local government tax control board (before January 1, 2009) or the county ~~board of tax and capital projects review council~~ (after December 31, 2008) shall then review and make a recommendation to the department of local government finance on the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. The department of local government finance shall make a final determination of the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year. However, a civil taxing unit may not impose a property tax levy for a year if the unit did not exist as of March 1 of the preceding year."

Page 112, line 20, strike "board of tax and capital projects review" and insert "**council**".

Page 113, line 26, strike "board of tax and capital projects review".

Page 113, line 26, after "2008)" insert "**council**".

Page 113, delete lines 40 through 42, begin a new paragraph and insert:

"SECTION 128. IC 6-1.1-18.5-17, AS AMENDED BY P.L.219-2007, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. (a) As used in this section, "levy excess" means the part of the ad valorem property tax levy actually collected by a **civil** taxing unit, for taxes first due and payable during a particular calendar year, that exceeds the **civil** taxing unit's ad valorem property tax levy, as approved by the ~~department of local government finance county council~~ under IC 6-1.1-17. The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.

(b) A **civil** taxing unit's levy excess is valid and may not be contested on the grounds that it exceeds the **civil** taxing unit's levy limit for the applicable calendar year. However, the **civil** taxing unit shall deposit, except as provided in subsections (h) and (i), its levy excess in a special fund to be known as the **civil** taxing unit's levy excess fund.

(c) The chief fiscal officer of a **civil** taxing unit may invest money in the **civil** taxing unit's levy excess fund in the same manner in which money in the **civil** taxing unit's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the levy excess fund.

(d) The ~~department of local government finance county council~~ shall require a **civil** taxing unit to include the amount in its levy excess fund in the **civil** taxing unit's budget fixed under IC 6-1.1-17.

(e) Except as provided by subsection (f), a **civil** taxing unit may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the ~~department of local government finance county council~~ under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits imposed under this chapter, a **civil** taxing unit shall treat the money in its levy excess fund that the ~~department of local government finance county council~~ permits it to spend during a

particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A **civil** taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the **civil** taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a **civil** taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a **civil** taxing unit for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the unit for that year.

(i) This subsection applies only to a **civil** taxing unit that:

- (1) has a levy excess for a particular calendar year;
- (2) in the preceding calendar year experienced a shortfall in property tax collections below the **civil** taxing unit's property tax levy approved by the department of local government finance under IC 6-1.1-17; and
- (3) did not receive permission from the ~~local government tax control board county council~~ to impose, because of the shortfall in property tax collections in the preceding calendar year, a property tax levy that exceeds the limits imposed by section 3 of this chapter.

The amount that a civil taxing unit subject to this subsection must transfer to the civil taxing unit's levy excess fund in the calendar year in which the excess is collected shall be reduced by the amount of the civil taxing unit's shortfall in property tax collections in the preceding calendar year (but the reduction may not exceed the amount of the civil taxing unit's levy excess)."

Delete page 114.

Page 115, delete lines 1 through 19.

Page 115, line 27, delete "board of tax and capital" and insert "**council**".

Page 115, line 28, delete "projects review".

Page 116, line 9, delete "board of tax and capital projects review." and insert "**council**".

Page 116, line 26, delete "board of tax and capital projects review" and insert "**council**".

Page 116, line 29, delete "board of tax and capital projects" and insert "**council**".

Page 116, line 30, delete "review".

Page 116, line 33, delete "board of tax and capital projects review" and insert "**council**".

Page 116, line 34, delete "board of tax and capital" and insert "**council**".

Page 116, line 35, delete "projects review".

Page 117, line 22, delete "board of tax and" and insert "**council**".

Page 117, line 23, delete "capital projects review".

Page 117, line 33, delete "board of tax and capital projects review." and insert "**council**".

Page 117, line 35, delete "board of tax and capital" and insert "**council**".

Page 117, line 36, delete "projects review".

Page 118, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 132. IC 6-1.1-20-5, AS AMENDED BY P.L.224-2007, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) When the proper officers of a political subdivision decide to issue bonds in a total amount which exceeds five thousand dollars (\$5,000), they shall give notice of the decision by:

- (1) posting; and
- (2) publication once each week for two (2) weeks.

The notice required by this section shall be posted in three (3) public places in the political subdivision and published in accordance with IC 5-3-1-4. The decision to issue bonds may be

a preliminary decision.

(b) This subsection does not apply to bonds issued for a controlled project approved after December 31, 2008, by a county ~~board of tax and capital projects review council~~ under IC 6-1.1-29.5. Ten (10) or more taxpayers who will be affected by the proposed issuance of the bonds and who wish to object to the issuance on the grounds that it is unnecessary or excessive may file a petition in the office of the auditor of the county in which the political subdivision is located. The petition must be filed within fifteen (15) days after the notice required by subsection (a) is given, and it must contain the objections of the taxpayers and facts which show that the proposed issue is unnecessary or excessive. When taxpayers file a petition in the manner prescribed in this subsection, the county auditor shall immediately forward a certified copy of the petition and any other relevant information to the department of local government finance.

SECTION 133. IC 6-1.1-20-7, AS AMENDED BY P.L.224-2007, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) This section does not apply to bonds, notes, or warrants issued for a controlled project approved after December 31, 2008, by a county ~~board of tax and capital projects review council~~ under IC 6-1.1-29.5.

(b) When the proper officers of a political subdivision decide to issue any bonds, notes, or warrants which will be payable from property taxes and which will bear interest in excess of eight percent (8%) per annum, the political subdivision shall submit the matter to the department of local government finance for review. The department of local government finance may either approve or disapprove the rate of interest.

SECTION 134. IC 6-1.1-20-9, AS AMENDED BY P.L.224-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) When the proper officers of a political subdivision decide to issue bonds payable from property taxes to finance a public improvement, they shall adopt an ordinance or resolution which sets forth their determination to issue the bonds. Except as provided in subsection (b), the political subdivision may not advertise for or receive bids for the construction of the improvement until the expiration of the latter of:

- (1) the time period within which taxpayers may file a petition for review of or a remonstrance against the proposed issue; or
- (2) the time period during which a petition for review of the proposed issue is pending before the department of local government finance (before January 1, 2009) or the county ~~board of tax and capital projects review council~~ (after December 31, 2008).

(b) This subsection applies before January 1, 2009. When a petition for review of a proposed issue is pending before the department of local government finance, the department may order the political subdivision to advertise for and receive bids for the construction of the public improvement. When the department of local government finance issues such an order, the political subdivision shall file a bid report with the department within five (5) days after the bids are received, and the department shall render a final decision on the proposed issue within fifteen (15) days after it receives the bid report. Notwithstanding the provisions of this subsection, a political subdivision may not enter into a contract for the construction of a public improvement while a petition for review of the bond issue which is to finance the improvement is pending before the department of local government finance.

(c) This subsection applies after December 31, 2008. When a petition for review of a proposed issue is pending before the county ~~board of tax and capital projects review council~~, the board may order the political subdivision to advertise for and receive bids for the construction of the public improvement.

When the county ~~board of tax and capital projects review council~~ issues such an order, the political subdivision shall file a bid report with the board within five (5) days after the bids are received, and the board shall render a final decision on the proposed issue within fifteen (15) days after it receives the bid report. Notwithstanding the provisions of this subsection, a political subdivision may not enter into a contract for the construction of a public improvement while a petition for review of the bond issue that is to finance the improvement is pending before the county ~~board of tax and capital projects review council~~."

Page 134, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 145. IC 6-1.1-29.5-5, AS ADDED BY P.L.224-2007, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) The fiscal body of each political subdivision shall do the following:

- (1) After January 1 and before October 1 of 2009 and every two (2) years thereafter:

- (A) hold a public hearing on a proposed capital projects plan for the political subdivision; and
- (B) adopt a capital projects plan by ordinance or resolution.

- (2) **Except as provided in subsection (c)**, submit a copy of the capital projects plan and the ordinance or resolution to the ~~review board county council~~ not later than fifteen (15) days following the adoption of the capital projects plan.

(b) If a political subdivision contains territory in more than one (1) county, the fiscal body shall transmit a copy of the capital projects plan and the ordinance or resolution to the ~~review board county council~~ of each county in which the political subdivision contains territory.

(c) Subsection (a)(2) does not apply to a county.

SECTION 146. IC 6-1.1-29.5-9, AS ADDED BY P.L.224-2007, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) The ~~review board county council~~ shall hold a public hearing on a proposed capital projects plan submitted by a political subdivision. The ~~review board county council~~ shall allow the public the opportunity to testify concerning the proposed capital projects plan.

(b) The ~~review board county council~~ shall provide the fiscal body of a political subdivision with a written report concerning the ~~review board's county council's~~ findings and recommendations concerning the fiscal body's capital projects plan not more than sixty (60) business days after the ~~review board's county council's~~ receipt of the capital projects plan.

(c) If the fiscal body of a political subdivision receives a written report under subsection (b) that makes a recommendation against an element included in the political subdivision's capital projects plan, the political subdivision may retain that element in the capital projects plan only if the fiscal body at a public meeting addresses the ~~review board's county council's~~ concerns and enters into the record of the public meeting an explanation of why that element should be retained in the capital projects plan.

SECTION 147. IC 6-1.1-29.5-10, AS ADDED BY P.L.224-2007, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) **Except as provided in subsection (d)**, the fiscal body of a political subdivision that intends to construct, acquire, or carry out a capital project subject to this chapter:

- (1) must submit the plan of the capital project to the ~~review board county council~~ in the manner provided by this chapter; and
- (2) except as provided in section 14 of this chapter, may not:

- (A) begin construction or acquisition of the capital

project;

(B) enter into contracts for the construction or acquisition of the capital project;

(C) procure supplies necessary for construction or acquisition of the capital project;

(D) issue bonds, notes, or warrants, or otherwise borrow money for the capital project;

(E) enter into a lease or other agreement that would provide debt service for bonds or other obligations issued by the political subdivision or another entity to finance the capital project; or

(F) approve any of the actions described in clauses (A) through (E) by another entity;

unless the ~~review board~~ **county council** approves the capital project under section 13 of this chapter.

(b) If a political subdivision contains territory in more than one (1) county, the fiscal body of the political subdivision must submit the proposed capital project to the ~~review board~~ **county council** of each of those counties.

(c) The fiscal body of a political subdivision may not artificially divide a capital project into multiple capital projects in order to avoid the requirements of this section.

(d) Subsection (a) does not apply to a county.

SECTION 148. IC 6-1.1-29.5-11, AS ADDED BY P.L.224-2007, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) Before the fiscal body of a political subdivision may submit a capital project described in section 10 of this chapter to the ~~review board~~, **county council**, the fiscal body shall:

(1) hold a public hearing on the proposed capital project; and

(2) prepare a feasibility study that supports the scope and cost of the proposed capital project.

Before a public hearing on a proposed capital project is held by the fiscal body of a political subdivision under this section, the fiscal body shall publish a description of the proposed capital project and a notice of the hearing in accordance with IC 5-3-1-2(b).

(b) The fiscal body of a political subdivision may consider multiple capital projects at a public hearing held under this section.

(c) When the fiscal body of a political subdivision holds a public hearing under this section, the fiscal body shall allow any person an opportunity to be heard in the presence of others who are present to testify with respect to the proposed capital project. However, the fiscal body may limit testimony at a public hearing to a reasonable time stated at the opening of the public hearing.

(d) After holding a public hearing under this section and considering all information submitted by persons testifying at the hearing, the fiscal body of a political subdivision may adopt an ordinance or resolution requesting approval of the proposed capital project by the ~~review board~~, **county council**. The fiscal body shall immediately transmit a copy of the ordinance or resolution to the ~~review board~~, **county council**. If the political subdivision contains territory in more than one (1) county, the fiscal body shall transmit a copy of the ordinance or resolution to the ~~review board~~, **county council** of each of those counties.

SECTION 149. IC 6-1.1-29.5-12, AS ADDED BY P.L.224-2007, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) Before taking action on a request for approval of a proposed capital project described in section 10 of this chapter, a ~~review board~~ **county council** must conduct a public hearing on the proposed project. If a public hearing is scheduled under this section, the ~~review board~~ **county council** shall publish a description of the proposed capital project and a notice of the hearing in accordance with IC 5-3-1-2(b).

(b) The ~~review board~~ **county council** may consider multiple capital projects at a public hearing held under this section.

(c) The ~~review board~~ **county council** may require the fiscal body of a political subdivision that submits a request for approval of a capital project to provide plans, specifications, cost estimates, estimated impacts on tax rates, and other relevant information concerning that project.

(d) When a ~~review board~~ **county council** holds a public hearing under this section, the ~~review board~~ **county council** shall allow the public an opportunity to testify concerning the proposed capital project. However, the ~~review board~~ **county council** may limit testimony at a public hearing to a reasonable time stated at the opening of the public hearing.

SECTION 150. IC 6-1.1-29.5-13, AS ADDED BY P.L.224-2007, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. (a) After considering all information submitted at the hearing under section 12 of this chapter by the fiscal body of the political subdivision and by persons testifying at the hearing, the ~~review board~~ **county council** may approve or disapprove a proposed capital project. The ~~review board~~ **county council** may consider the following factors when reviewing a proposed capital project:

(1) The age, condition, and adequacy of existing facilities.

(2) The cost per square foot of the proposed capital project.

(3) The relative priority the proposed capital project should have among other capital projects proposed within the county.

(4) The estimated impact the proposed capital project would have on tax rates.

(5) Any other factors considered pertinent by the review board.

(b) A ~~review board~~ **county council** may not disapprove a proposed capital project that is required by a court order.

(c) If a ~~review board~~ **county council** does not issue a decision with respect to a proposed capital project within ninety (90) days after the ~~review board's~~ **county council's** receipt of the plan of the capital project under section 11 of this chapter, the capital project is considered approved by the ~~review board~~ **county council** as submitted.

(d) If a proposed capital project is submitted to the ~~review boards~~ **county councils** of two (2) or more counties as required by section 10(b) of this chapter and the project is disapproved by any of the ~~review boards~~, **county councils**, the project is considered to be disapproved.

(e) All orders of the ~~review board~~ **county council** under this section shall be filed with the affected political subdivision and with the department of local government finance."

Page 167, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 197. IC 6-3.5-1.1-15, AS AMENDED BY P.L.224-2007, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

(1) the allocation amount of the civil taxing unit for that calendar year; plus

(2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) in the case of 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.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

(A) the attributed allocation amount of the civil taxing unit during that calendar year; by

(B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares by the STEP ONE amount.

(c) The local government tax control board established by IC 6-1.1-18.5-11 (before January 1, 2009) or the county ~~board of tax and capital projects review council~~ (after December 31, 2008) shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed allocation amount of its own. The local government tax control board (before January 1, 2009) or the county ~~board of tax and capital projects review council~~ (after December 31, 2008) shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed allocation amount."

Page 175, line 24, delete "board of tax and capital" and insert "**council**".

Page 175, line 25, delete "projects review".

Page 188, line 11, delete "board of tax and capital" and insert "**council**".

Page 188, line 12, delete "projects review".

Page 209, line 8, delete "board of tax and capital projects review." and insert "**council or city-county council**".

Page 209, line 25, delete "board of tax and capital projects review" and insert "**council or city-county council**".

Page 209, line 29, delete "board of tax and capital projects review" and insert "**council or city-county council**".

Page 209, line 30, delete "board" and insert "**council**".

Page 209, line 33, delete "board of tax and capital projects review" and insert "**council or city-county council**".

Page 209, line 34, delete "board of tax and capital projects review" and insert "**council or city-county council**".

Page 210, line 13, delete "board of tax" and insert "**council or city-county council**".

Page 210, line 14, delete "and capital projects review,".

Page 210, line 17, delete "board of tax and" and insert "**council or city-county council**".

Page 210, line 18, delete "capital projects review".

Page 215, after line 42, begin a new paragraph and insert:

"SECTION 216. IC 8-18-21-13, AS AMENDED BY P.L.224-2007, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. The annual operating budget of a toll road authority is subject to review by the county board of tax adjustment (before January 1, 2009) or the county ~~board of tax and capital projects review council~~ **or the city-county council** (after December 31, 2008) and then by the department of local government finance as in the case of other political subdivisions.

SECTION 217. IC 8-22-3.6-3, AS AMENDED BY P.L.224-2007, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) An authority that is located in a:

(1) city having a population of more than ninety thousand (90,000) but less than one hundred five thousand

(105,000);

(2) county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000); or

(3) county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000);

may enter into a lease of an airport project with a lessor for a term not to exceed fifty (50) years and the lease may provide for payments to be made by the airport authority from property taxes levied under IC 8-22-3-17, taxes allocated under IC 8-22-3.5-9, any other revenues available to the airport authority, or any combination of these sources.

(b) A lease may provide that payments by the authority to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the authority or the eligible entity for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the authority only after a public hearing by the board at which all interested parties are provided the opportunity to be heard. After the public hearing, the board may adopt an ordinance authorizing the execution of the lease if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the authority and is in the best interest of the residents of the authority district.

(d) Upon execution of a lease providing for payments by the authority in whole or in part from the levy of property taxes under IC 8-22-3-17, the board shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the authority district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be.

(e) Upon the filing of a petition under subsection (d), the county auditor shall immediately certify a copy of the petition, together with any other data necessary to present the questions involved, to the department of local government finance (before January 1, 2009) or the county ~~board of tax and capital projects review fiscal body~~ (after December 31, 2008). Upon receipt of the certified petition and information, the department of local government finance or the county ~~board of tax and capital projects review fiscal body~~ shall fix a time and place for a hearing in the authority district, which must be not less than five (5) or more than thirty (30) days after the time is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the board, and to the first fifty (50) petitioners on the petition, by a letter signed by one (1) member of the state board of tax commissioners or the county ~~board of tax and capital projects review fiscal body~~ and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the department of local government finance or the county ~~board of tax and capital projects review fiscal body~~ on the appeal, upon the necessity for the execution of the lease, and as to whether the payments under it are fair and reasonable, is final.

(f) An authority entering into a lease payable from any sources permitted under this chapter may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; or

(2) establish a special fund to make the payments.

(g) Lease rentals may be limited to money in the special fund so that the obligations of the airport authority to make the lease rental payments are not considered debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(h) Except as provided in this section, no approvals of any governmental body or agency are required before the authority enters into a lease under this section.

(i) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the later of:

(1) the public hearing described in subsection (c); or

(2) the publication of the notice of the execution and approval of the lease described in subsection (d), if the lease is payable in whole or in part from tax levies.

However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance or the county ~~board of tax and capital projects review~~ **fiscal body**, an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the department of local government finance or the county ~~board of tax and capital projects review~~ **fiscal body**.

(j) If an authority exercises an option to buy an airport project from a lessor, the authority may subsequently sell the airport project, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the authority through auction, appraisal, or arms length negotiation. If the airport project is sold at auction, after appraisal, or through negotiation, the board shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing."

Page 216, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 220. IC 12-29-1-5, AS AMENDED BY P.L.219-2007, SECTION 96, AND AS AMENDED BY P.L.224-2007, SECTION 101, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

(1) The filing of a petition requesting the issuance of bonds.

(2) The giving of notice of the following:

(A) The filing of the petition requesting the issuance of the bonds.

(B) The determination to issue bonds.

(C) 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 (*before January 1, 2009*) or the county ~~board of tax and capital projects review~~ **council or city-county council** (*after December 31, 2008*).

(5) The right of taxpayers and voters to remonstrate against the issuance of bonds.

SECTION 221. IC 13-18-8-2, AS AMENDED BY P.L.224-2007, SECTION 103, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) If the offender is a municipal corporation, the cost of:

(1) acquisition, construction, repair, alteration, or extension of the necessary plants, machinery, or works; or

(2) taking other steps that are necessary to comply with the order;

shall be paid out of money on hand available for these purposes or out of the general money of the municipal corporation not

otherwise appropriated.

(b) If there is not sufficient money on hand or unappropriated, the necessary money shall be raised by the issuance of bonds. The bond issue is subject only to the approval of the department of local government finance (*before January 1, 2009*) or the county ~~board of tax and capital projects review~~ **fiscal body** (*after December 31, 2008*).

SECTION 222. IC 14-30-2-19, AS AMENDED BY P.L.224-2007, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19. The commission shall prepare an annual budget for the commission's operation and other expenditures under IC 6-1.1-17. However, the annual budget is not subject to review and modification by the county board of tax adjustment (*before January 1, 2009*) or the county ~~board of tax and capital projects review~~ **council or city-county council** (*after December 31, 2008*) of any county. Notwithstanding any other law, the budget of the commission shall be treated for all other purposes as if the appropriate county board of tax adjustment (*before January 1, 2009*) or the county ~~board of tax and capital projects review~~ **council or city-county council** (*after December 31, 2008*) had approved the budget.

SECTION 223. IC 14-30-4-16, AS AMENDED BY P.L.224-2007, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) The commission shall prepare an annual budget for the commission's operation and other expenditures under IC 6-1.1-17. The annual budget is subject to review and modification by the county board of tax adjustment (*before January 1, 2009*) or the county ~~board of tax and capital projects review~~ **council or city-county council** (*after December 31, 2008*) of any participating county.

(b) The commission is not eligible for funding through the Wabash River heritage corridor commission established by IC 14-13-6-6.

SECTION 224. IC 14-33-9-1, AS AMENDED BY P.L.224-2007, SECTION 106, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) The budget of a district:

(1) must be prepared and submitted:

(A) at the same time;

(B) in the same manner; and

(C) with notice;

as is required by statute for the preparation of budgets by municipalities; and

(2) is subject to the same review by:

(A) the county board of tax adjustment (*before January 1, 2009*) or the county ~~board of tax and capital projects review~~ **council or city-county council** (*after December 31, 2008*); and

(B) the department of local government finance;

as is required by statute for the budgets of municipalities.

(b) If a district is established in more than one (1) county:

(1) except as provided in subsection (c), the budget shall be certified to the auditor of the county in which is located the court that had exclusive jurisdiction over the establishment of the district; and

(2) notice must be published in each county having land in the district. Any taxpayer in the district is entitled to be heard before the county board of tax adjustment (*before January 1, 2009*) or the county ~~board of tax and capital projects review~~ **council or city-county council** (*after December 31, 2008*) having jurisdiction.

(c) If one (1) of the counties in a district contains either a first or second class city located in whole or in part in the district, the budget:

(1) shall be certified to the auditor of that county; and

(2) is subject to review at the county level only by the county board of tax adjustment (*before January 1, 2009*) or the county ~~board of tax and capital projects review~~ **council or city-county council** (*after December 31, 2008*) of that

county."

Page 217, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 227. IC 20-45-2-3, AS AMENDED BY P.L.224-2007, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) A school corporation that did not impose a general fund tax levy for the preceding calendar year may not collect a general fund tax levy for the ensuing calendar year until the general fund tax levy (and the related budget, appropriations, and general fund tax rate), after being adopted and advertised, is:

- (1) considered by the proper county board of tax adjustment (before January 1, 2009) or the county ~~board of tax and capital projects review council or city-county council~~ (after December 31, 2008) as provided by law;
- (2) reviewed by the tax control board, which shall make its recommendations in respect to the general fund tax levy to the department; and
- (3) approved by the department of local government finance.

(b) For purposes of this article, the school corporation's initial maximum permissible tuition support levy must be based on the taxes collectible in the first full calendar year after the approval.

(c) If territory is transferred from one (1) school corporation to another under IC 20-4-4 (before its repeal), IC 20-3-14 (before its repeal), IC 20-23-5, or IC 20-25-5, maximum permissible tuition support levy and the other terms used in this article shall be interpreted as though the assessed valuation of the territory had been transferred before March 1, 1977, in accordance with rules and a final determination by the department of local government finance.

SECTION 228. IC 20-45-7-20, AS AMENDED BY P.L.224-2007, SECTION 114, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 20. (a) The county auditor shall compute the amount of the tax to be levied each year. Before August 2, the county auditor shall certify the amount to the county council.

(b) The tax rate shall be advertised and fixed by the county council in the same manner as other property tax rates. The tax rate shall be subject to all applicable law relating to review by the county board of tax adjustment (before January 1, 2009) or the county ~~board of tax and capital projects review council or city-county council~~ (after December 31, 2008) and the department of local government finance.

(c) The department of local government finance shall certify the tax rate at the time it certifies the other county tax rates.

(d) The department of local government finance shall raise or lower the tax rate to the tax rate provided in this chapter, regardless of whether the certified tax rate is below or above the tax rate advertised by the county.

SECTION 229. IC 20-45-8-20, AS AMENDED BY P.L.224-2007, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 20. The tax levy is subject to all laws concerning review by the county board of tax adjustment (before January 1, 2009) or the county ~~board of tax and capital projects review council or city-county council~~ (after December 31, 2008) and the department of local government finance."

Page 217, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 231. IC 20-46-7-8, AS AMENDED BY P.L.224-2007, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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), 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 plan approved by the department of local government finance under IC 21-2-11.5-3.1.

(d) This section does not apply to:

- (1) school bus purchase loans made by a school corporation that will be repaid solely from the general fund of the school corporation; or
- (2) bonded indebtedness incurred or lease rental agreements entered into for capital projects approved by a county ~~board of tax and capital projects review council or city-county council~~ under IC 6-1.1-29.5 after December 31, 2008.

SECTION 232. IC 20-46-7-9, AS AMENDED BY P.L.224-2007, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) This section applies only to an obligation described in section 8 of this chapter. This section does not apply to bonded indebtedness incurred or lease rental agreements entered into for capital projects approved by a county ~~board of tax and capital projects review council or city-county council~~ under IC 6-1.1-29.5 after December 31, 2008.

(b) The department of local government finance 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 approves or disapproves a proposed lease rental agreement, bond issue, or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.

(c) The department of local government finance shall render a decision not more than three (3) months after the date the department of local government finance receives a request for approval under section 8 of this chapter. However, the department of local government finance 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 sends notice of the extension to the executive officer of the school corporation.

SECTION 233. IC 20-46-7-10, AS AMENDED BY P.L.224-2007, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) This section applies only to an obligation described in section 8 of this chapter. This section does not apply to bonded indebtedness incurred or lease rental agreements entered into for capital projects approved by a county ~~board of tax and capital projects review council or city-county council~~ under IC 6-1.1-29.5 after December 31, 2008.

(b) The department of local government finance 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 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 enters its order under this section."

Page 240, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 255. IC 36-7-14-27.5, AS AMENDED BY P.L.224-2007, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 27.5. (a) The redevelopment commission may borrow money in anticipation of receipt of the proceeds of taxes levied for the redevelopment district bond fund and not yet collected, and may evidence this borrowing by issuing warrants of the redevelopment district. However, the aggregate principal amount of warrants issued in anticipation of and payable from the same tax levy or levies may not exceed an amount equal to eighty percent (80%) of that tax levy or levies, as certified by the department of local government finance, or as determined by multiplying the rate of tax as finally approved by the total assessed valuation (after deducting all mortgage deductions) within the redevelopment district, as most recently certified by the county auditor.

(b) The warrants may be authorized and issued at any time after the tax or taxes in anticipation of which they are issued have been levied by the redevelopment commission. For purposes of this section, taxes for any year are considered to be levied upon adoption by the commission of a resolution prescribing the tax levies for the year. However, the warrants may not be delivered and paid for before final approval of the tax levy or levies by the county board of tax adjustment (before January 1, 2009), the county **board of tax and capital projects review fiscal body** (after December 31, 2008), or, if appealed, by the department of local government finance, unless the issuance of the warrants has been approved by the department.

(c) All action that this section requires or authorizes the redevelopment commission to take may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by the redevelopment commission. An action to contest the validity of tax anticipation warrants may not be brought later than ten (10) days after the sale date.

(d) In their resolution authorizing the warrants, the redevelopment commission must provide that the warrants mature at a time or times not later than December 31 after the year in which the taxes in anticipation of which the warrants are issued are due and payable.

(e) In their resolution authorizing the warrants, the redevelopment commission may provide:

- (1) the date of the warrants;
- (2) the interest rate of the warrants;
- (3) the time of interest payments on the warrants;
- (4) the denomination of the warrants;
- (5) the form either registered or payable to bearer, of the warrants;
- (6) the place or places of payment of the warrants, either inside or outside the state;
- (7) the medium of payment of the warrants;
- (8) the terms of redemption, if any, of the warrants, at a price not exceeding par value and accrued interest;
- (9) the manner of execution of the warrants; and

(10) that all costs incurred in connection with the issuance of the warrants may be paid from the proceeds of the warrants.

(f) The warrants shall be sold for not less than par value, after notice inviting bids has been published under IC 5-3-1. The redevelopment commission may also publish the notice in other newspapers or financial journals.

(g) Warrants and the interest on them are not subject to any limitation contained in section 25.1 of this chapter, and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

SECTION 256. IC 36-7-15.1-26.9, AS AMENDED BY P.L.224-2007, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 (before January 1, 2009) or the county **board of tax and capital projects review fiscal body** (after December 31, 2008), 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) 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)."

Page 243, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 260. IC 36-8-6-5, AS AMENDED BY P.L.224-2007, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the municipality is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be received into and disbursed from the 1925 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 4(a) of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible to and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) The local board may provide in its annual budget and pay all necessary expenses of operating the 1925 fund, including the payment of all costs of litigation and attorney fees arising in connection with the fund, as well as the payment of benefits and pensions. Notwithstanding any other law, neither the municipal legislative body, the county board of tax adjustment (before January 1, 2009), the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008), nor the department of local government finance may reduce an item of expenditure.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

(1) the name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled;

(2) the name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive; and

(3) the name and age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is entitled.

(d) The total receipts shall be deducted from the total expenditures stated in the itemized estimate and the amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the municipality in the same manner as other expenses of the municipality are paid. A tax levy shall be

made annually for this purpose, as provided in subsection (e). The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other municipal offices and departments are prepared and filed.

(e) The municipal legislative body shall levy an annual tax in the amount and at the rate that are necessary to produce the revenue to pay that part of the police pensions that the municipality is obligated to pay. All money derived from the levy is for the exclusive use of the police pensions and benefits. The amounts in the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the municipality. The legislative body shall make a levy for them that will yield an amount equal to the estimated disbursements, less the amount of the estimated receipts. Notwithstanding any other law, neither the county board of tax adjustment (before January 1, 2009), the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008), nor the department of local government finance may reduce the levy.

SECTION 261. IC 36-8-7-14, AS AMENDED BY P.L.224-2007, SECTION 124, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. (a) The local board shall meet annually and prepare an itemized estimate, in the form prescribed by the state board of accounts, of the amount of money that will be received into and disbursed from the 1937 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements must be divided into two (2) parts, designated as part 1 and part 2.

(b) Part 1 of the estimated disbursements consists of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible to and expect to retire during the next fiscal year, and to the dependents of deceased members. Part 2 of the estimated disbursements consists of an estimate of the amount of money that will be needed to pay death benefits and other expenditures that are authorized or required by this chapter.

(c) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing the following:

(1) The name, age, and date of retirement of each retired member and the monthly and yearly amount of the payment to which the retired member is entitled.

(2) The name and age of each member who is eligible to and expects to retire during the next fiscal year, the date on which the member expects to retire, and the monthly and yearly amount of the payment that the member will be entitled to receive.

(3) The name and the age of each dependent, the date on which the dependent became a dependent, the date on which the dependent will cease to be a dependent by reason of attaining the age at which dependents cease to be dependents, and the monthly and yearly amount of the payment to which the dependent is entitled.

(4) The amount that would be required for the next fiscal year to maintain level cost funding during the active fund members' employment on an actuarial basis.

(5) The amount that would be required for the next fiscal year to amortize accrued liability for active members, retired members, and dependents over a period determined by the local board, but not to exceed forty (40) years.

(d) The total receipts shall be deducted from the total expenditures as listed in the itemized estimate. The amount of the excess of the estimated expenditures over the estimated receipts shall be paid by the unit in the same manner as other expenses of the unit are paid, and an appropriation shall be made annually for

that purpose. The estimates submitted shall be prepared and filed in the same manner and form and at the same time that estimates of other offices and departments of the unit are prepared and filed.

(e) The estimates shall be made a part of the annual budget of the unit. When revising the estimates, the executive, the fiscal officer, and other fiduciary officers may not reduce the items in part 1 of the estimated disbursements.

(f) The unit's fiscal body shall make the appropriations necessary to pay that proportion of the budget of the 1937 fund that the unit is obligated to pay under subsection (d). In addition, the fiscal body may make appropriations for purposes of subsection (c)(4), (c)(5), or both. All appropriations shall be made to the local board for the exclusive use of the 1937 fund. The amounts listed in part 1 of the estimated disbursements, if found to be correct and in conformity with the data submitted in the certified statement, are a binding obligation upon the unit. Notwithstanding any other law, neither the county board of tax adjustment (before January 1, 2009), the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008), nor the department of local government finance may reduce the appropriations made to pay the amount equal to estimated disbursements minus estimated receipts.

SECTION 262. IC 36-8-7-22, AS AMENDED BY P.L.224-2007, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 22. The 1937 fund may not be, either before or after an order for distribution to members of the fire department or to the surviving spouses or guardians of a child or children of a deceased, disabled, or retired member, held, seized, taken, subjected to, detained, or levied on by virtue of an attachment, execution, judgment, writ, interlocutory or other order, decree, or process, or proceedings of any nature issued out of or by a court in any state for the payment or satisfaction, in whole or in part, of a debt, damages, demand, claim, judgment, fine, or amercement of the member or the member's surviving spouse or children. The 1937 fund shall be kept and distributed only for the purpose of pensioning the persons named in this chapter. The local board may, however, annually expend an amount from the 1937 fund that it considers proper for the necessary expenses connected with the fund. Notwithstanding any other law, neither the fiscal body, the county board of tax adjustment (before January 1, 2009), the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008), nor the department of local government finance may reduce these expenditures.

SECTION 263. IC 36-8-7.5-10, AS AMENDED BY P.L.224-2007, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) If the local board determines that the total amount of money available for a year will be insufficient to pay the benefits, pensions, and retirement allowances the local board is obligated to pay under this chapter, the local board shall, before the date on which the budget of the police special service district is adopted, prepare an itemized estimate in the form prescribed by the state board of accounts of the amount of money that will be receipted into and disbursed from the 1953 fund during the next fiscal year. The estimated receipts consist of the items enumerated in section 8 of this chapter. The estimated disbursements consist of an estimate of the amount of money that will be needed by the local board during the next fiscal year to defray the expenses and obligations incurred and that will be incurred by the local board in making the payments prescribed by this chapter to retired members, to members who are eligible and expect to retire during the ensuing fiscal year, and to the dependents of deceased members.

(b) At the time when the estimates are prepared and submitted, the local board shall also prepare and submit a certified statement showing:

(1) the estimated number of beneficiaries from the 1953

fund during the ensuing fiscal year in each of the various classifications of beneficiaries as prescribed in this chapter, and the names and amount of benefits being paid to those actively on the list of beneficiaries at that time;

(2) the name, age, and length of service of each member of the police department who is eligible to and expects to retire during the ensuing fiscal year, and the monthly and yearly amounts of the payment that the member will be entitled to receive; and

(3) the name and age of each dependent of a member of the police department who is then receiving benefits, the date on which the dependent commenced drawing benefits, and the date on which the dependent will cease to be a dependent by reason of attaining the age limit prescribed by this chapter, and the monthly and yearly amounts of the payments to which each of the dependents is entitled.

(c) After the amounts of receipts and disbursements shown in the itemized estimate are fixed and approved by the executive, fiscal officer, legislative body and other bodies, as provided by law for other municipal funds, the total receipts shall be deducted from the total expenditures stated in the itemized estimate, and the amount of the excess shall be paid by the police special service district in the same manner as other expenses of the district are paid. The legislative body shall levy a tax and the money derived from the levy shall, when collected, be credited exclusively to the 1953 fund. The tax shall be levied in the amount and at the rate that is necessary to produce sufficient revenue to equal the deficit. Notwithstanding any other law, neither the county board of tax adjustment (before January 1, 2009), the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008), nor the department of local government finance may reduce the tax levy.

SECTION 264. IC 36-8-11-18, AS AMENDED BY P.L.224-2007, SECTION 127, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. (a) The board shall annually budget the necessary money to meet the expenses of operation and maintenance of the district, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, bond redemption, and all other expenses lawfully incurred by the district. After estimating expenses and receipts of money, the board shall establish the tax levy required to fund the estimated budget.

(b) The budget must be approved by the fiscal body of the county, the county board of tax adjustment (before January 1, 2009), the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008), and the department of local government finance.

(c) Upon approval by the department of local government finance, the board shall certify the approved tax levy to the auditor of the county having land within the district. The auditor shall have the levy entered on the county treasurer's tax records for collection. After collection of the taxes the auditor shall issue a warrant on the treasurer to transfer the revenues collected to the board, as provided by statute.

SECTION 265. IC 36-8-11-22.1, AS AMENDED BY P.L.224-2007, SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 22.1. (a) This section applies to a district that consists of a municipality that is located in two (2) counties.

(b) This section does not apply to a merged district under section 23 of this chapter.

(c) Sections 6 and 7 of this chapter apply to the petition.

(d) The board of fire trustees for the district shall be appointed as prescribed by section 12 of this chapter. However, the legislative body of each county within which the district is located shall jointly appoint one (1) trustee from each township or part of a township contained in the district and one (1) trustee from the municipality contained in the district. The legislative body of each county shall jointly appoint a member to fill a

vacancy.

(e) Sections 13, 14, and 15 of this chapter relating to the board of fire trustees apply to the board of the district. However, the county legislative bodies serving the district shall jointly decide where the board shall locate (or approve location of) its office.

(f) Sections 16, 17, 18, 19, and 21 of this chapter relating to the taxing district, bonds, annual budget, tax levies, and disbanding of fire departments apply to the district. However, the budget must be approved by the county fiscal body and county board of tax adjustment (before January 1, 2009) or the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008) in each county in the district. In addition, the auditor of each county in the district shall perform the duties described in section 18(c) of this chapter.

SECTION 266. IC 36-8-11-23, AS AMENDED BY P.L.224-2007, SECTION 129, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 23. (a) Any fire protection district may merge with one (1) or more protection districts to form a single district if at least one-eighth (1/8) of the aggregate external boundaries of the districts coincide.

(b) The legislative body of the county where at least two (2) districts are located (or if the districts are located in more than one (1) county, the legislative body of each county) shall, if petitioned by freeholders in the two (2) districts, adopt an ordinance merging the districts into a single fire protection district.

(c) Freeholders who desire the merger of at least two (2) fire protection districts must initiate proceedings by filing a petition in the office of the county auditor of each county where a district is located. The petition must be signed:

- (1) by at least twenty percent (20%), with a minimum of five hundred (500) from each district, of the freeholders owning land within the district; or
- (2) by a majority of the freeholders from the districts; whichever is less.

(d) The petition described in subsection (c) must state the same items listed in section 7 of this chapter. Sections 6, 8, and 9 of this chapter apply to the petition and to the legislative body of each county in the proposed district.

(e) The board of fire trustees for each district shall form a single board, which shall continue to be appointed as prescribed by section 12 of this chapter. In addition, sections 13, 14, and 15 of this chapter relating to the board of fire trustees apply to the board of the merged district, except that if the merged district lies in more than one (1) county, the county legislative bodies serving the combined district shall jointly decide where the board shall locate (or approve relocation of) its office.

(f) Sections 16, 17, 18, 19, and 21 of this chapter relating to the taxing district, bonds, annual budget, tax levies, and disbanding of fire departments apply to a merged district. However, the budget must be approved by the county fiscal body and county board of tax adjustment (before January 1, 2009) or the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008) in each county in the merged district. In addition, the auditor of each county in the district shall perform the duties described in section 18(c) of this chapter.

SECTION 267. IC 36-8-13-4.7, AS AMENDED BY P.L.224-2007, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.7. (a) For a township that elects to have the township provide fire protection and emergency services under section 3(c) of this chapter, the department of local government finance shall adjust the township's maximum permissible levy in the year following the year in which the change is elected, as determined under IC 6-1.1-18.5-3, to reflect the change from providing fire protection or emergency services under a contract between the municipality and the township to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of each municipality. For the ensuing

calendar year, the township's maximum permissible property tax levy shall be increased by the product of:

- (1) one and five-hundredths (1.05); multiplied by
- (2) the amount the township contracted or billed to receive, regardless of whether the amount was collected:
 - (A) in the year in which the change is elected; and
 - (B) as fire protection or emergency service payments from the municipalities or residents of the municipalities covered by the election under section 3(c) of this chapter.

The maximum permissible levy for a general fund or other fund of a municipality covered by the election under section 3(c) of this chapter shall be reduced for the ensuing calendar year to reflect the change to allowing the township to impose a property tax levy on the taxable property located within the corporate boundaries of the municipality. The total reduction in the maximum permissible levies for all electing municipalities must equal the amount that the maximum permissible levy for the township is increased under this subsection for contracts or billings, regardless of whether the amount was collected, less the amount actually paid from sources other than property tax revenue.

(b) For purposes of determining a township's and each municipality's maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3 for years following the first year after the year in which the change is elected, a township's and each municipality's maximum permissible ad valorem property tax levy is the levy after the adjustment made under subsection (a).

(c) The township may use the amount of a maximum permissible property tax levy computed under this section in setting budgets and property tax levies for any year in which the election in section 3(c) of this chapter is in effect. A county board of tax adjustment (before January 1, 2009) or the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008) may not reduce a budget or tax levy solely because the budget or levy is based on the maximum permissible property tax levy computed under this section.

(d) Section 4.6 of this chapter does not apply to a property tax levy or a maximum property tax levy subject to this section.

SECTION 268. IC 36-8-15-19, AS AMENDED BY P.L.148-2007, SECTION 9, AND P.L.195-2007, SECTION 10, AND AS AMENDED BY P.L.224-2007, SECTION 131, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19. (a) This subsection applies to a county ~~not having a consolidated city: that has a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000)~~. For the purpose of raising money to fund the operation of the district, the county fiscal body may impose, for property taxes first due and payable during each year after the adoption of an ordinance establishing the district, an ad valorem property tax levy on property within the district. The property tax rate for that levy may not exceed five cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation.

(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or the number of public agencies served by the district, the local government tax control board (*before January 1, 2009*)

or the county board of tax and capital projects review fiscal body (after December 31, 2008) shall, for property taxes first due and payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.

(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the local government tax control board (before January 1, 2009) or the county board of tax and capital projects review fiscal body (after December 31, 2008) shall reduce the maximum permissible ad valorem property tax levy of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the board, which shall review and set the budget, levy, and rate as though the district were covered by IC 6-1.1-18.5-7.

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the local government tax control board (before January 1, 2009) or the county board of tax and capital projects review fiscal body (after December 31, 2008) shall reduce the maximum permissible ad valorem property tax levy of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the board, which shall review and set the budget, levy, and rate as though the unit were covered by IC 6-1.1-18.5-7.

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

(g) A county that has adopted an ordinance under section 1(3) of this chapter may not impose an ad valorem property tax levy on property within the district to fund the operation or implementation of the district.

SECTION 269. IC 36-9-3-29, AS AMENDED BY P.L.224-2007, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 29. The board shall prepare an annual budget for the authority's operating and maintenance expenditures and necessary capital expenditures. Each annual budget is subject to review and modification by the:

- (1) fiscal body of the county or municipality that establishes the authority; and
- (2) county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review fiscal body (after December 31, 2008) and the department of local government finance under IC 6-1.1-17.

SECTION 270. IC 36-9-4-47, AS AMENDED BY P.L.224-2007, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 47. (a) The board of directors of a public transportation corporation may:

- (1) borrow money in anticipation of receipt of the proceeds of taxes that have been levied by the board and have not yet been collected; and
- (2) evidence this borrowing by issuing warrants of the corporation.

The money that is borrowed may be used by the corporation for payment of principal and interest on its bonds or for payment of

current operating expenses.

(b) The warrants:

- (1) bear the date or dates;
- (2) mature at the time or times on or before December 31 following the year in which the taxes in anticipation of which the warrants are issued are due and payable;
- (3) bear interest at the rate or rates and are payable at the time or times;
- (4) may be in the denominations;
- (5) may be in the forms, either registered or payable to bearer;
- (6) are payable at the place or places, either inside or outside Indiana;
- (7) are payable in the medium of payment;
- (8) are subject to redemption upon the terms, including a price not exceeding par and accrued interest; and
- (9) may be executed by the officers of the corporation in the manner;

provided by resolution of the board of directors. The resolution may also authorize the board to pay from the proceeds of the warrants all costs incurred in connection with the issuance of the warrants.

(c) The warrants may be authorized and issued at any time after the board of directors levies the tax or taxes in anticipation of which the warrants are issued.

(d) The warrants may be sold for not less than par value after notice inviting bids has been published in accordance with IC 5-3-1. The board of directors may also publish the notice inviting bids in other newspapers or financial journals.

(e) After the warrants are sold, they may be delivered and paid for at one (1) time or in installments.

(f) The aggregate principal amount of warrants issued in anticipation of and payable from the same tax levy or levies may not exceed eighty percent (80%) of the levy or levies, as the amount of the levy or levies is certified by the department of local government finance, or as is determined by multiplying the rate of tax as finally approved by the total assessed valuation of taxable property within the taxing district of the public transportation corporation as most recently certified by the county auditor.

(g) For purposes of this section, taxes for any year are considered to be levied when the board of directors adopts the ordinance prescribing the tax levies for the year. However, warrants may not be delivered and paid for before final approval of a tax levy or levies by the county board of tax adjustment (before January 1, 2009) or the county board of tax and capital projects review fiscal body (after December 31, 2008) (or, if appealed, by the department of local government finance) unless the issuance of the warrants has been approved by the department of local government finance.

(h) The warrants and the interest on them are not subject to sections 43 and 44 of this chapter and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

(i) All actions of the board of directors under this section may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by a majority of the members of the board of directors.

(j) An action to contest the validity of any tax anticipation warrants may not be brought later than ten (10) days after the sale date."

Page 244, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 272. IC 36-9-13-35, AS AMENDED BY P.L.224-2007, SECTION 134, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 35. The annual operating budget of a building authority is subject to

review by the county board of tax adjustment (before January 1, 2009) or the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008) and then by the department of local government finance as in the case of other political subdivisions.

SECTION 273. IC 36-12-14-2, AS AMENDED BY P.L.224-2007, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. An appointed library board subject to section 1 of this chapter shall submit its proposed operating budget and property tax levy for the operating budget to the following fiscal body at least fourteen (14) days before the first meeting of the county board of tax adjustment (before January 1, 2009) or the county ~~board of tax and capital projects review~~ **fiscal body** (after December 31, 2008): ~~under IC 6-1.1-29-4:~~

- (1) If the library district is located entirely within the corporate boundaries of a municipality, the fiscal body of the municipality.
- (2) If the library district:
 - (A) is not described by subdivision (1); and
 - (B) is located entirely within the boundaries of a township;
 - the fiscal body of the township.
- (3) If the library district is not described by subdivision (1) or (2), the fiscal body of each county in which the library district is located."

Page 244, line 12, after "IC 3-10-2-14;" insert "IC 3-11-2-12.8;"

Page 244, line 18, delete "IC 6-1.1-29-9;" and insert "IC 6-1.1-29; IC 6-1.1-29.5-4;"

Page 245, delete lines 19 through 25.

Re-number all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

WELCH

Motion prevailed.

HOUSE MOTION
(Amendment 1001-61)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 47, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 51. IC 6-1.1-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A person to whom the title to real property has passed, either under the laws of descent of this state or by virtue of the last will of a decedent, may procure a transfer of the real property on the tax duplicate on which the real property is assessed and taxed. In order to procure the transfer, the person must prepare an affidavit and, except as provided in section 9 of this chapter, file it with the auditor of the county in which the real property is situated. The affidavit shall contain the following information:

- (1) The decedent's date of death.
- (2) Whether the decedent died testate or intestate. ~~and~~
- (3) The affiant's interest in the real property.

(4) If the real property is residential property, the amount of any taxes that have been deferred under IC 6-1.1-46.

In addition, if the decedent died testate, the affiant must attach a certified copy of the decedent's will to the affidavit. However, if the will has been probated or recorded in the county in which the real property is located, the affiant, in lieu of attaching a certified copy of the will, shall state that fact in the affidavit and indicate the volume and page of the record where the will may be found.

(b) Except as provided in section 9 of this chapter, the county auditor shall enter a transfer of the real property in the proper transfer book after the affidavit is filed with ~~his~~ **the county auditor's** office.

(c) No transfer made under this section has the effect of

conferring title upon the person procuring the transfer.

(d) Before the county auditor may transfer real property described in subsection (a) on the last assessment list or apportion the assessed value of the real property among the owners, the owner must pay or otherwise satisfy all taxes on the parcels being transferred that have become due under IC 6-1.1-46 as a result of the death of the person by paying the property tax to the county treasurer of the county in which the real property is located.

(e) If a county auditor, in violation of subsection (d), transfers real property in the proper transfer book before all taxes due are satisfied:

- (1) a lien for and the duty to pay property taxes that are due and owing are not released or otherwise extinguished; and**
- (2) property taxes that are due and owing on the affected parcel of property may be collected as if the county auditor had not transferred the property in the proper transfer book in violation of subsection (d)."**

Page 52, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 60. IC 6-1.1-5.5-5, AS AMENDED BY P.L.154-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

- (1) The key number of the parcel (as defined in IC 6-1.1-8.5).
- (2) Whether the entire parcel is being conveyed.
- (3) The address of the property.
- (4) The date of the execution of the form.
- (5) The date the property was transferred.
- (6) Whether the transfer includes an interest in land or improvements, or both.
- (7) Whether the transfer includes personal property.
- (8) An estimate of any personal property included in the transfer.
- (9) The name, address, and telephone number of:
 - (A) each transferor and transferee; and
 - (B) the person that prepared the form.
- (10) The mailing address to which the property tax bills or other official correspondence should be sent.
- (11) The ownership interest transferred.
- (12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).
- (13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.
- (14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.
- (15) Any family or business relationship existing between the transferor and the transferee.

(16) If the transferred property is residential property, the amount of any taxes deferred under IC 6-1.1-46 and interest due on the deferred taxes.

~~(16)~~ **(17) Other information as required by the department of local government finance to carry out this chapter.**

If a form under this section includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential.

(b) The instructions for completing the form described in subsection (a) must include the information described in IC 6-1.1-12-43(c)(1)."

Page 125, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 139. IC 6-1.1-22-5, AS AMENDED BY P.L.67-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsections (b) and (c), on or before March 15 of each year, the county auditor shall prepare and deliver to the auditor of state and the county treasurer a certified copy of an abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in that year in each taxing district of the county. The county auditor shall prepare the abstract in such a manner that the information concerning property tax deductions reflects the total amount of each type of deduction. The abstract shall also contain a statement of the taxes and penalties unpaid in each taxing unit **and the amount of taxes deferred and interest accrued on deferred taxes under IC 6-1.1-46** at the time of the last settlement between the county auditor and county treasurer and the status of these delinquencies **and deferred taxes**. The county auditor shall prepare the abstract on the form prescribed by the state board of accounts. The **offices of the** auditor of state, county auditor, and county treasurer shall each keep a copy of the abstract as a public record.

(b) If the county auditor receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) (**repealed**) before the county auditor prepares and delivers the certified copy of the abstract under subsection (a), the county auditor shall prepare and deliver the certified copy of the abstract when the appeal is resolved by the department of local government finance.

(c) If the county auditor receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) (**repealed**) after the county auditor prepares and delivers the certified copy of the abstract under subsection (a), the county auditor shall prepare and deliver a certified copy of a revised abstract when the appeal is resolved by the department of local government finance that reflects the action of the department.

SECTION 140. IC 6-1.1-22-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The county treasurer shall keep a register of taxes and special assessments in the manner and on the form prescribed by the state board of accounts. ~~He~~ **The county treasurer** shall enter:

(1) each payment of the taxes and special assessments in the register on the day the payment is received; **and**

(2) **each deferral of the payment of property taxes in the register on the day the taxes would otherwise be due if the taxes had not been deferred under IC 6-1.1-46.**

SECTION 141. IC 6-1.1-22-8.1, AS ADDED BY P.L.162-2006, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.1. (a) This section applies only to property taxes and special assessments first due and payable after December 31, 2007.

(b) The county treasurer shall:

(1) mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; and

(2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records;

a statement in the form required under subsection ~~(c)~~ (d).

(c) **The county treasurer shall include the following in a statement concerning residential real property (other than property known by the county treasurer to be rental property) that is distributed under subsection (b) after May 15, 2008:**

(1) **A brief description of the availability of the property tax deferral program under IC 6-1.1-46.**

(2) **If the property has been approved for the deferral of property taxes:**

(A) **a separate statement of the amount of property taxes that may be deferred under IC 6-1.1-46;**

(B) **the cumulative total of the property taxes deferred under IC 6-1.1-46 in the current year and all prior years that is not subject to the accrual of interest under IC 6-1.1-46, if the amount is greater than zero dollars (\$0);**

(C) **the cumulative total of the property taxes deferred under IC 6-1.1-46 in the current year and all prior years that is subject to the accrual of interest under IC 6-1.1-46, if the amount is greater than zero dollars (\$0); and**

(D) **the cumulative total of interest accruing on property taxes deferred under IC 6-1.1-46, if the amount is greater than zero dollars (\$0).**

~~(c)~~ (d) The department of local government finance shall prescribe a form, subject to the approval of the state board of accounts, for the statement under ~~subsection~~ subsections (b) and (c). **The form prescribed for a statement under subsection (b) must include that includes** at least the following:

(1) A statement of the taxpayer's current and delinquent taxes and special assessments.

(2) A breakdown showing the total property tax and special assessment liability and the amount of the taxpayer's liability that will be distributed to each taxing unit in the county.

(3) An itemized listing for each property tax levy, including:

(A) the amount of the tax rate;

(B) the entity levying the tax owed; and

(C) the dollar amount of the tax owed.

(4) Information designed to show the manner in which the taxes and special assessments billed in the tax statement are to be used.

(5) A comparison showing any change in the assessed valuation for the property as compared to the previous year.

(6) A comparison showing any change in the property tax and special assessment liability for the property as compared to the previous year. The information required under this subdivision must identify:

(A) the amount of the taxpayer's liability distributable to each taxing unit in which the property is located in the current year and in the previous year; and

(B) the percentage change, if any, in the amount of the taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year.

(7) An explanation of the following:

(A) The homestead credit and all property tax deductions.

(B) The procedure and deadline for filing for the homestead credit and each deduction.

(C) The procedure that a taxpayer must follow to:

(i) appeal a current assessment; or

(ii) petition for the correction of an error related to the taxpayer's property tax and special assessment liability.

(D) The forms that must be filed for an appeal or a petition described in clause (C).

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

(8) A checklist that shows:

(A) the homestead credit and all property tax deductions; and

(B) whether the homestead credit and each property tax

deduction applies in the current statement for the property transmitted under subsection (b).

(d) (e) The county treasurer may mail or transmit the statement one (1) time each year at least fifteen (15) days before the date on which the first or only installment is due. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment.

(e) (f) All payments of property taxes and special assessments shall be made to the county treasurer. The county treasurer, when authorized by the board of county commissioners, may open temporary offices for the collection of taxes in cities and towns in the county other than the county seat.

(f) (g) The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included in the statement under subsection (e) (d).

(g) (h) The information to be included in the statement under subsection (e) (d) must be simply and clearly presented and understandable to the average individual.

(h) (i) After December 31, 2007, a reference in a law or rule to IC 6-1.1-22-8 shall be treated as a reference to this section.

SECTION 142. IC 6-1.1-22-9, AS AMENDED BY P.L.219-2007, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in subsections (b) and (c) the property taxes assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

- (1) Subsection (c).
- (2) Subsection (d).
- (3) Subsection (h).
- (4) Subsection (i).
- (5) IC 6-1.1-7-7.
- (6) **IC 6-1.1-46.**

(c) (7) Section 9.5 of this chapter.

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

(d) If the county treasurer receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) (**repealed**) before the county treasurer mails or transmits statements under section 8(a) of this chapter, the county treasurer may:

- (1) mail or transmit the statements without regard to the pendency of the appeal and, if the resolution of the appeal by the department of local government finance results in changes in levies, mail or transmit reconciling statements under subsection (e); or
- (2) delay the mailing or transmission of statements under section 8(a) of this chapter so that:
 - (A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and
 - (B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local government finance.

(e) A reconciling statement under subsection (d)(1) must indicate:

- (1) the total amount due for the year;
- (2) the total amount of the installments paid that did not reflect the resolution of the appeal under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) (**repealed**) by the department of local government finance;
- (3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount that is payable by the taxpayer:
 - (A) as a final reconciliation of all amounts due for the year; and
 - (B) not later than:
 - (i) November 10; or
 - (ii) the date or dates established under section 9.5 of this chapter; and
- (4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(f) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

(g) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability.

(h) If in a county the notices of general reassessment under IC 6-1.1-4-4 or notices of assessment under IC 6-1.1-4-4.5 for an assessment date in a calendar year are given to the taxpayers in the county after March 26 of the immediately succeeding calendar year, the property taxes that would otherwise be due under subsection (a) on May 10 of the immediately succeeding calendar year are due on the later of:

- (1) May 10 of the immediately succeeding calendar year; or
- (2) forty-five (45) days after the notices are given to taxpayers in the county.

(i) If subsection (h) applies, the property taxes that would otherwise be due under subsection (a) on November 10 of the immediately succeeding calendar year referred to in subsection (h) are due on the later of:

- (1) November 10 of the immediately succeeding calendar year; or
- (2) a date determined by the county treasurer that is not later than December 31 of the immediately succeeding calendar year.

SECTION 143. IC 6-1.1-22-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A person who is liable for property taxes under IC 6-1.1-2-4, **including property taxes deferred under IC 6-1.1-46 after the deferred taxes become due**, is personally liable for the taxes and all penalties, cost, and collection expenses, including reasonable attorney's fees and court costs, resulting from late payment of the taxes.

(b) A person's liability under this section may be enforced by any legal remedy, including a civil lawsuit instituted by a county treasurer or a county executive to collect delinquent taxes. One (1) action may be initiated to collect all taxes, penalties, cost, and collection expenses levied against a person in the same county for one (1) or more years. However, an action may not be initiated to enforce the collection of taxes after ten (10) years from the first Monday in May of the year in which the taxes first became due. An action initiated within the ten (10) year period may be prosecuted to termination.

(c) **In addition to any other method of collection authorized under this article, the department of state revenue may collect:**

- (1) **property taxes deferred under IC 6-1.1-46, after the deferred taxes become due; and**

(2) all interest, penalties, costs, and collection expenses, including reasonable attorney's fees and court costs accruing under this article, after the deferred taxes become due under IC 6-1.1-46;

as a listed tax.

SECTION 144. IC 6-1.1-22-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The state acquires a lien on each tract of real property for all property taxes levied against the tract, including the land under an improvement or appurtenance described in IC 6-1.1-2-4(b), and all subsequent penalties and cost resulting from the taxes. This lien attaches on the assessment date of the year for which the taxes are assessed. The lien is not affected by any sale or transfer of the tract, including the land under an improvement or appurtenance described in IC 6-1.1-2-4(b), including the sale, exchange, or lease of the tract under IC 36-1-11.

(b) The lien of the state for taxes, penalties, and cost continues for ten (10) years from May 10 of the year in which the taxes first become due. **For purposes of IC 6-1.1-46, the due date is the date to which property taxes are deferred under IC 6-1.1-46.** However, if any proceeding is instituted to enforce the lien within the ten (10) year period, the limitation is extended, if necessary, to permit the termination of the proceeding.

(c) The lien of the state inures to taxing units which impose the property taxes on which the lien is based, and the lien is superior to all other liens.

(d) A taxing unit described in subsection (c) may institute a civil suit against a person or an entity liable for delinquent property taxes. The taxing unit may, after obtaining a judgment, collect:

- (1) delinquent real property taxes;
- (2) penalties due to the delinquency; and
- (3) costs and expenses incurred in collecting the delinquent property tax, including reasonable attorney's fees and court costs approved by a court with jurisdiction.

SECTION 145. IC 6-1.1-22.5-8.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.1. A provisional statement mailed or transmitted under section 8 of this chapter after May 15, 2008, must include the information concerning the deferral of property taxes under IC 6-1.1-46 that is required in a statement under IC 6-1.1-22-8.1.**

SECTION 146. IC 6-1.1-22.5-9, AS AMENDED BY P.L.219-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in subsection (b), subsection (c), ~~and~~ section 12 of this chapter, **and IC 6-1.1-46**, property taxes billed on a provisional statement are due in two (2) equal installments on May 10 and November 10 of the year following the assessment date covered by the provisional statement.

(b) If in a county the notices of general reassessment under IC 6-1.1-4-4 or notices of assessment under IC 6-1.1-4-4.5 for an assessment date in a calendar year are given to the taxpayers in the county after March 26 of the immediately succeeding calendar year, the property taxes that would otherwise be due under subsection (a) on May 10 of the immediately succeeding calendar year are due on the later of:

- (1) May 10 of the immediately succeeding calendar year; or
- (2) forty-five (45) days after the mailing or transmittal of provisional statements.

(c) If subsection (b) applies, the property taxes that would otherwise be due under subsection (a) on November 10 of the immediately succeeding calendar year referred to in subsection (b) are due on the later of:

- (1) November 10 of the immediately succeeding calendar year; or
- (2) a date determined by the county treasurer that is not

later than December 31 of the immediately succeeding calendar year.

SECTION 147. IC 6-1.1-22.5-12, AS AMENDED BY P.L.219-2007, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided by subsection (c), each reconciling statement must indicate:

- (1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;
- (2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;
- (3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) thirty (30) days after the date of the reconciling statement; or

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and

- (4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(b) If, upon receipt of the abstract referred to in section 6 of this chapter, the county treasurer determines that it is possible to complete the:

(1) preparation; and

(2) mailing or transmittal;

of the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement, the county treasurer may request in writing that the department of local government finance permit the county treasurer to issue a reconciling statement that adjusts the amount of the second installment that was specified in the provisional statement. If the department approves the county treasurer's request, the county treasurer shall prepare and mail or transmit the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement.

(c) A reconciling statement prepared under subsection (b) must indicate:

(1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

(2) the total amount of the first installment paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount of the second installment that is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) November 10; or

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(d) A reconciling statement mailed or transmitted after May 15, 2008, must include the information concerning the deferral of property taxes under IC 6-1.1-46 that is required in a statement under IC 6-1.1-22-8.1.

SECTION 148. IC 6-1.1-22.5-18, AS AMENDED BY P.L.219-2007, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. For

purposes of IC 6-1.1-24-1(a)(1):

- (1) the first installment on a provisional statement is considered to be the taxpayer's spring installment of property taxes;
- (2) except as provided in subdivision (3) and IC 6-1.1-46, payment on a reconciling statement is considered to be due before the due date of the first installment of property taxes payable in the following year; and
- (3) payment on a reconciling statement described in section 12(b) of this chapter is considered to be the taxpayer's fall installment of property taxes."

Page 157, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 186. IC 6-1.1-46 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 46. Property Tax Payment Deferral Program

Sec. 1. As used in this chapter, "base amount" means the amount of homestead property tax liability that is not subject to deferral, as determined under this chapter.

Sec. 2. As used in this chapter, "blind" has the meaning set forth in IC 6-1.1-12-11.

Sec. 3. As used in this chapter, "defer" means to delay the due date on which property taxes would otherwise be first due and payable.

Sec. 4. As used in this chapter, "individual with a disability" has the meaning set forth in IC 6-1.1-12-11.

Sec. 5. As used in this chapter, "homestead" means an individual's principal place of residence that:

- (1) is located in Indiana;
- (2) the individual either owns or is buying under a contract, recorded in the county recorder's office, that provides that he is to pay the property taxes on the residence; and
- (3) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Sec. 6. As used in this chapter, "homestead property tax liability" refers to a liability for property taxes:

- (1) that are assessed on tangible property that is a homestead; and
- (2) that would be first due and payable in a certain year if the property taxes were not deferred under this chapter.

The term refers to a property tax liability after the application of all deductions and credits for which the homestead is eligible.

Sec. 7. (a) As used in this chapter, "property taxes" refers to ad valorem property taxes.

(b) The term does not include the following:

- (1) Special assessments.
- (2) Fees or charges that are included by law on a tax statement issued under IC 6-1.1-22-8.1 or IC 6-1.1-22.5.

Sec. 8. As used in this chapter, "qualified individual" means an individual who meets all the following criteria:

- (1) Has a qualified interest in a homestead on the assessment date for which homestead property tax liability is imposed.
- (2) Uses the homestead in which the individual has a qualified interest as the individual's principal place of residence.
- (3) Either:
 - (A) is not delinquent in the payment of:
 - (i) any property taxes that are not deferred under this chapter, special assessments, or fees or charges that are included by law on a tax statement issued under IC 6-1.1-22-8.1 or IC 6-1.1-22.5 or a statement in another state; or
 - (ii) penalties or interest imposed for property taxes, special assessments, or fees or charges,

including any deferred property taxes; or
 (B) has been granted a waiver under this requirement from the county auditor in the county where the homestead is located.

(4) Is:

- (A) at least sixty-five (65) years of age;
- (B) blind; or
- (C) an individual with a disability.

Sec. 9. As used in this chapter, "qualified interest" means the following:

- (1) An ownership interest in a homestead.
- (2) A beneficial interest in an entity that has an ownership interest in a homestead or a contract interest described in subdivision (3).
- (3) An interest in a contract for the purchase of a homestead that:
 - (A) is recorded in the county recorder's office; and
 - (B) provides that a person purchasing the homestead is to pay the property taxes on the homestead.

Sec. 10. As used in this chapter, "qualified taxpayer" means any of the following persons:

- (1) A qualified individual.
- (2) An entity in which a qualified individual has a beneficial interest.

Sec. 11. Beginning with property taxes first due and payable in 2008, a qualified taxpayer may defer the due date for the part of the qualified taxpayer's homestead property tax liability permitted under this chapter.

Sec. 12. Property taxes deferred under this chapter are due and payable thirty (30) days after the date on which a deferral termination event occurs.

Sec. 13. (a) Subject to subsections (b), (c), and (d), a deferral termination event occurs on the earliest of the following dates:

- (1) The first date on which none of the qualified individuals who had a qualified interest in the homestead when the property taxes were deferred:
 - (A) use the homestead as their principal place of residence; or
 - (B) have a qualified interest in the homestead.
- (2) The first date on which the mortgages and liens of record on the homestead exceed the assessed value of the homestead.
- (3) The date on which a person with an ownership interest in the homestead files for bankruptcy or the homestead property is placed in receivership.

(b) For purposes of subsection (a), an individual shall be treated as using a homestead as the individual's principal place of residence if the individual:

- (1) is absent from the homestead while in a health care facility (as defined in IC 16-18-2-161 or IC 16-28-13-0.5); but
- (2) used the homestead as the individual's principal place of residence immediately before being admitted to a health care facility (as defined in IC 16-18-2-161 or IC 16-28-13-0.5).

(c) The estate of a deceased individual shall be treated as having the same rights the deceased individual had immediately before the individual died to do the following:

- (1) Defer taxes that would otherwise be due and payable in the year the individual died.
- (2) Continue to defer taxes that were deferred before the individual died.

(d) This subsection applies only to a surviving spouse who was not a qualified individual on the date on which property taxes were deferred. If a deceased individual was a qualified individual on the date on which property taxes were deferred, the deceased individual's surviving spouse shall be treated after the deceased individual's death as if the surviving spouse had been a qualified individual on the date

on which property taxes were deferred if:

- (1) the homestead was the surviving spouse's principal place of residence when the deceased qualified individual died;
- (2) the surviving spouse has a qualifying interest in the homestead not later than the later of:
 - (A) the date of the deceased individual's death; or
 - (B) the date on which the estate of the deceased individual transfers any part of the ownership of the homestead from the estate; and
- (3) the surviving spouse:
 - (A) is unmarried; or
 - (B) marries only after the surviving spouse becomes:
 - (i) at least sixty-five (65) years of age;
 - (ii) blind; or
 - (iii) an individual with a disability.

Sec. 14. The maximum amount that may be deferred in a year under this chapter is equal to the lesser of the following:

- (1) The amount by which the homestead property tax liability on the current assessment date exceeds the base amount for the homestead.
- (2) An amount equal to the assessed value of the homestead after subtracting the amount of all recorded mortgages and liens on the property on the date on which the property taxes would otherwise be first due and payable, excluding the lien for property taxes imposed on the current assessment date.

Sec. 15. The initial base amount for a homestead is determined as follows:

- (1) If at least one (1) individual who is a qualified individual on the current assessment date qualified as a qualified individual on the first assessment date for the homestead after January 15, 2003, the initial base amount is the lesser of the following:
 - (A) One hundred twenty-five percent (125%) of the homestead property tax liability for the first assessment date for the homestead after January 15, 2003.
 - (B) The homestead property tax liability for the first assessment date for the homestead after January 15, 2004.
- (2) If subdivision (1) does not apply, the initial base amount is the homestead property tax liability for the first assessment date for the homestead on which at least one (1) individual who is a qualified individual on the current assessment date qualified as a qualified individual.

Sec. 16. The base amount for a homestead is increased in any year in which the homestead property tax liability for the current assessment date exceeds the base amount that applied to the immediately preceding assessment date, including years occurring before calendar year 2008. The amount by which the base amount is increased under this section is equal to the amount determined under STEP SIX of the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between the homestead property tax liability for the current assessment date and the base amount that applied to the immediately preceding assessment date.

STEP TWO: Determine the greater of zero (0) or the part of the STEP ONE amount, if any, that is attributable to an improvement to the homestead that is assessed for the first time on the current assessment date.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the greater of the following:

- (A) Zero (0).
- (B) The STEP THREE amount.

STEP FIVE: Determine the lesser of the following:

- (A) The STEP FOUR amount.
- (B) One-tenth (0.1) of the base amount for the immediately preceding assessment date.

STEP SIX: Add the STEP TWO amount and the STEP FIVE amount.

The STEP SIX amount becomes the new base amount for subsequent assessment dates.

Sec. 17. To qualify for a deferral of homestead property tax liability in any year, a qualified taxpayer must apply for the deferral:

- (1) on the form, in the manner, and with the information prescribed by the department of local government finance; and
- (2) before the date on which the installment being deferred is first due and payable.

The department of local government finance may provide forms allowing a qualified taxpayer to elect to defer property taxes for more than one (1) year. If the department of local government permits a multiyear election, the department of local government finance shall provide for the filing of amended forms whenever any of the information in a previously filed form ceases to be accurate or complete.

Sec. 18. An application for a deferral must be filed with the county auditor in the county where the homestead is located. Upon the filing of an application, the county auditor shall immediately:

- (1) notify the county treasurer and transmit the information that the county treasurer needs to match the application with county treasurer's records related to the homestead; and
- (2) review the application to determine:
 - (A) whether the applicant qualifies for a deferral; and
 - (B) the amount that may be deferred.

Sec. 19. The filing of an application waives any interest and penalties that would otherwise be imposed for the nonpayment of property taxes by the due date only to the extent that the county auditor approves the application for the amount of the unpaid property taxes.

Sec. 20. If the applicant is qualified under this chapter for a deferral, the county auditor shall:

- (1) approve the deferral in the lesser of:
 - (A) the amount requested by the applicant; or
 - (B) the maximum amount that may be deferred in the year;
- (2) provide for the recording of the deferral in the office of the county recorder on the form and in the manner prescribed by the department of local government finance; and
- (3) notify the county treasurer and the department of local government finance of the amount deferred on the form and in the manner prescribed by the department of local government finance.

Sec. 21. An amount approved for deferral under this chapter for a particular year does not accrue interest until the fifth year after the amount otherwise would have been due if the amount had not been deferred. Beginning in the fifth year and on the installment date on which the amount otherwise would have been due, the deferred amount accrues interest at the rate set under IC 6-8.1-10-1 for delinquent listed taxes. The department of local government finance shall at least annually notify each county auditor of the interest rate that applies in the year to deferred property taxes. The amount of interest due shall be included in the next statement to the taxpayer mailed or transmitted under IC 6-1.1-22-8.1 or IC 6-1.1-22.5. The due date for the payment of interest imposed under this section is the first regular installment date after the mailing or transmission of the statement. Interest imposed under this section shall be

deposited and distributed to taxing units in the same manner as interest and penalties on delinquent taxes. The nonpayment of interest due under this section shall be treated in the same manner as delinquent property taxes.

Sec. 22. Deferred property taxes may be paid at any time on or before the delayed due date established by this chapter without interest and penalties other than the interest imposed under this chapter. Payment of deferred property taxes after the delayed due date established by this chapter shall be collected in the same manner as delinquent property taxes. If a payment of deferred property taxes is made, the county treasurer shall notify the county auditor, the county recorder, and the department of local government finance on the form and in the manner prescribed by the department of local government finance. Notice to the county recorder must be in the form of a release of the lien on the homestead for the deferred property taxes.

Sec. 23. Whenever an individual who is a qualified individual on an assessment date for which property taxes were deferred:

- (1) ceases to use the homestead as the individual's principal place of residence;
- (2) ceases to have a qualified interest in the homestead; or
- (3) changes the individual's qualified interest in the homestead;

or a surviving spouse becomes a qualified individual, a person responsible for paying the property taxes on the homestead shall notify the county auditor in the county where the homestead is located on the form and in the manner prescribed by the department of local government finance. The county auditor shall review the information filed under this section to determine whether a deferral termination event has occurred.

Sec. 24. If, as the result of the filing of information with the county auditor or on the county auditor's own motion, the county auditor determines that a deferral termination event has occurred, the county auditor shall notify the county treasurer, the county recorder, and the department of local government on the form and in the manner prescribed by the department of local government finance.

Sec. 25. A county auditor shall give written notice of each determination under this chapter to the qualified taxpayers and mortgage holders of record for the affected homestead. A qualified taxpayer may appeal an adverse determination under this chapter to the Indiana board not later than forty-five (45) days after notice of the determination.

Sec. 26. The county recorder shall record the following without charge in the miscellaneous records of the county recorder:

- (1) A statement of the amount of property tax deferred and interest imposed on deferred property taxes.
- (2) A statement of payment of deferred property taxes and interest on deferred property taxes.
- (3) A notice of termination of a deferral.

Sec. 27. (a) Except:

- (1) as required by federal law or regulation;
- (2) if a loan from a lender:
 - (A) is made, guaranteed, or insured by a federal government lending or insuring agency; and
 - (B) requires the borrower to make payments to a lender with respect to an escrow or other type of account; or
- (3) if the application of this section would impair the obligations of a borrower under an agreement executed before April 15, 2008;

a lender may not require a borrower to maintain an escrow or other type of account with regard to taxes for which the borrower has elected to defer taxes under this chapter.

- (b) Notice of a tax deferral in the records of the county

recorder shall be treated as notice of a tax deferral to a lender.

(c) Any payments that are made by the borrower to the escrow or other type of account with regard to property taxes and that:

- (1) were submitted before the time of submission of evidence of tax deferral, for any period; and
- (2) have not been used in payment or partial payment of taxes;

must be refunded to the borrower within thirty (30) days after the deferral is approved and filed with the county recorder.

Sec. 28. Not later than the settlement date in the year in which property taxes are deferred under this chapter, the department of local government finance shall distribute to the county in which property taxes are deferred an amount equal to the amount of deferred property taxes not paid by the settlement date. The amount necessary to make the distribution required under this section is annually appropriated from the state general fund. The amount of the distribution under this section shall be deposited and distributed to taxing units in the same manner that the deferred property taxes would have been deposited and distributed.

Sec. 29. Not later than the settlement date in a year when a payment of deferred property taxes is made or deferred property taxes are collected as delinquent property taxes, the county treasurer shall transfer the amount to the department of local government finance for deposit in the state general fund."

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 264. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) IC 6-1.1-46, as added by this act, applies only to ad valorem property taxes first due and payable for assessment dates after February 28, 2007."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

LEONARD

Motion prevailed.

HOUSE MOTION
(Amendment 1001-97)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 6, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 6. IC 4-12-1-15.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.7. (a) The school contingency and reserve account is established within the state general fund for the purpose of providing money for timely payment of state tuition support (as defined in IC 20-18-2-20.3) and state distributions for the costs attributable to transportation (as defined in IC 20-40-6-1). Money in the account must be used to pay state tuition support (as defined in IC 20-18-2-20.3) and state distributions for the costs attributable to transportation (as defined in IC 20-40-6-1). The account shall be administered by the budget agency.

(b) The account established under this section is in addition to the reserve established under section 12(b) of this chapter. Expenses of administering the account shall be paid from money in the account. The account consists of the following:

- (1) The amount transferred under subsection (c).
- (2) Other money transferred to the account with the approval of the governor and the budget agency.
- (c) Before January 1, 2009, the budget agency shall

transfer from the counter-cyclical revenue and economic stabilization fund one hundred fifty million dollars (\$150,000,000) for the purposes of the account.

(d) The treasurer of state shall invest the money in the account not currently needed to meet the obligations of the account in the same manner as other public money may be invested.

(e) Money in the account at the end of a state fiscal year does not revert for any other purpose of the state general fund."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

KLINKER

Motion prevailed.

HOUSE MOTION
(Amendment 1001-31)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 119, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 131. IC 6-1.1-20.6-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.5. As used in this chapter, "manufactured home" has the meaning set forth in IC 22-12-1-16.**

SECTION 132. IC 6-1.1-20.6-2.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.7. As used in this chapter, "mobile home" has the meaning set forth in IC 16-41-27-4.**

SECTION 133. IC 6-1.1-20.6-4, AS AMENDED BY P.L.162-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 4. As used in this chapter, "qualified residential property" refers to any of the following that a county fiscal body specifically makes eligible for a credit under this chapter in an ordinance adopted under section 6 of this chapter and to all the following for purposes of section 6.5 of this chapter:**

- (1) An apartment complex.
- (2) A homestead.
- (3) Residential rental property.

(4) Land rented or leased for the placement of a manufactured home or mobile home."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

FRY

Motion prevailed.

HOUSE MOTION
(Amendment 1001-92)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 33, line 42, delete ";" and insert "**before July 1, 2011;**".

Page 52, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 59. IC 6-1.1-5.5-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **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; or
- (4) purchasing **before July 1, 2011**, 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."

Page 135, between lines 14 and 15, begin a new paragraph and insert:

"SECTION 142. IC 6-1.1-31-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1. (a) The department of local government finance shall do the following:**

(1) Prescribe the property tax forms and returns which taxpayers are to complete and on which the taxpayers' assessments will be based.

(2) Prescribe the forms to be used to give taxpayers notice of assessment actions.

(3) Adopt rules concerning the assessment of tangible property.

(4) Develop specifications that prescribe state requirements for computer software and hardware to be used by counties for assessment purposes **before July 1, 2011**. The specifications developed under this subdivision apply only to computer software and hardware systems purchased for assessment purposes ~~after~~ **before July 1, 2011**. **State requirements for computer software and hardware after June 30, 2011, are governed by section 3.8 of this chapter.**

(5) Adopt rules establishing criteria for the revocation of a certification under IC 6-1.1-35.5-6.

(b) The department of local government finance may adopt rules that are related to property taxation or the duties or the procedures of the department.

(c) Rules of the state board of tax commissioners are for all purposes rules of the department of local government finance and the Indiana board until the department and the Indiana board adopt rules to repeal or supersede the rules of the state board of tax commissioners.

SECTION 143. IC 6-1.1-31-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.7. The rules of the department must provide for the establishment of a uniform and common property tax management system for use until July 1, 2011, among all counties that includes a combined mass appraisal and county auditor system integrated with a county treasurer system.**

SECTION 144. IC 6-1.1-31-3.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.8. (a) The department shall develop before July 1, 2011, a single property tax system that:**

(1) will be used after June 30, 2011, in each county for the administration of property taxes; and

(2) includes at least the following:

- (A) Computer hardware.
- (B) Assessment software.
- (C) Tax and billing software.
- (D) Property tax management systems.
- (E) Computer services.

(b) After June 30, 2011:

(1) a political subdivision may not provide, through contract or otherwise, its own system that includes any of the components of the property tax system described in subsection (a)(2); and

(2) a professional appraiser that contracts under IC 6-1.1-4 for property assessment or reassessment purposes must use the property tax system described in subsection (a).

(c) The property tax system described in subsection (a) must:

(1) employ in each county the same components of the system described in subsection (a)(2);

(2) be 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;
 (3) be maintained in a manner that ensures prompt and accurate transfer of data to the department of local government finance and the legislative services agency; and

- (4) have the capacity to do at least the following:
 - (A) Process and maintain assessment records.
 - (B) Process and maintain standardized property tax forms.
 - (C) Process and maintain standardized property assessment notices.
 - (D) Maintain complete and accurate assessment records for the county.
 - (E) Process and compute complete and accurate assessments in accordance with Indiana law.

- (d) The department:
 - (1) shall pay for the property tax system described in subsection (a); and
 - (2) may contract with more than one (1) service provider to develop the property tax system described in subsection (a) if the providers conform to the requirement of subsection (c)(1).

(e) All information on the property tax system referred to in subsection (a) must be readily accessible to:

- (1) township assessors;
- (2) county assessors; and
- (3) members of the county property tax assessment board of appeals."

Page 135, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 146. IC 6-1.1-31.5-2, AS AMENDED BY P.L.228-2005, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Subject to section 3.5(e) of this chapter, the department shall adopt rules under IC 4-22-2 to prescribe computer specification standards and for the certification of:

- (1) computer software;
- (2) software providers;
- (3) computer service providers; and
- (4) computer equipment providers.

- (b) The rules of the department shall provide for:
 - (1) the effective and efficient administration of assessment laws;
 - (2) the prompt updating of assessment data;
 - (3) the administration of information contained in the sales disclosure form, as required under IC 6-1.1-5.5; and
 - (4) other information necessary to carry out the administration of the property tax assessment laws.

(c) ~~After December 31, 1998;~~ Subject to ~~section 3.5(e) of this chapter;~~ **IC 6-1.1-31-3.8**, a county may contract only for computer software and with software providers, computer service providers, and equipment providers that are certified by the department under the rules described in subsection (a).

(d) ~~The initial rules under this section must be adopted under IC 4-22-2 before January 1, 1998.~~

SECTION 147. IC 6-1.1-31.5-5, AS AMENDED BY P.L.228-2005, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The department may revoke a certification issued under section 2 of this chapter for at least three (3) years if it determines:

- (1) that information given by an applicant was false; or
- (2) the product, provider, or service certified does not meet the minimum requirements of the department.

(b) If a certification is revoked, any Indiana contract that the provider has is void and the contractor may not receive any additional funds under the contract.

(c) An individual at least eighteen (18) years of age who resides in Indiana and any corporation that satisfies the requirements of this chapter and the rules of the department may

be certified as:

- (1) a software provider;
- (2) a service provider; or
- (3) a computer equipment provider;

under the system referred to in IC 6-1.1-31-3.7.

(d) A person may not sell, buy, trade, exchange, option, lease, or rent software, computer equipment, or service to a county under this chapter without a certification from the department.

(e) A contract for computer software, computer equipment, a computer operating program or computer system service providers under this chapter must contain a provision specifying that the contract is void if the provider's certification is revoked.

(f) The department may not limit the number of systems or providers certified by this chapter so long as the system or provider meets the specifications or standards of the department."

Delete page 136.

Page 137, delete lines 1 through 37.

Page 138, line 2, after "2." insert "(a)".

Page 138, line 4, after "(1)" insert "**Subject to subsection (b),**".

Page 138, line 4, delete "Compile" and insert "compile".

Page 138, line 17, after "(2)" insert "**Subject to subsection (b),**".

Page 138, line 17, delete "Make" and insert "make".

Page 138, between lines 30 and 31, begin a new paragraph and insert:

"(b) After June 30, 2011, the:

- (1) data base referred to in subsection (a)(1); and
- (2) software referred to in subsection (a)(2);

must conform to IC 6-1.1-31-3.8."

Page 244, line 7, after "PASSAGE]:" insert "IC 6-1.1-31.5-3.5;".

Page 253, between lines 31 through 32, begin a new paragraph and insert:

"SECTION 256. [EFFECTIVE UPON PASSAGE] (a) After the effective date of this SECTION, a county or township may not enter into a contract for computer related services that conflicts with the requirements of IC 6-1.1-31-3.8, as added by this act, if the term of the contract would extend beyond June 30, 2011.

(b) Subsection (c) applies to a contract if:

- (1) the contract was entered into before the effective date of this SECTION by a county or township for computer related services that conflict with the requirements of IC 6-1.1-31-3.8, as added by this act; and
- (2) the term of the contract extends beyond June 30, 2011.

(c) A contract referred to in subsection (b) is terminated on June 30, 2011. To the extent that contract payments remain to be made after June 30, 2011, the department of local government finance shall:

- (1) make the payments; or
- (2) negotiate with the private contractor to satisfy the remaining contractual obligation by making partial payments.

(d) This SECTION expires January 1, 2012."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

GOODIN

The Speaker ordered a division of the House to be recorded electronically. Representative Saunders was excused from voting, pursuant to House Rule 46. Roll Call 21: yeas 54, nays 39. Motion prevailed.

HOUSE MOTION
 (Amendment 1001-10)

Mr. Speaker: I move that House Bill 1001 be amended to read

as follows:

Page 115, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 127. IC 6-1.1-20-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. For purposes of this chapter, the term "bonds" means any bonds or other evidences of indebtedness payable from property taxes or a school income tax under IC 20-46.5 for a controlled project, but does not include:

- (1) notes representing loans under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 which are payable within five (5) years after issuance;
- (2) warrants representing temporary loans which are payable out of taxes levied and in the course of collection;
- (3) a lease;
- (4) obligations; or
- (5) funding, refunding, or judgment funding bonds of political subdivisions.

SECTION 128. IC 6-1.1-20-1.1, AS AMENDED BY P.L.2-2006, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 a school income tax under IC 20-46.5 or property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or IC 20-45-3. **Except for a project payable from a school income tax under IC 20-46.5**, 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).
- (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 129. IC 6-1.1-20-1.3, AS AMENDED BY P.L.2-2006, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1.3. As used in this chapter, "lease" means a lease by a political subdivision of any controlled project with lease rentals payable from a school income tax under IC 20-46.5 or property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or IC 20-45-3.

SECTION 130. IC 6-1.1-20-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1.5. As used in this chapter, "obligations" refers to a contract or promise to pay of a political subdivision that would be considered a bond or lease under this chapter but for the fact that it is payable solely from funds other than a school income tax under IC 20-46.5 or property taxes.

SECTION 131. IC 6-1.1-20-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) A political subdivision may, subject to the limitations provided by law, issue any bonds, notes, or warrants, or enter into any leases or obligations that it considers necessary.

(b) Notwithstanding subsection (a) or any other law, a school corporation may pledge either:

- (1) property taxes; or
- (2) a school income tax imposed under IC 20-46.5;

to pay debt service or lease rentals with respect to any controlled project that is the subject of a preliminary determination made after December 31, 2008, to issue bonds or enter a lease.

(c) A school corporation may pledge property taxes to pay an obligation or a lease rental if the certified distribution from a school income tax imposed under IC 20-46.5 is insufficient to make the obligation or lease rental payments.

SECTION 132. IC 6-1.1-20-3.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3.3. (a) Notwithstanding any other law, a political subdivision may issue or enter into obligations under any statute that requires or permits the imposition of property taxes to pay debt service or lease rentals without pledging to impose property taxes, if necessary, to pay the debt service or lease rentals.

(b) This subsection applies to a school corporation's preliminary determination to issue bonds or enter a lease made after December 31, 2008. Notwithstanding any other law, a school corporation may issue bonds or enter into obligations under any statute that requires or permits the use of a school income tax imposed under IC 20-46.5 to pay debt service or lease rentals without pledging to impose school income taxes, if necessary, to pay the debt service or lease rentals.

(c) If the proper officers of a political subdivision determine to use revenues other than:

- (1) property taxes; or
- (2) a school income tax imposed under IC 20-46.5 (in the case of a school corporation that makes a preliminary determination to issue bonds or enter a lease after December 31, 2008);

to pay obligations without pledging to impose property taxes a tax described in subdivision (1) or (2) for that purpose, the provisions of any other statute relating to controlling property those taxes do not apply to the issuance of or entering into the obligations."

Page 115, line 25, after "property taxes" insert "**or a school income tax imposed under IC 20-46.5**".

Page 115, line 34, after "property taxes" insert "**or a school income tax under IC 20-46.5**".

Page 117, line 2, after "property taxes" insert "**or a school income tax under IC 20-46.5**".

Page 117, line 11, after "property tax" insert "**or school income tax**".

Page 217, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 209. IC 20-46-7-3, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) As used in this chapter, "obligation" refers to any obligation that is permitted or required by law to be paid from the fund under IC 20-40-9 or another law.

(b) Except as provided in subsection (c), the term does not include an obligation to pay the following:

- (1) Lease rentals (as defined in IC 20-46.5-1-4).
- (2) Obligations (as defined in IC 20-46.5-1-5).

(c) The term includes an obligation described in subsection (b) if a school corporation has pledged to levy property taxes to pay lease rentals (as defined in IC 20-46.5-1-4) or obligations (as defined in IC 20-46.5-1-5) and the certified distribution for a school income tax is insufficient to make the payments.

SECTION 210. IC 20-46.5 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2008]:

ARTICLE 46.5. SCHOOL INCOME TAX

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Adjusted gross income" has the meaning set forth in IC 6-3-1-3.5(a), except that in the case of a school district taxpayer who is not a resident of a school district that has imposed the school income tax, the term includes only adjusted gross income derived from the taxpayer's principal place of business or employment.

Sec. 3. "Governing body" has the meaning set forth in IC 20-29-2-10.

Sec. 4. "Lease rental" refers to a lease rental:

- (1) to which IC 6-1.1-20 applies; and
- (2) for which a preliminary determination to issue bonds is made after December 31, 2008.

Sec. 5. "Obligation" refers to a bond:

- (1) to which IC 6-1.1-20 applies; and
- (2) for which a preliminary determination to issue the bond is made after December 31, 2008.

Sec. 6. "Resident school district taxpayer", as it relates to a school district for a year, means any school district taxpayer who resides in that school district on the date specified in IC 20-46.5-3-1.

Sec. 7. "School district taxpayer", as it relates to a school district for a year, means any individual who resides in that school district on the date specified in IC 20-46.5-3-1.

Sec. 8. "School income tax" refers to a tax imposed under this article.

Chapter 2. Imposition of Tax

Sec. 1. The governing body of a school corporation may impose a school income tax on the adjusted gross income of school district taxpayers of its school district effective July 1 of a year that is sufficient to pay all or part of the school corporation's obligations and lease rentals that are due in the immediately following year. The school income tax may be imposed in any increment of one hundredth percent (0.01%), regardless of whether a county adjusted gross income tax, a county option income tax, or a county economic development income tax has been imposed in any county where the school corporation is located. However, this section does not prohibit a school corporation from pledging property taxes to pay an obligation or lease rental if the certified distribution from a school income tax is insufficient to make the obligation or lease rental payments.

Sec. 2. Upon written petition by any aggrieved party, the department of local government finance may increase the school income tax rate imposed in a school district to meet the payments required in a year for the obligations and lease rentals of a school corporation.

Sec. 3. A school income tax may be imposed in anticipation of the approval by the department of local government finance of the use of the school income tax for lease rental payments and the payment of obligations. Any part of a certified distribution received by a school corporation from a school income tax shall be placed in a reserve and may not be used for any other purpose.

Sec. 4. (a) To impose the school income tax, the governing body of a school corporation must, after January 1 but before June 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The governing body of the _____ (insert name of school corporation) imposes the school income tax on the school district taxpayers of _____ (insert name of school corporation) school district. The school income tax is imposed at a rate of _____ percent (____%) on the resident school district taxpayers of the school district. The tax takes effect July 1 after this election."

(b) An ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted. However, in 2008, a school corporation may impose a school income tax after May 31, 2008, and before July 15, 2008. An ordinance adopted after May 31, 2008, and before July 15, 2008, takes

effect August 1, 2008.

(c) The secretary of the governing body of a school corporation shall record all votes taken on an ordinance presented for a vote under this section and immediately send a certified copy of the results to the department of state revenue by certified mail.

Sec. 5. (a) The governing body of a school corporation may increase the school income tax rate imposed upon the resident school district taxpayers of the school district. To increase the rate, the governing body of the school corporation must, after January 1 but before June 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The governing body of the _____ (insert name of school corporation) increases the school income tax rate imposed upon the resident school district taxpayers of the school district from _____ percent (____%) to _____ percent (____%). The tax rate increase takes effect July 1 after this election."

(b) An ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(c) The secretary of the governing body of a school corporation shall record all votes taken on an ordinance presented for a vote under this section and immediately send a certified copy of the results to the department of state revenue by certified mail.

Sec. 6. (a) The governing body of a school corporation may increase or decrease the school income tax rate imposed upon the resident school district taxpayers of the school district. To increase or decrease the rate, the governing body of the school corporation must, after January 1 but before June 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The governing body of the _____ (insert name of school corporation) increases/decreases (insert appropriate term) the school income tax rate imposed upon the resident school district taxpayers of the school district from _____ percent (____%) to _____ percent (____%). The tax rate increase/decrease (insert appropriate term) takes effect July 1 after this election."

(b) The governing body of a school corporation may not decrease the school income tax rate if the school corporation has pledged the school income tax for any purpose permitted by IC 5-1-14 or any other statute. The prohibition in this subsection does not apply if the school corporation pledges legally available revenues to fully replace revenue lost due to the decrease in the school corporation's school income tax rate.

(c) An ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(d) The secretary of the governing body of a school corporation shall record all votes taken on an ordinance presented for a vote under this section and immediately send a certified copy of the results to the department of state revenue by certified mail.

Sec. 7. (a) The school income tax imposed by a governing body of a school corporation under this article remains in effect until an ordinance adopted by the governing body under subsection (b) takes effect.

(b) Except as provided in subsection (e), the governing body of a school corporation may rescind the school income tax by adopting an ordinance to rescind the tax after January 1 but before June 1 of a year.

(c) An ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(d) The secretary of the governing body of a school corporation shall record all votes taken on an ordinance presented for a vote under this section and immediately send a certified copy of the results to the department of state

revenue by certified mail.

(e) The governing body of a school corporation may not rescind the school income tax if the school corporation has pledged the school income tax for any purpose permitted by IC 5-1-14 or any other statute. The prohibition in this subsection does not apply if the school corporation pledges legally available revenues to fully replace the school corporation's school income tax that has been pledged.

Chapter 3. Taxpayer Liability

Sec. 1. For purposes of this article, an individual shall be treated as a resident of the school district in which the individual:

- (1) maintains a home if the individual maintains only one (1) in Indiana;
- (2) if subdivision (1) does not apply, is registered to vote;
- (3) if neither subdivision (1) nor (2) applies, registers the taxpayer's personal automobile; or
- (4) if subdivisions (1), (2), and (3) do not apply, spends the majority of the taxpayer's time in Indiana during the taxable year in question.

Sec. 2. (a) The governing body of the school corporation of any adopting school district may adopt an ordinance to enter into reciprocity agreements with the taxing authority of any school district of another state. Such a reciprocity agreement must provide that the income of resident school district taxpayers is exempt from income taxation by the other local governmental entity to the extent that income of the residents of the other local governmental entity is exempt from the school income tax in the adopting school district.

(b) A reciprocity agreement entered into under subsection (a) may not become effective until it is also made effective in the other local governmental entity that is a party to the agreement.

(c) The form and effective date of a reciprocity agreement described in this section must be approved by the department of state revenue.

Sec. 3. (a) Except as provided in subsections (b) through (c), if the school income tax is not in effect during a school district taxpayer's entire taxable year, the amount of school income tax that the school district taxpayer owes for that taxable year equals the product of:

- (1) the amount of school income tax the school district taxpayer would owe if the tax had been imposed during the school district taxpayer's entire taxable year; multiplied by
- (2) the following fraction:

(A) The numerator of the fraction equals the number of days during the school district taxpayer's taxable year during which the school income tax was in effect.

(B) The denominator of the fraction equals the total number of days in the school district taxpayer's taxable year.

(b) If a school district taxpayer:

- (1) is unemployed for a part of the taxpayer's taxable year;
- (2) was not discharged for just cause (as defined in IC 22-4-15-1(d)); and
- (3) has no earned income for the part of the taxpayer's taxable year that the school income tax was in effect;

the school district taxpayer's adjusted gross income for the taxable year is reduced by the amount of the taxpayer's earned income for the taxable year.

(c) A taxpayer who qualifies under subsection (b) must file a claim for a refund for the difference between:

- (1) the school income tax owed, as determined under subsection (a); and
- (2) the school income tax owed, as determined under subsection (b).

A claim for a refund must be on a form approved by the department of state revenue and include all supporting documentation reasonably required by the department of state revenue.

Sec. 4. (a) Except as provided in subsection (b), if for a particular taxable year a school district taxpayer is liable for an income tax imposed by a school district located outside Indiana, the school district taxpayer is entitled to a credit against the taxpayer's school income tax liability for that same taxable year. The amount of the credit equals the amount of tax imposed by the other governmental entity on income derived from sources outside Indiana and is subject to the school income tax. However, the credit provided by this section may not reduce a school district taxpayer's school income tax liability to an amount less than would have been owed if the income subject to taxation by the other governmental entity had been ignored.

(b) The credit provided by this section does not apply to a school district taxpayer to the extent that the other governmental entity provides for a credit to the taxpayer for the amount of school income taxes owed under this article.

(c) To claim the credit provided by this section, a school district taxpayer must provide the department of state revenue with satisfactory evidence that the taxpayer is entitled to the credit.

Sec. 5. (a) If for a particular taxable year a school district taxpayer is, or a school district taxpayer and the taxpayer's spouse who file a joint return are, allowed a credit for the elderly or the totally disabled under Section 22 of the Internal Revenue Code, the school district taxpayer is, or the school district taxpayer and the taxpayer's spouse are, entitled to a credit against the taxpayer's or taxpayers' school income tax liability for that same taxable year. The amount of the credit equals the lesser of:

(1) the product of:

(A) the taxpayer's, or the taxpayer's and the taxpayer's spouse's, credit for the elderly or the totally disabled for that same taxable year; multiplied by

(B) a fraction, the numerator of which is the school income tax rate imposed against the school district taxpayer, or the school district taxpayer and the taxpayer's spouse, and the denominator of which is fifteen-hundredths (0.15); or

(2) the amount of school income tax imposed on the school district taxpayer, or the school district taxpayer and the taxpayer's spouse.

(b) If a school district taxpayer and the taxpayer's spouse file a joint return and are subject to different school income tax rates for the same taxable year, they shall compute the credit under this section by using the formula provided by subsection (a), except that they shall use the average of the two (2) school income tax rates imposed against them as the numerator referred to in subsection (a)(1)(B).

Chapter 4. Administration

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 the tax imposed by this article.

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 tax imposed by this article.

Sec. 3. Notwithstanding sections 1 and 2 of this chapter, each employer shall report to the department of state revenue the amount of withholdings attributable to each school district. The taxpayer's report shall be submitted annually along with the employer's annual withholding report and as otherwise prescribed by the department of state revenue.

Chapter 5. Certified Distributions

Sec. 1. (a) A special account within the state general fund shall be established for each school corporation adopting the school income tax. Any revenue derived from the imposition of the school income tax by a school district shall be deposited in the school district's account in the state general fund.

(b) Any income earned on money held in an account under subsection (a) becomes a part of that account.

(c) Any revenue remaining in an account established under subsection (a) at the end of a fiscal year does not revert to the state general fund.

Sec. 2. (a) Revenue derived from the imposition of the school income tax must, in the manner prescribed by this section, be distributed to the school district that imposed it. The amount to be distributed to a school district during an ensuing calendar year equals the amount of school income tax revenue that the department of state revenue, after reviewing the recommendation of the budget agency, determines has been:

(1) received from the school district 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 school income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department of state revenue, after reviewing the recommendation of the budget agency, shall certify to the school district auditor of each adopting school district the amount determined under subsection (a) plus the amount of interest in the school district's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the school district's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), and (f). The department of state revenue shall provide with the certification an informative summary of the calculations used to determine the certified distribution.

(c) The department of state revenue shall certify an amount less than the amount determined under subsection (b) if the department of state revenue, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department of state revenue, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a school district to correct for any clerical or mathematical errors made in any previous certification under this section. The department of state revenue, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution

over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) This subsection applies to a school district that initially imposes a tax under this article in the same calendar year in which the department of state revenue makes a certification under this section. The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of the school district to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department of state revenue shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(f) This subsection applies to a school district that increases, decreases, or rescinds a tax rate under this article in the same calendar year in which the department of state revenue makes a certification under this section. The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of the school district to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department of state revenue shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

Sec. 3. (a) One-twelfth (1/12) of each adopting school corporation's certified distribution for a calendar year shall be distributed from the school corporation's account established under section 1 of this chapter to the school corporation's treasurer on the first day of each month of that calendar year.

(b) All distributions from an account established under section 1 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of state ordering the appropriate payments.

Sec. 4. Before October 2 of each year, the department of state revenue shall submit a report to each school district auditor indicating the balance in the school district's adjusted gross income tax account as of the cutoff date specified by the budget agency.

Sec. 5. (a) If, after receiving a recommendation from the budget agency, the department of state revenue determines that a sufficient balance exists in a school district account that exceeds the amount necessary, when added to other money that will be deposited in the account after the date of the recommendation, to make certified distributions to the school district in the ensuing year, the department of state revenue shall make a supplemental distribution to a school district from the school district's adjusted gross income tax account.

(b) A supplemental distribution described in subsection (a) must be:

(1) made in January of the ensuing calendar year; and

(2) used in the same manner as certified distributions.

(c) A determination under this section must be made before October 2.

Chapter 6. Allowable Expenditures; Debt Service

Sec. 1. Money distributed to a school corporation under this article shall be deposited in the school corporation's debt service fund and may be used only for the following purposes:

(1) Lease rentals.

(2) Obligations.

Sec. 2. Notwithstanding any other law, if a school corporation desires to issue obligations or enter into leases payable wholly or in part by the school income tax, the obligations of the school corporation or any lessor may be sold at public sale in accordance with IC 5-1-11 or at a

negotiated sale.

Sec. 3. (a) A pledge of school income tax revenues under this article is enforceable in accordance with IC 5-1-14.

(b) With respect to obligations for which a pledge has been made under this article, the general assembly covenants with the school district and the purchasers or owners of those obligations that this article will not be repealed or amended in any manner that will adversely affect the collection of the tax imposed under this article as long as the principal of or interest on those obligations is unpaid. The prohibition in this section does not apply if the general assembly provides for legally available revenues to fully replace the lost revenue due to the repeal or amendment of this article.

Chapter 7. Approval of Use of Tax

Sec. 1. A school corporation must obtain approval from the department of local government finance before the school corporation may:

- (1) incur the indebtedness; or
- (2) enter into the lease agreement;

that is payable from a certified distribution under this article. The school corporation may impose a school income tax rate under this article in anticipation of the approval of the indebtedness or lease agreement but must place the certified distribution in reserve and may not use the reserve for any other purpose.

Sec. 2. A school corporation must file a petition requesting approval from the department of local government finance to:

- (1) incur bond indebtedness; or
- (2) enter into a lease rental agreement;

payable from a certified distribution under this article not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.5(b)(2) unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances.

Sec. 3. (a) The department of local government finance may:

- (1) approve;
- (2) disapprove; or
- (3) modify then approve;

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

(b) The department of local government finance shall render a decision not more than three (3) months after the date the department of local government finance receives a request for approval under this chapter. However, the department of local government finance 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 sends notice of the extension to the executive officer of the school corporation.

Sec. 4. (a) The department of local government finance 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 under IC 20-30-2-7) rather than expanding classroom space.

(b) A taxpayer may petition for judicial review of the final determination of the department of local government finance

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 enters its order under this section.

Sec. 5. The department of local government finance 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.

Sec. 6. The department of local government finance 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.

Sec. 7. The department of local government finance shall annually conduct the review of debt service obligations (as defined in IC 20-48-1-11) required in IC 20-48-1-11.

SECTION 211. IC 20-48-1-11, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) As used in this section, "debt service obligations" refers to the principal and interest payable during a calendar year on a school corporation's general obligation bonds and lease rentals under IC 20-47-2 and IC 20-47-3.

(b) Before the end of each calendar year, the department of local government finance shall review the bond and lease rental levies, **income tax levies under IC 20-46.5**, or any levies that replace bond and lease rental levies, of each school corporation that are payable in the next succeeding year and the appropriations from the levies from which the school corporation is to pay the amount, if any, of the school corporation's debt service obligations. If the levies and appropriations of the school corporation are not sufficient to pay the debt service obligations, the department of local government finance shall establish for each school corporation:

- (1) bond or lease rental levies, or any levies that replace the bond and lease rental levies; and
- (2) appropriations;

that are sufficient to pay the debt service obligations.

(c) Upon the failure of a school corporation to pay any of the school corporation's debt service obligations during a calendar year when due, the treasurer of state, upon being notified of the failure by a claimant, shall pay the unpaid debt service obligations that are due from the funds of the state only to the extent of the amounts appropriated by the general assembly for the calendar year for distribution to the school corporation from state funds, deducting the payment from the appropriated amounts. ~~A~~ The deduction under this subsection must be made:

- (1) first from property tax relief funds to the extent of the property tax relief funds;
- (2) second from all other funds except state tuition support; and
- (3) third from state tuition support.

(d) This section shall be interpreted liberally so that the state shall to the extent legally valid ensure that the debt service

obligations of each school corporation are paid. However, this section does not create a debt of the state."

Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)
BUELL

After discussion, Representative Buell withdrew the motion.

HOUSE MOTION
(Amendment 1001-70)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 251. [EFFECTIVE UPON PASSAGE] **The trustees of the following institution may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the following project if the sum of principal costs of any bond issued under this SECTION, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:**

**Indiana University, Purdue University at Fort Wayne
Student Services and Library Complex
\$16,000,000**

Bonds issued under this SECTION are not eligible for fee replacement appropriations. The bonding authority granted by this SECTION is in addition to any bonding authority granted to the trustees of the institution for a student services and library complex by P.L.234-2007, SECTION 179(a)."

Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)
MOSES

Representative Foley rose to a point of order, citing Rule 80, stating that the motion was not germane to the bill. The Speaker ruled the point was well taken and the motion was out of order.

HOUSE MOTION
(Amendment 1001-67)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 98, after line 42, begin a new paragraph and insert:

"SECTION 117. IC 6-1.1-17-20.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 20.5. (a) This section applies to the governing body of a taxing unit unless a majority of the governing body is comprised of officials who are elected to serve on the governing body.**

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

(c) If:

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

the governing body of the taxing unit may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the city or town fiscal body.

(d) This subsection applies to a taxing unit not described in subsection (c). The governing body of the taxing unit may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the county fiscal body in the county where the taxing unit has the most assessed valuation."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

MOSES

Motion prevailed.

HOUSE MOTION
(Amendment 1001-73)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 173, line 30, strike "If".

Page 173, line 30, before "county" delete "a" and insert "A".

Page 173, line 30, strike "has imposed a tax rate under section 24 of".

Page 173, strike line 31.

Page 173, line 32, strike "the county council".

Page 173, line 32, delete "before January 1, 2008,".

Page 173, line 32, strike "also".

Page 173, line 35, strike "the lesser of:"

Page 173, line 36, strike "(A)".

Page 173, line 36, delete ";" and insert ".".

Page 173, line 36, strike "or".

Page 173, strike line 37.

Page 175, delete lines 1 through 2.

Page 175, line 7, delete ", 25,".

Page 186, line 4, delete "Before January 1, 2008, the" and insert "The".

Page 186, line 6, after "safety" insert ".".

Page 186, line 6, strike "if:".

Page 186, strike lines 7 through 13.

Page 186, line 17, strike "The lesser of:".

Page 186, line 18, strike "(A)".

Page 186, line 18, delete "twenty-five" and insert "Twenty-five".

Page 186, line 18, delete ";" and insert ",".

Page 186, line 18, strike "or".

Page 186, strike line 19.

Page 187, delete lines 30 through 31.

Page 187, line 36, delete ", 31,".

(Reference is to HB 1001 as printed January 17, 2008.)

MOSES

After discussion, Representative Moses withdrew the motion.

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 8:15 p.m. with the Speaker in the Chair.

HOUSE BILLS ON SECOND READING

House Bill 1001

The second reading of House Bill 1001, authored by Representative Crawford, continued.

HOUSE MOTION
(Amendment 1001-84)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 119, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 131. IC 6-1.1-20.6-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.5. As used in this chapter, "long term care property" means property that:**

- (1) is used for the long term care of an impaired individual; and**
- (2) is one (1) of the following:**

- (A) A health facility licensed under IC 16-28.**

(B) A housing with services establishment (as defined in IC 12-10-15-3) that is allowed to use the term "assisted living" to describe the housing with services establishment's services and operations to the public.

(C) An independent living home that under contractual agreement serves not more than six (6) individuals who:

(i) have a mental illness or developmental disability;

(ii) require regular but limited supervision; and

(iii) reside independently of their families.

SECTION 132. IC 6-1.1-20.6-4, AS AMENDED BY P.L.162-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. As used in this chapter, "qualified residential property" refers to any of the following that a county fiscal body specifically makes eligible for a credit under this chapter in an ordinance adopted under section 6 of this chapter and to all the following for purposes of section 6.5 of this chapter:

(1) An apartment complex.

(2) A homestead.

(3) Residential rental property.

(4) Long term care property."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

WALORSKI

Motion prevailed.

HOUSE MOTION
(Amendment 1001-44)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 165, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 184. IC 6-3-1-3.5, AS AMENDED BY P.L.144-2007, SECTION 3, AS AMENDED BY P.L.211-2007, SECTION 19, AND AS AMENDED BY P.L.223-2007, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).

(4) Subtract one thousand dollars (\$1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section

151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of ~~2004~~, **2008**, the amount

determined under subsection (f); and

(ii) beginning after December 31, ~~2004~~, 2008, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(23) *Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.*

~~(23)~~ (24) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the individual's federal adjusted gross income under the Internal Revenue Code.*

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under

Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).

~~(10)~~ (11) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the corporation's taxable income under the Internal Revenue Code.*

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section

168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the taxpayer's taxable income under the Internal Revenue Code.*

(f) This subsection applies only to the extent that an individual paid property taxes in ~~2004~~ 2008 that were imposed for the March 1, ~~2002~~, 2006, assessment date or the January 15, ~~2003~~, 2007, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, ~~2003~~, 2007, in the taxable year for property taxes imposed for the March 1, ~~2002~~, 2006, assessment date and the January 15, ~~2003~~, 2007, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, ~~2003~~, 2007, assessment date and the January 15, ~~2004~~, 2008, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500)."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

PELATH

Motion prevailed.

HOUSE MOTION
(Amendment 1001-68)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 216, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 206. IC 20-20-36 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 36. School Building Plans

Sec. 1. (a) The department shall develop a series of standardized plans for:

(1) new school facilities; and

(2) renovations and expansions of existing school facilities.

(b) The plans must be for school facilities of different:

(1) sizes based upon pupil enrollment; and

(2) types, including grade levels.

Sec. 2. (a) The plans developed under this chapter must be

based on designs for school facilities that:

- (1) are economical to construct and maintain;
- (2) are energy efficient;
- (3) provide for efficient long term maintenance;
- (4) provide adequately for the health and safety of pupils and teachers; and
- (5) comply with federal and state laws.

(b) The plans developed under this chapter must set forth the estimated cost per square foot to construct the school facilities.

Sec. 3. The department may employ or contract with architects, engineers, and other professionals to develop plans under this chapter.

Sec. 4. The department may modify plans developed under this chapter when necessary.

Sec. 5. Before a plan developed under this chapter may be provided to a school corporation, the plan must:

- (1) include specifications for materials and labor; and
- (2) be ready to be bid for construction.

Sec. 6. The department shall:

- (1) notify each school corporation of the plans developed under this chapter; and
- (2) make the plans available to a school corporation upon request.

SECTION 207. IC 20-26-5-4, AS AMENDED BY P.L.168-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers:

- (1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law.
- (2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.
- (3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's previous year's ADM, to promote the best interests of the school corporation through:
 - (A) the purchase of meals, decorations, memorabilia, or awards;
 - (B) provision for expenses incurred in interviewing job applicants; or
 - (C) developing relations with other governmental units.

(4) **Subject to IC 20-26-7-45**, to:

- (A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by

devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.

(C) Provide for conservation measures through utility efficiency programs or under a guaranteed savings contract as described in IC 36-1-12.5.

(5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts specified under the powers authorized under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children who are at least five (5) years of age and less than fifteen (15) years of age that operates before or after the school day, or both, and during periods when school is not in session;

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional

duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision.

(C) Classify persons or services described in this subdivision and to adopt schedules of salaries or compensation.

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons described in this subdivision.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of the school corporation must be submitted to the state board of accounts for approval so that the services are used by the school corporation when the governing body determines that it is in the best interest of the school corporation while at the same time providing reasonable accountability for the funds expended.

(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) To transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children and without regard to the distance the children live from the school. The transportation must be otherwise in accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase textbooks, to furnish textbooks without cost or to rent textbooks to students, to participate in a textbook aid program, all in accordance with applicable law.

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. To:

(A) participate in a state employee health plan under IC 5-10-8-6.6;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance; to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of self-insurance must include an aggregate stop-loss provision.

(16) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or employee's malfeasance in office or employment.

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures:

(A) for the government and management of the schools, property, facilities, and activities of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body; and

(B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or

compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

SECTION 208. IC 20-26-7-45 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 45. (a) After June 30, 2009, if a governing body determines that it is necessary to:**

- (1) construct a new school facility; or
- (2) either:
 - (A) renovate; or
 - (B) expand;

an existing school facility; the governing body shall acquire from the department the plans developed under IC 20-20-36 for a facility of the size and type that the governing body proposes to build, renovate, or expand.

(b) The governing body may carry out the construction, renovation, or expansion of a school facility only if plans developed under IC 20-20-36 are used for the construction, renovation, or expansion."

Page 246, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 248. [EFFECTIVE JULY 1, 2008] (a) The department of education shall develop the school facility plans required under IC 20-20-36, as added by this act, not later than June 30, 2009.

(b) This SECTION expires July 1, 2009."

Re-number all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008).

LEONARD

Upon request of Representatives Bosma and Leonard, the Speaker ordered the roll of the House to be called. Roll Call 22: yeas 51, nays 43. Motion prevailed.

HOUSE MOTION
(Amendment 1001-94)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 159, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 177. IC 6-2.5-5-43 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2008 (RETROACTIVE)]: **Sec. 43. (a) This section applies to transactions occurring during the three (3) day period beginning at 12:01 a.m. on the first Friday in August and ending at 11:59 p.m. on the following Sunday.**

(b) As used in this section, "clothing" means all human wearing apparel for general use, including the following:

- (1) Bathing caps.
- (2) Belts and suspenders.
- (3) Coats and jackets.
- (4) Diapers.
- (5) Dresses.

- (6) Footwear.
- (7) Gloves or mittens.
- (8) Hats or caps.
- (9) Neckties.
- (10) Pants.
- (11) Scarves.
- (12) Shirts.
- (13) Skirts.
- (14) Socks or hosiery.
- (15) Undergarments.
- (16) Uniforms.

(c) As used in this section, "school art supply" means any of the following items commonly used by a student in a course of study for artwork:

- (1) Clay and glazes.
- (2) Paints, limited to the following:
 - (A) Acrylic.
 - (B) Oil.
 - (C) Tempora.
- (3) Paintbrushes for artwork.
- (4) Sketch and drawing pads.
- (5) Watercolors.

(d) As used in this section, "school supply" means an item commonly used by a student in a course of study. The term is limited to the following:

- (1) Binders.
- (2) Blackboard chalk.
- (3) Book bags.
- (4) Calculators.
- (5) Cellophane tape.
- (6) Compasses.
- (7) Composition books.
- (8) Crayons.
- (9) Erasers.
- (10) Folders, limited to the following:
 - (A) Expandable folders.
 - (B) Manila folders.
 - (C) Plastic folders.
 - (D) Pocket folders.
- (11) Glue, paste, and paste sticks.
- (12) Highlighters.
- (13) Index card boxes.
- (14) Index cards.
- (15) Legal pads.
- (16) Lunch boxes.
- (17) Markers.
- (18) Notebooks.
- (19) Paper, limited to the following:
 - (A) Colored paper.
 - (B) Construction paper.
 - (C) Copy paper.
 - (D) Graph paper.
 - (E) Loose leaf ruled notebook paper.
 - (F) Manila paper.
 - (G) Poster board.
 - (H) Tracing paper.
- (20) Pencil boxes and other school supply boxes.
- (21) Pencil sharpeners.
- (22) Pencils.
- (23) Pens.
- (24) Protractors.
- (25) Rulers.
- (26) Scissors.
- (27) Writing tablets.

(e) Sales of the following tangible personal property are exempt from the state gross retail tax during the period described in subsection (a):

- (1) An article of clothing having a sales price that does not exceed one hundred dollars (\$100).

(2) A computer having a sales price that does not exceed one thousand five hundred dollars (\$1,500).

(3) A school supply having a sales price that does not exceed one hundred dollars (\$100).

(4) A school art supply having a sales price that does not exceed one hundred dollars (\$100).

(f) The department may adopt rules under IC 4-22-2 to implement this section.

(g) The time zone of the seller's location determines the authorized time for a sales tax holiday when the purchaser is located in a time zone that is different from the time zone in which the seller is located."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

MAYS

Representative Foley rose to a point of order, citing Rule 118, stating that the motion was attempting to incorporate into House Bill 1001 a bill pending before the House. The Speaker ruled the point was well taken and the motion was out of order.

HOUSE MOTION
(Amendment 1001-56)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 100, between lines 4 and 5, begin a new paragraph and insert:

"(j) The voters in a referendum held under this section may not approve a levy that is imposed for more than seven (7) years. However, a levy may be reimposed or extended under this section."

(Reference is to HB 1001 as printed January 17, 2008.)

THOMPSON

Motion failed.

HOUSE MOTION
(Amendment 1001-33)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 244, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 240. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) The assessed value for assessment dates after 2008 and before 2011 of agricultural land strip mined on or before December 31, 1977, is determined using the methodology stated in the section entitled Valuing Strip Mined Agricultural Land in Book 1, Chapter 2, of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2008), except that the department shall adjust the methodology to use a productivity factor of .75 instead of a productivity factor of .50.

(c) The assessed value for assessment dates after 2008 and before 2011 of agricultural land:

(1) strip mined after December 31, 1977; and

(2) for which:

(A) a bond; or

(B) a bond equivalent;

under IC 14-34-6 has been finally released;

is determined using the methodology reflected in Book 1, Chapter 2, of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2008) for the assessment of agricultural land that is not classified as strip mined agricultural land.

(d) This SECTION expires January 1, 2012."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

BATTLES

Upon request of Representatives Oxley and Battles, the

Speaker ordered the roll of the House to be called. Roll Call 23: yeas 71, nays 24. Motion prevailed.

HOUSE MOTION
(Amendment 1001-47)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 94, line 36, after "(e)" insert "This subsection applies only to townships in a county that has not consolidated the financing of township assistance in the county under IC 12-20-29."

Page 95, between lines 14 and 15, begin a new paragraph and insert:

"(f) A county that has consolidated the financing of township assistance in the county under IC 12-20-29 shall prepare a budget and levy a tax for the financing of township assistance in the county in accordance with IC 12-20-29."

Page 216, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 205. IC 12-20-20-2, AS AMENDED BY P.L.73-2005, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) This section applies only in a county that has not consolidated the financing of township assistance in the county under IC 12-20-29.

(a) (b) If money is not available for the payment of township assistance claims under section 1 of this chapter, the township board shall appeal to borrow money under IC 12-20-24.

(b) (c) This subsection does not apply to a county having a consolidated city. If the township board does not appeal to borrow money under IC 12-20-24 or if an appeal fails, the board of commissioners may borrow money or otherwise provide the money. If the county commissioners determine to borrow the money or otherwise provide the money, the county fiscal body shall promptly pass necessary ordinances and make the necessary appropriations to enable this to be done, after determining whether to borrow money by any of the following:

(1) A temporary loan against taxes levied and in the process of collection.

(2) The sale of county township assistance bonds or other county obligations.

(3) Any other lawful method of obtaining money for the payment of township assistance claims.

(c) (d) This subsection applies only to a county having a consolidated city. If a township board does not appeal to borrow money under IC 12-20-24 or if an appeal fails, the board of commissioners shall borrow money or otherwise provide the money. The county fiscal body shall promptly pass necessary ordinances and make the necessary appropriations to enable this to be done, after determining whether to borrow money by any of the following methods:

(1) A temporary loan against taxes levied and in the process of collection.

(2) The sale of county township assistance bonds or other county obligations.

(3) Any other lawful method of obtaining money for the payment of township assistance claims.

SECTION 206. IC 12-20-21-1.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.1. This chapter applies only in a county that has not consolidated the financing of township assistance in the county under IC 12-20-29.

SECTION 207. IC 12-20-24-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 0.5. This chapter applies only in a county that has not consolidated the financing of township assistance in the county under IC 12-20-29.

SECTION 208. IC 12-20-25-34, AS AMENDED BY

P.L.73-2005, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 34. The financial plan adopted under section 33 of this chapter may include the following:

- (1) The adoption in the current year of:
 - (A) the county adjusted gross income tax at a rate allowed by IC 6-3.5-1.1; or
 - (B) the county option income tax at a rate not to exceed one percent (1%);
 to be distributed as provided in this chapter. The adoption of either county income tax under this chapter is in addition to the county adjusted gross income tax or the county option income tax that may already be in effect in the county.
- (2) The payment of township assistance with county money.
- (3) The elimination or reduction of township assistance services not required under this article.
- (4) **County consolidation of township assistance financing under IC 12-20-29.**

SECTION 209. IC 12-20-29 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 29. County Consolidation of Township Assistance Financing

Sec. 1. (a) The fiscal body of a county may adopt an ordinance to consolidate the financing of township assistance in the county.

(b) Sections 2 through 6 of this chapter apply only to a county that has adopted an ordinance under subsection (a).

Sec. 2. The fiscal body of a county may repeal an ordinance adopted under section 1 of this chapter.

Sec. 3. (a) 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 and deliver the estimate to the county auditor.

(b) The county auditor shall estimate the amount necessary to meet the cost of township assistance in the county for the ensuing calendar year. The county auditor's estimate under this section must incorporate the estimates of the township trustees furnished to the county auditor under subsection (a). In addition, the county auditor's estimate must include the following:

- (1) Amounts necessary for the rehabilitation of a distressed township (as defined in IC 12-20-25-4) in the county.
- (2) Amounts necessary for expenses incurred in the townships of the county under IC 20-30-4.

(c) A county shall adopt with the county budget a tax rate sufficient to meet the estimated cost of township assistance throughout the county. The taxes collected as a result of the tax rate adopted under this subsection are credited to the consolidated township assistance fund.

Sec. 4. The county treasurer of a county that adopts an ordinance under section 1 of this chapter shall establish a consolidated township assistance fund to receive revenue derived from the levy authorized under section 3 of this chapter.

Sec. 5. (a) The county auditor shall disburse money as needed from the consolidated township assistance fund to a trustee of a township in the county as the administrator of township assistance for credit to the township assistance fund.

(b) The county auditor may establish a procedure for township trustees to submit requests for additional money for township assistance.

Sec. 6. A county may borrow money to meet the needs of township assistance in the county that exceed the amounts collected from the taxes levied under section 3 of this chapter. The term of a loan authorized under this section

may not exceed five (5) years.

SECTION 210. IC 12-30-4-10, AS AMENDED BY P.L.73-2005, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. **(a) This subsection applies only in a county that has not consolidated the financing of township assistance in the county under IC 12-20-29.** The:

- (1) county council shall appropriate; and
- (2) ~~the~~ board of commissioners in each county shall advance;

to the township trustees as the administrators of township assistance the money necessary for the relief and burial of the indigent in each township, which shall be accounted for and repaid to the county treasurer as provided in section 11 of this chapter.

(b) This subsection applies only in a county that has consolidated the financing of township assistance in the county under IC 12-20-29. The county auditor shall disburse to the township trustees as administrators of township assistance the money necessary for the relief and burial of the indigent in each township, as provided under IC 12-20-29.

SECTION 211. IC 12-30-4-11, AS AMENDED BY P.L.73-2005, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. **(a) This section applies only in a county that has not consolidated the financing of township assistance in the county under IC 12-20-29.**

~~(a)~~ **(b)** Each township trustee as the administrator of township assistance shall pay to the county the amount fixed for each individual admitted into the county home or other charitable institution from the township, except those otherwise able to pay the cost of their care from their own resources or from other assistance awards. Except as provided in subsection ~~(b)~~; **(c)**, the amount that may be charged to the township may not exceed one hundred dollars (\$100) per month per individual.

~~(b)~~ **(c)** This subsection applies to a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000). The amount charged the township per individual may not exceed forty-eight dollars (\$48) per month or twelve dollars (\$12) per week.

~~(c)~~ **(d)** Each township shall levy a tax sufficient to meet those expenses.

~~(d)~~ **(e)** Payment and settlement shall be made in July and December of each year for the preceding year."

Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)

AVERY

Upon request of Representatives Bosma and Avery, the Speaker ordered the roll of the House to be called. Roll Call 24: yeas 38, nays 51. Motion failed.

HOUSE MOTION
(Amendment 1001-101)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 125, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 137. IC 6-1.1-22.5-12, AS AMENDED BY P.L.219-2007, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided by subsection (c), each reconciling statement must indicate:

- (1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;
- (2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:

- (A) as a final reconciliation of the tax liability; and
- (B) not later than:

- (i) thirty (30) days after the date of the reconciling statement; or

- (ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; or

- (iii) **the date specified in an ordinance adopted under section 18.5 of this chapter;** and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(b) If, upon receipt of the abstract referred to in section 6 of this chapter, the county treasurer determines that it is possible to complete the:

- (1) preparation; and
- (2) mailing or transmittal;

of the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement, the county treasurer may request in writing that the department of local government finance permit the county treasurer to issue a reconciling statement that adjusts the amount of the second installment that was specified in the provisional statement. If the department approves the county treasurer's request, the county treasurer shall prepare and mail or transmit the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement.

(c) A reconciling statement prepared under subsection (b) must indicate:

- (1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

- (2) the total amount of the first installment paid under the provisional statement for the property for which the reconciling statement is issued;

- (3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount of the second installment that is payable by the taxpayer:

- (A) as a final reconciliation of the tax liability; and
- (B) not later than:

- (i) November 10; or

- (ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and

- (4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

SECTION 138. IC 6-1.1-22.5-18, AS AMENDED BY P.L.219-2007, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. For purposes of IC 6-1.1-24-1(a)(1):

- (1) the first installment on a provisional statement is considered to be the taxpayer's spring installment of property taxes;

- (2) except as provided in subdivision (3) or **section 18.5 of this chapter**, payment on a reconciling statement is considered to be due before the due date of the first installment of property taxes payable in the following year; and

- (3) payment on a reconciling statement described in section 12(b) of this chapter is considered to be the taxpayer's fall installment of property taxes.

SECTION 139. IC 6-1.1-22.5-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 18.5. (a) A**

county council may adopt an ordinance to allow a taxpayer to make installment payments under this section of a tax payment due under a reconciling statement issued under this chapter or any other provision.

(b) An ordinance adopted under this section must specify:

- (1) the reconciling statement to which the ordinance applies; and**

- (2) the installment due dates for taxpayers that choose to make installment payments.**

(c) An ordinance adopted under this section must give taxpayers in the county the option of:

- (1) making a single payment of the tax payment due under the reconciling statement on the date specified in the reconciling statement; or**

- (2) paying installments of the tax payment due under the reconciling statement over the installment period specified in the ordinance.**

(d) If the total amount due on an installment date under this section is not completely paid on or before that installment date, the amount unpaid is considered delinquent and a penalty is added to the unpaid amount. The penalty is equal to an amount determined as follows:

(1) If:

- (A) the delinquent amount of real property taxes is completely paid on or before the date thirty (30) days after the installment date; and**

- (B) the taxpayer is not liable for delinquent property taxes first due and payable in a previous year for the same parcel;**

the amount of the penalty is equal to five percent (5%) of the delinquent amount.

(2) If:

- (A) the delinquent amount of personal property taxes is completely paid on or before the date thirty (30) days after the installment date; and**

- (B) the taxpayer is not liable for delinquent property taxes first due and payable in a previous year for a personal property tax return for property in the same taxing district;**

the amount of the penalty is equal to five percent (5%) of the delinquent amount.

(3) If subdivision (1) or (2) does not apply, the amount of the penalty is equal to ten percent (10%) of the delinquent amount.

(e) An additional penalty equal to ten percent (10%) of any taxes due on an installment date that remain unpaid shall be added on the day immediately following the date of the final installment payment.

(f) The penalties under this section are imposed on only the principal amount of the delinquent taxes.

(g) Notwithstanding any other provision, an ordinance adopted under this section may apply to the payment of amounts due under any reconciling statements issued by a county.

(h) Approval by the department of local government finance is not required for the adoption of an ordinance under this section."

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 255. P.L.1-2008, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 5. (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) Subject to appropriation of money from the property tax reduction trust fund for an additional 2007 homestead credit, the department of local government finance shall calculate and certify to the department of state revenue and the county auditor of each county an additional homestead credit amount for property taxes first due and payable in 2007. **Except as provided in subsection (h)**, the additional homestead credit shall

be paid as a refund as provided in this SECTION for part of the tax liability (as defined in IC 6-1.1-21-5) imposed on the taxpayer's homestead for the March 1, 2006, or January 15, 2007, assessment date. The department of local government finance shall make the certification based on the best information available at the time the certification is made. Not later than November 1, 2007, the department of state revenue shall distribute to the county treasurer of each county the amount certified for the county under this subsection. The county treasurer shall deposit the amount distributed in a separate account and use the money only for the purposes of providing property tax refunds under this SECTION.

(c) **Except as provided in subsection (i)**, at the same time as the department of local government finance makes the certification under subsection (b), the department of local government finance shall certify to the county auditor of each county the percentage that would apply in each taxing district to provide an additional 2007 homestead credit to taxpayers in the taxing district. The county auditor shall use the certified percentage to determine the amount of the refund due to each taxpayer. The county auditor shall certify the amount of the refund for each taxpayer to the county treasurer not later than the December 20, 2007, settlement date. IC 6-1.1-26 does not apply to a refund granted under this SECTION. The amount of the refund is equal to the lesser of the following:

- (1) The amount of the taxpayer's tax liability (as defined in IC 6-1.1-21-5) on a homestead for the March 1, 2006, or January 15, 2007, assessment date, after the application of all other credits.
- (2) The additional 2007 homestead credit determined for the taxpayer.

The department of local government finance, the department of state revenue, and the property tax replacement fund board shall take the actions necessary to carry out this SECTION.

(d) A county legislative body may adopt an ordinance providing that the amount of the refund **or the amount of a credit under subsection (h)** shall be applied first against any delinquent property taxes owed in the county by the taxpayer.

(e) The county auditor shall issue a warrant for or authorize disbursement by electronic transfer of the remainder of the refund. The refund shall be:

- (1) mailed to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; or
- (2) transmitted by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records.

(f) In addition, the county auditor shall mail to the last known address of each person liable for any property taxes or special assessment on each homestead in the county, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book a written explanation of the refund. The explanation must include the amount of the refund specified in the following statement in at least 12 point type:

"A portion of your local property taxes due in 2007 are being refunded due to tax relief provided by the Indiana General Assembly. Your refund is in the amount of \$_____ (insert amount of refund). If you did not receive a check because you pay your property taxes through an escrow account along with your mortgage, your lender will receive the refund and should adjust your payments accordingly."

(g) Any part of the amount distributed to a county under this SECTION that is not applied, ~~or~~ refunded, **or credited** as provided in this SECTION shall be transferred to the auditor of

state for deposit in the property tax reduction trust fund.

(h) This subsection applies only to a county that:

- (1) issues property tax statements or revised property tax statements for the March 1, 2006, or January 15, 2007, assessment date after December 31, 2007; or
- (2) issues a reconciling statement for the March 1, 2006, or January 15, 2007, assessment date after December 31, 2007.

Notwithstanding any other provision in this SECTION, the fiscal body of a county subject to this subsection may adopt a resolution authorizing the county auditor and the county treasurer to apply the additional 2007 homestead credit under this SECTION in that county as a credit against property tax liability or as a refund. If the additional 2007 homestead credit is applied as a credit, the amount of a taxpayer's refund determined under subsection (c) shall instead be applied as a credit against the taxpayer's property tax liability as shown on the property tax statement or reconciling statement described in subdivision (1) or (2). If any part of the additional 2007 homestead credit remains after it has been applied against the taxpayer's property tax liability as shown on the property tax statement or reconciling statement described in subdivision (1) or (2), the county auditor and the county treasurer may apply the remaining part of the credit as a credit against the taxpayer's property tax liability for the March 1, 2007, or January 15, 2008, assessment dates or may refund the remaining part of the credit to the taxpayer in the same manner as refunds under this SECTION are otherwise payable. Subsection (f) does not apply to a credit applied under this subsection. The department of local government finance may prescribe procedures to apply the additional homestead credit under this subsection.

(i) This subsection applies only to a county:

- (1) that, after December 31, 2007, issues bills or revised bills for property taxes first due and payable in 2007 or issues a reconciling statement for property taxes first due and payable in 2007; and
- (2) in which the percentage increase in taxes billed exceeds ten percent (10%) for more than one-half (½) of the homesteads in the county.

As used in this subsection, "increase in taxes billed" means the difference between the property taxes payable in 2007 and the property taxes payable in 2006 that are billed to a taxpayer, after application of the property tax replacement credit, the state homestead credit, and a local homestead tax credit, if any, and after excluding any increase in taxes billed that results from the new construction of a homestead on the taxpayer's property. As used in this subsection, "percentage increase in taxes billed" means the increase (expressed as a percentage) in taxes billed divided by the property taxes payable in 2006. Notwithstanding subsection (c), the county auditor of a county subject to this subsection shall determine under this subsection the amount of the additional 2007 homestead credit (payable as a refund) due to eligible taxpayers in the county. A taxpayer in a county subject to this subsection is eligible to receive an additional 2007 homestead credit (payable as a refund) under this SECTION if the percentage increase in taxes billed to the taxpayer is at least ten percent (10%). The amount of the additional 2007 homestead credit (payable as a refund) for an eligible taxpayer is equal to the greater of the amount required to reduce the percentage increase in taxes billed to thirty-five percent (35%) or the amount required to provide a twenty percent (20%) reduction in the increase in taxes billed (the product of the increase in taxes billed multiplied by twenty percent (20%)), except that this reduction may not reduce the percentage increase in taxes billed below ten percent (10%).

(h) (j) This SECTION expires January 1, 2009."

Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)

BOSMA

After discussion, Representative Bosma withdrew the motion.

HOUSE MOTION
(Amendment 1001-2)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 84, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 96. IC 6-1.1-12.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]:

Chapter 12.5. Assessment Phase-in Deduction

Sec. 1. For purposes of this chapter:

- (1) "enlarge" means to add floor area;
- (2) "rehabilitate" means to remodel, repair, or improve in any manner; and
- (3) "residential property" means real property improvements assessed as residential property under the rules of the department of local government finance.

Sec. 2. (a) Subject to subsection (d) and section 3 of this chapter, a taxpayer that:

- (1) rehabilitates; or
- (2) enlarges;

residential property for which the taxpayer is liable for property taxes is entitled to a deduction from the assessed value of the residential property.

(b) A deduction under this section is available in:

- (1) the year after 2007 in which the rehabilitation or enlargement of the residential property first results in an increased assessed value of the residential property; and
- (2) the immediately succeeding two (2) years.

(c) The amount of the deduction that a taxpayer may receive for:

- (1) the year referred to in subsection (b)(1) equals the product of:
 - (A) the increased assessed value for that year resulting from the rehabilitation or enlargement of the residential property; multiplied by
 - (B) seventy-five percent (75%);

(2) the first year referred to in subsection (b)(2) equals the product of:

- (A) the increased assessed value of the residential property determined under subdivision (1)(A) as adjusted under:
 - (i) IC 6-1.1-4-4; or
 - (ii) IC 6-1.1-4-4.5; multiplied by
- (B) fifty percent (50%); and

(3) the second year referred to in subsection (b)(2) equals the product of:

- (A) the increased assessed value of the residential property determined under subdivision (1)(A) as adjusted under:
 - (i) IC 6-1.1-4-4;
 - (ii) IC 6-1.1-4-4.5; or
 - (iii) both IC 6-1.1-4-4 and IC 6-1.1-4-4.5; multiplied by
- (B) twenty-five percent (25%).

(d) A property owner that qualifies for a deduction for a year under:

- (1) this section; and
- (2) another statute;

based on the same rehabilitation or enlargement of a residential property may not receive a deduction for that rehabilitation or enlargement of the property under both statutes for that year.

(e) A taxpayer that desires to claim a deduction under this section must file a statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the residential property is located. Except as provided in subsection (f) or (g), the statement must be filed during the twelve (12) months before June 11 of each year for which the taxpayer wishes to obtain the deduction. A statement under this subsection may be filed in person or by mail. A mailed statement must be postmarked on or before the last day for filing.

(f) If notice of the addition to assessed value for any year that results from rehabilitation or enlargement of the residential property is not given to the taxpayer before May 11 of that year, the statement required by this section may be filed not later than thirty (30) days after the date the notice is mailed to the taxpayer.

(g) If:

- (1) notice of the addition to assessed value for any year that results from rehabilitation or enlargement of the residential property is not given to the taxpayer before a tax statement for the property is mailed to the taxpayer under IC 6-1.1-22; and
- (2) the tax statement takes that addition into account; the statement required by this section may be filed not later than thirty (30) days after the date the tax statement is mailed to the taxpayer.

(h) If a taxpayer claims a deduction under subsection (g):

- (1) the taxpayer is not required to pay the amount due on the tax statement referred to in subsection (g); and
- (2) the penalty under IC 6-1.1-37-10 does not apply.

(i) The county auditor shall determine the amount of the deduction under this section and inform the county treasurer of the amount of each deduction allowed. After the county auditor informs the county treasurer of the amount of the deduction allowed based on a claim filed under subsection (g), the county treasurer shall mail to the taxpayer a tax statement that takes into account the amount of any deduction allowed.

Sec. 3. If ownership of the residential property changes:

- (1) the deduction provided under this chapter continues to apply to the residential property; and
- (2) the amount of the deduction is:
 - (A) the percentage under section 2(c)(1)(B), 2(c)(2)(B), or 2(c)(3)(B) of this chapter that would have applied if the ownership of the residential property had not changed; multiplied by
 - (B) the assessed value of the residential property, as determined and adjusted under section 2 of this chapter, for the year the new owner is entitled to the deduction.

Sec. 4. The department of local government finance shall adopt rules under IC 4-22-2 to implement this chapter."

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 252. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: IC 6-1.1-12.5, as added by this act, applies only to property taxes first due and payable after December 31, 2008."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

DAY

Motion prevailed.

HOUSE MOTION
(Amendment 1001-62)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 13, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 10. IC 5-28-15-3, AS ADDED BY P.L.214-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3. As used in this chapter, "zone business" means an entity that accesses at least one (1) tax credit, deduction, or exemption incentive available under this chapter, ~~IC 6-1.1-20-8;~~ IC 6-1.1-45, IC 6-3-3-10, IC 6-3.1-7, or IC 6-3.1-10.

SECTION 11. IC 5-28-15-5, AS ADDED BY P.L.214-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 5.

(a) The board has the following powers, in addition to other powers that are contained in this chapter:

- (1) To review and approve or reject all applicants for enterprise zone designation, according to the criteria for designation that this chapter provides.
- (2) To waive or modify rules as provided in this chapter.
- (3) To provide a procedure by which enterprise zones may be monitored and evaluated on an annual basis.
- (4) To adopt rules for the disqualification of a zone business from eligibility for any or all incentives available to zone businesses, if that zone business does not do one (1) of the following:

(A) If all its incentives, as contained in the summary required under section 7 of this chapter, exceed one thousand dollars (\$1,000) in any year, pay a registration fee to the board in an amount equal to one percent (1%) of all its incentives.

(B) Use all its incentives, except for the amount of the registration fee, for its property or employees in the zone.

(C) Remain open and operating as a zone business for twelve (12) months of the assessment year for which the incentive is claimed.

- (5) To disqualify a zone business from eligibility for any or all incentives available to zone businesses in accordance with the procedures set forth in the board's rules.
- (6) After a recommendation from a U.E.A., to modify an enterprise zone boundary if the board determines that the modification:

(A) is in the best interests of the zone; and

(B) meets the threshold criteria and factors set forth in section 9 of this chapter.

- (7) To employ staff and contract for services.
- (8) To receive funds from any source and expend the funds for the administration and promotion of the enterprise zone program.
- (9) To make determinations under IC 6-3.1-11 concerning the designation of locations as industrial recovery sites, ~~and the availability of the credit provided by IC 6-1.1-20-7 to persons owning inventory located on an industrial recovery site.~~
- (10) To make determinations under ~~IC 6-1.1-20.7 and~~ IC 6-3.1-11 concerning the disqualification of persons from claiming credits provided by ~~those chapters that~~ **chapter** in appropriate cases.
- (11) To make determinations under IC 6-3.1-11.5 concerning the designation of locations as military base recovery sites and the availability of the credit provided by IC 6-3.1-11.5 to persons making qualified investments in military base recovery sites.
- (12) To make determinations under IC 6-3.1-11.5 concerning the disqualification of persons from claiming the credit provided by IC 6-3.1-11.5 in appropriate cases.

(b) In addition to a registration fee paid under subsection (a)(4)(A), each zone business that receives an incentive described in section 3 of this chapter shall assist the zone U.E.A. in an amount determined by the legislative body of the municipality in which the zone is located. If a zone business does not assist a U.E.A., the legislative body of the municipality in which the zone

is located may pass an ordinance disqualifying a zone business from eligibility for all credits or incentives available to zone businesses. If a legislative body disqualifies a zone business under this subsection, the legislative body shall notify the board, the department of local government finance, and the department of state revenue in writing not more than thirty (30) days after the passage of the ordinance disqualifying the zone business. Disqualification of a zone business under this section is effective beginning with the taxable year in which the ordinance disqualifying the zone business is adopted."

Page 14, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 14. IC 6-1.1-1-8.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 8.4. "Inventory" means:**

- (1) materials held for processing or for use in production;**
- (2) finished or partially finished goods of a manufacturer or processor; and**
- (3) property held for sale in the ordinary course of trade or business.**

SECTION 15. IC 6-1.1-1-11, AS AMENDED BY P.L.214-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 11. (a) Subject to the limitation contained in subsection (b), "personal property" means:

- ~~(1) nursery stock that has been severed from the ground;~~
- ~~(2) florists' stock of growing crops which are ready for sale as pot plants on benches;~~
- ~~(3) (1) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;~~
- ~~(4) (2) motor vehicles, mobile houses, airplanes, boats not subject to the boat excise tax under IC 6-6-11, and trailers not subject to the trailer tax under IC 6-6-5;~~
- ~~(5) (3) foundations (other than foundations which support a building or structure) on which machinery or equipment is installed; and~~
- ~~(6) (4) all other tangible property (other than real property) which:~~
 - ~~(A) held for sale in the ordinary course of a trade or business;~~
 - ~~(B) held, used, or consumed in connection with the production of income; or~~
 - ~~(C) (A) is being held as an investment; or~~
 - (B) is depreciable personal property.**

- (b) Personal property does not include the following:
 - (1) Commercially planted and growing crops while they are in the ground.
 - (2) Computer application software. ~~that is not held as~~
 - (3) Inventory. ~~(as defined in IC 6-1.1-3-11)".~~

Page 15, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 17. IC 6-1.1-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 7. The following property is not subject to assessment and taxation under this article:

- (1) A commercial vessel that is subject to the net tonnage tax imposed under IC 6-6-6.
- (2) A motor vehicle or trailer that is subject to the annual license excise tax imposed under IC 6-6-5.
- (3) A boat that is subject to the boat excise tax imposed under IC 6-6-11.
- (4) Property used by a cemetery (as defined in IC 23-14-33-7) if the cemetery:
 - (A) does not have a board of directors, board of trustees, or other governing authority other than the state or a political subdivision; and

(B) has had no business transaction during the preceding calendar year.

(5) A commercial vehicle that is subject to the annual excise tax imposed under IC 6-6-5.5.

(6) Inventory.

Page 15, line 5, after "(c)" insert ",".

Page 15, line 5, strike "and section 11 of this chapter,".

Page 15, line 9, after "(c)" insert ",".

Page 15, line 9, strike "and section 11 of this".

Page 15, line 10, strike "chapter,".

Page 72, line 16, after "6-1.1-3-11" delete "." and insert **"(repealed)."**

Page 72, line 19, strike "beginning with" and insert **"for"**.

Page 72, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 92. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.137-2007, SECTION 3, AND AS AMENDED BY P.L.219-2007, SECTION 31, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 4.5. ~~(a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).~~

~~(b)~~ **(a)** An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

The statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

~~(c)~~ **(b)** The designating body must review the statement of benefits required under subsection ~~(b)~~ **(a)**. The designating body shall determine whether an area should be designated an

economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

~~(d)~~ **(c)** Except as provided in subsection ~~(d)~~ **(g)**, and subject to subsection ~~(e)~~ **(h) and section 15 of this chapter**, an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection ~~(e)~~ **(f)**. Except as provided in subsection ~~(f)~~ **(e)** and in section 2(i)(3) of this chapter, and subject to subsection ~~(g)~~ **(h) and section 15 of this chapter**, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection ~~(f)~~ **(d)**; multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection ~~(f)~~ **(d)**.

~~(e)~~ **(d)** The percentage to be used in calculating the deduction under subsection ~~(d)~~ **(c)** is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%
(2) For deductions allowed over a two (2) year period:	
YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%
(3) For deductions allowed over a three (3) year period:	
YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%
(4) For deductions allowed over a four (4) year period:	
YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%
5th and thereafter	0%
(5) For deductions allowed over a five (5) year period:	
YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%
6th and thereafter	0%
(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	25%
7th and thereafter	0%
(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%
8th and thereafter	0%
(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%
9th and thereafter	0%
(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%
10th and thereafter	0%
(10) For deductions allowed over a ten (10) year period:	
YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	90%
3rd	80%
4th	70%
5th	60%
6th	50%
7th	40%
8th	30%
9th	20%
10th	10%
11th and thereafter	0%

(f) (e) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

- (1) the deduction under this section as in effect on March 1, 2001; and
- (2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(g) (f) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

- (1) as part of the resolution adopted under section 2.5 of this chapter; or
- (2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(h) (g) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

- (1) is convicted of a *criminal* violation under *IC 13, including IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or IC 13-30-6*; or
- (2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(i) (h) For purposes of subsection (d); (c), the assessed value of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

- (1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by
- (2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:

- (i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and
- (ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 93. IC 6-1.1-12.1-4.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 4.7. (a) Section ~~4.5(f)~~ **4.5 (e)** of this chapter does not apply to new manufacturing equipment located in a township having a population of more than four thousand (4,000) but less than seven thousand (7,000) located in a county having a population of more than forty thousand (40,000) but less than forty thousand nine hundred (40,900) if the total original cost of all new manufacturing equipment placed into service by the owner during the preceding sixty (60) months exceeds fifty million dollars (\$50,000,000), and if the economic revitalization area in which the new manufacturing equipment was installed was approved by the designating body before September 1, 1994.

(b) Section ~~4.5(f)~~ **4.5(e)** of this chapter does not apply to new manufacturing equipment located in a county having a population of more than thirty-two thousand (32,000) but less than thirty-three thousand (33,000) if:

- (1) the total original cost of all new manufacturing equipment placed into service in the county by the owner exceeds five hundred million dollars (\$500,000,000); and
- (2) the economic revitalization area in which the new manufacturing equipment was installed was approved by the designating body before January 1, 2001.

(c) A deduction under section ~~4.5(d)~~ **4.5(c)** of this chapter is not allowed with respect to new manufacturing equipment described in subsection (b) in the first year the deduction is claimed or in subsequent years as permitted by section ~~4.5(d)~~ **4.5(c)** of this chapter to the extent the deduction would cause the assessed value of all real property and personal property of the owner in the taxing district to be less than the incremental net assessed value for that year.

(d) The following apply for purposes of subsection (c):

- (1) A deduction under section ~~4.5(d)~~ **4.5(c)** of this chapter shall be disallowed only with respect to new manufacturing equipment installed after March 1, 2000.
- (2) "Incremental net assessed value" means the sum of:
 - (A) the net assessed value of real property and depreciable personal property from which property tax revenues are required to be held in trust and pledged for the benefit of the owners of bonds issued by the redevelopment commission of a county described in subsection (b) under resolutions adopted November 16, 1998, and July 13, 2000 (as amended November 27, 2000); plus
 - (B) fifty-four million four hundred eighty-one thousand seven hundred seventy dollars (\$54,481,770).
- (3) The assessed value of real property and personal property of the owner shall be determined after the deductions provided by sections 3 and 4.5 of this chapter.
- (4) The personal property of the owner shall include inventory.
- (5) The amount of deductions provided by section 4.5 of this chapter with respect to new manufacturing equipment that was installed on or before March 1, 2000, shall be increased from thirty-three and one-third percent (33 1/3%)

of true tax value to one hundred percent (100%) of true tax value for assessment dates after February 28, 2001.

(e) A deduction not fully allowed under subsection (c) in the first year the deduction is claimed or in a subsequent year permitted by section 4.5 of this chapter shall be carried over and allowed as a deduction in succeeding years. A deduction that is carried over to a year but is not allowed in that year under this subsection shall be carried over and allowed as a deduction in succeeding years. The following apply for purposes of this subsection:

(1) A deduction that is carried over to a succeeding year is not allowed in that year to the extent that the deduction, together with:

- (A) deductions otherwise allowed under section 3 of this chapter;
- (B) deductions otherwise allowed under section 4.5 of this chapter; and
- (C) other deductions carried over to the year under this subsection;

would cause the assessed value of all real property and personal property of the owner in the taxing district to be less than the incremental net assessed value for that year.

(2) Each time a deduction is carried over to a succeeding year, the deduction shall be reduced by the amount of the deduction that was allowed in the immediately preceding year.

(3) A deduction may not be carried over to a succeeding year under this subsection if such year is after the period specified in section ~~4.5(d)~~ **4.5(c)** of this chapter or the period specified in a resolution adopted by the designating body under section ~~4.5(h)~~ **4.5(g)** of this chapter."

Page 78, line 10, strike "4.5(g)(2)" and insert " **4.5(f)(2)**".

Page 83, line 3, strike "other than inventory (as defined in 50".

Page 83, line 4, strike "IAC 4.2-5-1, as in effect on January 1, 2005)".

Page 85, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 106. IC 6-1.1-14-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 9. (a) If a hearing is required under section 4 or section 8 of this chapter, the department of local government finance shall give notice to the taxpayers of each county for which the department is to consider an increase in the assessments. The notice shall state the time, place, and object of the public hearing on the assessments. The department of local government finance shall give the notice in the manner prescribed in subsection (c).

(b) If an equalization order is issued under section 5 of this chapter, the department of local government finance shall give notice of the order to the taxpayers of each county to which the order is directed. The department of local government finance shall give the notice in the manner provided in subsection (c). The notice required by this subsection is in lieu of the notices required by ~~IC 6-1.1-3-13~~ **IC 6-1.1-3-20** or IC 6-1.1-4-22.

(c) A notice required by this section shall be published once in:

- (1) two (2) newspapers of general circulation published in the county; or
- (2) one (1) newspaper of general circulation published in the county if two (2) newspapers of general circulation are not published in the county.

If there are no newspapers of general circulation published in the county, the notice shall be given by posting a statement of the time, place, and object of the hearing in the county courthouse at the usual place for posting public notices. The published or posted notice of a hearing shall be given at least ten (10) days before the time fixed for the hearing."

Page 113, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 133. IC 6-1.1-18.5-9.9, AS AMENDED BY P.L.2-2006, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 9.9. (a) The department of local government finance shall adjust the maximum property tax rate levied under the statutes listed in section 9.8(a) of this chapter, IC 20-46-3-6, or IC 20-46-6-5 in each county for property taxes first due and payable in:

(1) 2004;

(2) the year the county first applies the deduction under IC 6-1.1-12-41, if the county first applies that deduction for property taxes first due and payable in 2005 or 2006; and

(3) 2007, if the county does not apply the deduction under IC 6-1.1-12-41 for any year.

(b) If the county does not apply the deduction under IC 6-1.1-12-41 for property taxes first due and payable in 2004, the department shall compute the adjustment under subsection (a)(1) to allow a levy for the fund for which the property tax rate is levied that equals the levy that would have applied for the fund if exemptions under IC 6-1.1-10-29(b)(2) (**repealed**) did not apply for the 2003 assessment date.

(c) If the county applies the deduction under IC 6-1.1-12-41 for property taxes first due and payable in 2004, the department shall compute the adjustment under subsection (a)(1) to allow a levy for the fund for which the property tax rate is levied that equals the levy that would have applied for the fund if:

(1) exemptions under IC 6-1.1-10-29(b)(2) (**repealed**); and

(2) deductions under IC 6-1.1-12-41;

did not apply for the 2003 assessment date.

(d) The department shall compute the adjustment under subsection (a)(2) to allow a levy for the fund for which the property tax rate is levied that equals the levy that would have applied for the fund if deductions under IC 6-1.1-12-41 did not apply for the assessment date of the year that immediately precedes the year for which the adjustment is made.

(e) The department shall compute the adjustment under subsection (a)(3) to allow a levy for the fund for which the property tax rate is levied that equals the levy that would have applied for the fund if deductions under IC 6-1.1-12-42 did not apply for the 2006 assessment date.

SECTION 134. IC 6-1.1-18.5-13, AS AMENDED BY P.L.196-2007, SECTION 2, AND AS AMENDED BY P.L.224-2007, SECTION 25, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board (*before January 1, 2009*) or *the county board of tax and capital projects review (after December 31, 2008)* may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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 estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

(A) the cost of personal services (including fringe benefits);

(B) the cost of supplies; and

(C) any other cost directly related to the operation of the court.

(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 two-hundredths (1.02):

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 *or the initial annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5* 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:

(i) for a particular calendar year before 2007, 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; **or**

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-42 in 2006;

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 determined under this STEP** for 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:

(i) for a particular calendar year before 2007, 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; **or**

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in all counties under IC 6-1.1-12-42 in 2006;

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 determined under this STEP** for 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) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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) *A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2009.* 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.

(13) *A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2009.* Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter."

Page 152, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 178. IC 6-1.1-40-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 9. (a) Before a person acquires new manufacturing equipment for which the person wishes to claim a deduction under this chapter, the person must submit to the commission a statement of benefits, in a form prescribed by the department of local government finance. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment ~~and inventory~~ that the person proposes to acquire.

(2) An estimate of the number of individuals ~~that who~~ will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment ~~and acquisition of inventory~~ and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment ~~and inventory~~.

(b) The statement of benefits may contain any other information required by the commission. If the person is requesting or will be requesting the designation of a district, the statement of benefits must be submitted at the same time as the request for designation is submitted.

(c) The commission shall review the statement of benefits if required under subsection (b). The commission shall make findings determining whether the estimate of:

(1) the number of individuals ~~that who~~ will be employed or whose employment will be retained;

(2) the annual salaries of those individuals;

(3) the value of the new manufacturing equipment; ~~and inventory~~; and

(4) any other benefits about which the commission requires information;

are benefits that can be reasonably expected to result from the

installation of the new manufacturing equipment. ~~and acquisition of inventory.~~

SECTION 179. IC 6-1.1-40-10, AS AMENDED BY P.L.219-2007, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 10. (a) Subject to subsection ~~(c)~~, ~~(d)~~, an owner of new manufacturing equipment ~~or inventory; or both~~, whose statement of benefits is approved is entitled to a deduction from the assessed value of that equipment ~~and inventory~~ for a period of ten (10) years. Except as provided in subsections ~~(b) and (c)~~, ~~and (d)~~, and subject to subsection ~~(c)~~ ~~(d)~~ and section 14 of this chapter, for the first five (5) years, the amount of the deduction for new manufacturing equipment that an owner is entitled to for a particular year equals the assessed value of the new manufacturing equipment. Subject to subsection ~~(c)~~ ~~(d)~~ and section 14 of this chapter, for the sixth through the tenth year, the amount of the deduction equals the product of:

- (1) the assessed value of the new manufacturing equipment; multiplied by
 - (2) the percentage prescribed in the following table:
- | YEAR OF DEDUCTION | PERCENTAGE |
|---------------------|------------|
| 6th | 100% |
| 7th | 95% |
| 8th | 80% |
| 9th | 65% |
| 10th | 50% |
| 11th and thereafter | 0% |

~~(b) Subject to section 14 of this chapter, for the first year the amount of the deduction for inventory equals the assessed value of the inventory. Subject to section 14 of this chapter, for the next nine (9) years, the amount of the deduction equals:~~

- ~~(1) the assessed value of the inventory for that year; multiplied by~~
- ~~(2) the owner's export sales ratio for the previous year, as certified by the department of state revenue under IC 6-3-2-13.~~

~~(c)~~ ~~(b)~~ A deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located to be less than the assessed value of all of the personal property of the owner in that taxing district in the immediately preceding year.

~~(d)~~ ~~(c)~~ If a deduction is not fully allowed under subsection ~~(c)~~ ~~(b)~~ in the first year the deduction is claimed, then the percentages specified in subsection (a) apply in the subsequent years to the amount of deduction that was allowed in the first year.

~~(e)~~ ~~(d)~~ For purposes of subsection (a), the assessed value of new manufacturing equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

- (1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by
- (2) the quotient of:
 - (A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by
 - (B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:
 - (i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and
 - (ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 180. IC 6-1.1-40-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 11. (a) A person that desires to obtain the deduction provided by section 10 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with:

- (1) the auditor of the county in which the new manufacturing equipment ~~and inventory~~ is located; and
- (2) the department of local government finance.

A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment is installed ~~or the inventory is subject to assessment~~ must file the application between March 1 and May 15 of that year.

(b) The application required by this section must contain the following information:

- (1) The name of the owner of the new manufacturing equipment. ~~and inventory.~~
- (2) A description of the new manufacturing equipment. ~~and inventory.~~
- (3) Proof of the date the new manufacturing equipment was installed.
- (4) The amount of the deduction claimed for the first year of the deduction.

(c) A deduction application must be filed under this section in the year in which the new manufacturing equipment is installed ~~or the inventory is subject to assessment~~ and in each of the immediately succeeding nine (9) years.

(d) The department of local government finance shall review and verify the correctness of each application and shall notify the county auditor of the county in which the property is located that the application is approved or denied or that the amount of the deduction is altered. Upon notification of approval of the application or of alteration of the amount of the deduction, the county auditor shall make the deduction.

(e) If the ownership of new manufacturing equipment changes, the deduction provided under section 10 of this chapter continues to apply to that equipment if the new owner:

- (1) continues to use the equipment in compliance with any standards established under section 7(c) of this chapter; and
- (2) files the applications required by this section.

(f) The amount of the deduction is:

- (1) the percentage under section 10 of this chapter that would have applied if the ownership of the property had not changed; multiplied by
- (2) the assessed value of the equipment for the year the deduction is claimed by the new owner."

Page 153, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 183. IC 6-1.1-42-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 17. (a) A person may apply for an assessed valuation deduction for:

- (1) real property; and
- (2) personal property; ~~other than inventory; (as defined in IC 6-1.1-3-11);~~

located in an area designated as a brownfield revitalization zone.

(b) An application for a deduction for an improvement to a brownfield revitalization zone or personal property located in a brownfield revitalization area must:

- (1) be submitted to the designating body before the date that the improvement is initiated or, if the deduction is for personal property, the property is brought into the area;
- (2) contain sufficient information for the designating body to approve the deduction; and
- (3) be submitted in the form prescribed by the department of local government finance."

Page 165, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 199. IC 6-3.1-11-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 19. The board shall consider the following factors in evaluating applications filed under this chapter:

- (1) The level of distress in the surrounding community caused by the loss of jobs at the vacant industrial facility.
- (2) The desirability of the intended use of the vacant industrial facility under the plan proposed by the municipality or county and the likelihood that the implementation of the plan will improve the economic and employment conditions in the surrounding community.
- (3) Evidence of support for the designation by residents, businesses, and private organizations in the surrounding community.
- (4) Evidence of a commitment by private or governmental entities to provide financial assistance in implementing the plan proposed by the municipality or county, including the application of IC 36-7-12, IC 36-7-13, IC 36-7-14, or IC 36-7-15.1 to assist in the financing of improvements or redevelopment activities benefiting the vacant industrial facility.
- (5) Evidence of efforts by the municipality or county to implement the proposed plan without additional financial assistance from the state.
- (6) Whether the industrial recovery site is within an economic revitalization area designated under IC 6-1.1-12.1.

~~(7) Whether action has been taken by the metropolitan development commission or the legislative body of the municipality or county having jurisdiction over the proposed industrial recovery site to make the property tax credit under IC 6-1.1-20.7 available to persons owning inventory located within the industrial recovery site and meeting the other conditions established by IC 6-1.1-20.7."~~

Page 192, line 5, after "IC 6-1.1-12-42" delete "." and insert **"or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-11."**

Page 206, line 14, after "IC 6-1.1-12-42" delete "." and insert **"or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-11."**

Page 207, line 20, strike "immediately preceding year's".

Page 207, line 20, after "date" insert **"in 2006"**.

Page 207, line 22, strike "immediately preceding year's".

Page 207, line 22, after "date" delete "." and insert **"in 2006"**.

Page 207, line 38, strike "immediately preceding year's".

Page 207, line 38, after "date" insert **"in 2006"**.

Page 207, line 40, strike "immediately preceding year's".

Page 207, line 40, after "date" delete "." and insert **"in 2006"**.

Page 212, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 219. IC 6-6-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 2. (a) There is imposed an annual license excise tax upon vehicles, which tax shall be in lieu of the ad valorem property tax levied for state or local purposes, but in addition to any registration fees imposed on such vehicles.

(b) The tax imposed by this chapter is a listed tax and subject to the provisions of IC 6-8.1.

(c) No vehicle, as defined in section 1 of this chapter, ~~excepting vehicles in the inventory of vehicles held for sale by a manufacturer, distributor or dealer in the course of business;~~ shall be assessed as personal property for the purpose of the assessment and levy of personal property taxes or shall be subject to ad valorem taxes whether or not such vehicle is in fact registered pursuant to the motor vehicle registration laws. No person shall be required to give proof of the payment of ad valorem property taxes as a condition to the registration of any

vehicle that is subject to the tax imposed by this chapter."

Page 213, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 217. IC 6-6-11-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 9. A boat is exempt from the boat excise tax imposed for a year if the boat is:

- (1) owned by the United States;
- (2) owned by the state or one (1) of its political subdivisions (as defined in IC 36-1-2-13);
- (3) owned by an organization exempt from federal income taxation under 501(c)(3) of the Internal Revenue Code;
- (4) a human powered vessel, as determined by the department of natural resources;
- (5) held by a boat manufacturer, distributor, or dealer for sale in the ordinary course of business; ~~and subject to assessment under IC 6-1.1;~~
- (6) used by a person for the production of income and subject to assessment under IC 6-1.1;
- (7) stored in Indiana for less than twenty-two (22) consecutive days and not operated, used, or docked in Indiana;
- (8) registered outside Indiana and operated, used, or docked in Indiana for a combined total of less than twenty-two (22) consecutive days during the boating year; or
- (9) subject to the commercial vessel tonnage tax under IC 6-6-6."

Page 215, after line 42, begin a new paragraph and insert:

"SECTION 221. IC 8-22-3.5-14, AS AMENDED BY P.L.124-2006, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 14. (a) This section applies only to an airport development zone that is in a:

- (1) city described in section 1(2) of this chapter; or
- (2) county described in section 1(3), 1(4), or 1(6) of this chapter.

(b) Notwithstanding any other law, a business or an employee of a business that is located in an airport development zone is entitled to the benefits provided by the following statutes, as if the business were located in an enterprise zone:

- ~~(1) IC 6-1.1-20.8;~~
- ~~(2) (1) IC 6-3-2-8.~~
- ~~(3) (2) IC 6-3-3-10.~~
- ~~(4) (3) IC 6-3.1-7.~~
- ~~(5) (4) IC 6-3.1-9.~~
- ~~(6) (5) IC 6-3.1-10-6.~~

(c) Before June 1 of each year, a business described in subsection (b) must pay a fee equal to the amount of the fee that is required for enterprise zone businesses under IC 5-28-15-5(a)(4)(A). However, notwithstanding IC 5-28-15-5(a)(4)(A), the fee shall be paid into the debt service fund established under section 9(e)(2) of this chapter. If the commission determines that a business has failed to pay the fee required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(d) A business that receives any of the benefits described in subsection (b) must use all of those benefits, except for the amount of the fee required by subsection (c), for its property or employees in the airport development zone and to assist the commission. If the commission determines that a business has failed to use its benefits in the manner required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(e) If the commission determines that a business has failed to pay the fee required by subsection (c) or has failed to use benefits in the manner required by subsection (d), the commission shall provide written notice of the determination to the department of state revenue, the department of local government finance, and

the county auditor."

Page 244, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 253. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] IC 6-1.1-3-11; IC 6-1.1-3-12; IC 6-1.1-3-13; IC 6-1.1-10-29; IC 6-1.1-10-29.3; IC 6-1.1-10-29.5; IC 6-1.1-10-30; IC 6-1.1-10-30.5; IC 6-1.1-10-31.1; IC 6-1.1-10-31.4; IC 6-1.1-10-31.5; IC 6-1.1-10-31.6; IC 6-1.1-10-31.7; IC 6-1.1-10-40; IC 6-1.1-10-43; IC 6-1.1-10.1; IC 6-1.1-20.7; IC 6-1.1-20.8; IC 6-1.1-40-3."

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 269. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: IC 6-1.1-1-11, IC 6-1.1-2-7, IC 6-1.1-3-1, IC 6-1.1-12-42, IC 6-1.1-12.1-4.5, IC 6-1.1-12.1-4.7, IC 6-1.1-12.1-5.4, IC 6-1.1-12.4-3, IC 6-1.1-14-9, IC 6-1.1-40-9, IC 6-1.1-40-10, IC 6-1.1-40-11, and IC 6-1.1-42-17, all as amended by this act, apply only to property taxes first due and payable after December 31, 2007."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

LEONARD

Motion prevailed.

HOUSE MOTION
(Amendment 1001-49)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 21, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 27. IC 6-1.1-3-23, AS AMENDED BY P.L.246-2005, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 23. (a) **This section applies only to the following counties:**

(1) **Lake County.**

(2) **Porter County.**

(~~a~~) (b) For purposes of this section:

(1) "adjusted cost" refers to the adjusted cost established in 50 IAC 4.2-4-4 (as in effect on January 1, 2003);

(2) "depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-1 (as in effect on January 1, 2003);

(3) "integrated steel mill" means a person, including a subsidiary of a corporation, that produces steel by processing iron ore and other raw materials in a blast furnace in Indiana;

(4) "oil refinery/petrochemical company" means a person that produces a variety of petroleum products by processing an annual average of at least one hundred thousand (100,000) barrels of crude oil per day;

(5) "permanently retired depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1, 2003);

(6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in effect on January 1, 2003);

(7) "special integrated steel mill or oil refinery/petrochemical equipment" means depreciable personal property, other than special tools and permanently retired depreciable personal property:

(A) that:

(i) is owned, leased, or used by an integrated steel mill or an entity that is at least fifty percent (50%) owned by an affiliate of an integrated steel mill; and
(ii) falls within Asset Class 33.4 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647; or

(B) that:

(i) is owned, leased, or used as an integrated part of

an oil refinery/petrochemical company or its affiliate; and

(ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647;

(8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as in effect on January 1, 2003); and

(9) "year of acquisition" refers to the year of acquisition determined under 50 IAC 4.2-4-6 (as in effect on January 1, 2003).

(~~b~~) (c) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment by multiplying the adjusted cost of that equipment by the percentage set forth in the following table:

Year of Acquisition	Percentage
1	40%
2	56%
3	42%
4	32%
5	24%
6	18%
7	15%
8 and older	10%

(~~c~~) (d) The department of local government finance shall designate the table under subsection (~~b~~) (c) as "Pool No. 5" on the business personal property tax return.

(~~d~~) (e) The percentage factors in the table under subsection (~~b~~) (c) automatically reflect all adjustments for depreciation and obsolescence, including abnormal obsolescence, for special integrated steel mill or oil refinery/petrochemical equipment. The equipment is entitled to all exemptions, credits, and deductions for which it qualifies.

(~~e~~) (f) The minimum valuation limitations under 50 IAC 4.2-4-9 do not apply to special integrated steel mill or oil refinery/petrochemical equipment valued under this section. The value of the equipment is not included in the calculation of that minimum valuation limitation for the taxpayer's other assessable depreciable personal property in the taxing district.

(~~f~~) (g) An election to value special integrated steel mill or oil refinery/petrochemical equipment under this section:

(1) must be made by reporting the equipment under this section on a business personal property tax return;

(2) applies to all of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment located in the state (whether owned or leased, or used as an integrated part of the equipment); and

(3) is binding on the taxpayer for the assessment date for which the election is made.

The department of local government finance shall prescribe the forms to make the election beginning with the March 1, 2003, assessment date. Any special integrated steel mill or oil refinery/petrochemical equipment acquired by a taxpayer that has made an election under this section is valued under this section.

(~~g~~) (h) If fifty percent (50%) or more of the adjusted cost of a taxpayer's property that would, notwithstanding this section, be reported in a pool other than Pool No. 5 is attributable to special integrated steel mill or oil refinery/petrochemical equipment, the taxpayer may elect to calculate the true tax value of all of that property as special integrated steel mill or oil refinery/petrochemical equipment. The true tax value of property for which an election is made under this subsection is calculated under subsections (~~b~~) (c) through (~~f~~) (g)."

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 252. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] (a) **As used in this section, "northwest Indiana" means the counties of Lake and Porter.**

(b) **The general assembly finds the following:**

(1) The economy of northwest Indiana has historically been heavily dependent upon:

(A) the domestic steel industry, particularly the integrated steel mill business, which produces steel from basic raw materials through blast furnace and related operations; and

(B) the oil refining and petrochemical industry.

(2) During the last thirty (30) years the domestic steel industry has experienced significant financial difficulties. More than half of the integrated steel mills in the United States were shut down or de-integrated, with the remainder requiring significant investment and the addition of new processes to make the facilities economically competitive with newer foreign and domestic steelmaking facilities and processes.

(3) The United States needs to protect the capacity of the oil refining and petrochemical industry. By shutting down twenty percent (20%) percent of the country's oil refining capacity in a single day and increasing gasoline prices nationwide by more than an average of forty-five cents (\$0.45) per gallon in a week, hurricane Katrina exposed the nation's overextended oil refining capacity. No oil refineries have been built in the United States since 1976.

(4) One (1) of the ways in which integrated steel mills in northwest Indiana and the oil refining and petrochemical industry have sought to remain competitive has been to seek to reduce property tax expenses by claiming abnormal obsolescence in reporting the assessed value of equipment, thereby reporting the equipment's assessed value at far below 30% of the equipment's total cost (i.e., far below the "30% floor" value generally applicable to equipment exhibiting only normal obsolescence under the current department of local government finance rules).

(5) Some of the claims for abnormal obsolescence are under appeal and may or may not be fully allowed upon ultimate resolution, but under current law existing before the effective date of this SECTION the taxpayers making such claims are obligated to pay personal property taxes based only on, and communities are allowed to determine property tax budgets and rates based only on, the reported personal property assessed values until the appeals are resolved. Consequently, the property tax base of communities in northwest Indiana has been severely reduced for an indeterminate period (if not permanently), shifting already high property taxes to residential property and other business property. The never ending prospect of future appeals and their attendant problems on an ongoing basis must be addressed.

(6) A new, optional method for valuing the equipment of integrated steel mills and the oil refining and petrochemical industry in northwest Indiana is needed. That optional method can be used to simply and efficiently arrive at a value commensurate with that property's age, use, obsolescence and market circumstances instead of the current method and its potentially contentious and lengthy appeals. Such an optional method would benefit, the integrated steel mill businesses, the oil refining and petrochemical industry, and the communities in northwest Indiana.

(7) Such an optional method would be to authorize a fifth pool in the depreciation schedule for valuing the equipment of integrated steel mills and the oil refining and petrochemical industry that reflects all adjustments to the value of that equipment for depreciation and obsolescence, including abnormal obsolescence, which precludes any taxpayer electing such a method from taking any other obsolescence adjustment for the

equipment, and which applies only at the election of the taxpayer.

(8) The purpose for authorizing the Pool 5 method is to provide a more simplified and efficient method of valuing the equipment of integrated steel mills and the oil refining and petrochemical industry that recognizes the unusual age, obsolescence, and market circumstances associated with those industries in northwest Indiana, and to encourage those industries to continue to invest in northwest Indiana, thereby contributing to the economic life and well being of communities in northwest Indiana, the residents of northwest Indiana, and the state of Indiana generally.

(9) The specific circumstances described in this section do not exist throughout the rest of Indiana.

SECTION 253. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] IC 6-1.1-3-23, as amended by this act, applies only to the following:

(1) Property taxes first due and payable after 2008.

(2) To the extent permitted by law, property taxes first due and payable after 2003 and before 2009."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

STILWELL

Motion prevailed.

HOUSE MOTION
(Amendment 1001-55)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 251. [EFFECTIVE UPON PASSAGE] (a) The commission on state tax and financing policy established under IC 2-5-3 shall study alternative methods for distribution within a county of taxes imposed under IC 6-3.5-1.1, IC 6-3.5-6, and IC 6-3.5-7.

(b) Before November 1, 2008, the commission on state tax and financing policy shall report findings and make recommendations concerning the study topic described in subsection (a) in a final report to the legislative council in an electronic format under IC 5-14-6."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

THOMPSON

Motion prevailed.

HOUSE MOTION
(Amendment 1001-96)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 119, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 131. 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, 2007 (RETROACTIVE): Sec. 2. As used in this chapter, "homestead" has the meaning set forth in IC 6-1.1-20.9-1 (as effective before January 1, 2009)."

Page 120, line 26, after "(RETROACTIVE)]:" insert " Sec. 6.5. (a) This subsection applies only to property taxes first due and payable after December 31, 2006, and before January 1, 2008, attributable to qualified residential property located in Lake County. A person is entitled to a credit each calendar year under section ~~7(a)~~ 9.7 of this chapter against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's qualified residential property. However, the county fiscal body may, by ordinance adopted before January 1, 2007, limit the application of the credit granted by this subsection to homesteads: homestead."

Page 120, delete lines 27 through 35.

Page 121, line 14, strike "6.5(a) or".

Page 123, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 136. IC 6-1.1-20.6-9.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: **Sec. 9.7. (a) This section applies only to:**

(1) property located in a county that contains property that is exempt under IC 6-1.1-10-2; and

(2) property taxes imposed for the March 1, 2006, or January 15, 2007, assessment dates, regardless of the dates that an installment of the property taxes is due.

(b) A person is entitled to a credit against the person's property tax liability for property taxes imposed for the March 1, 2006, or January 15, 2007, assessment dates that are attributable to the person's homestead.

(c) The amount of the credit to which a person is entitled is the amount by which the person's property tax liability attributable to the person's homestead property for property taxes first due and payable in 2007 exceeds one and one-half percent (1.5%) of the assessed value that is the basis for determination of property taxes on the person's homestead property.

(d) A person is not required to file an application for the credit. The county auditor shall:

(1) identify the property in the county eligible for the credit; and

(2) apply the credit to property tax liability on the identified property.

(e) As soon as practicable after March 31, 2008, a county auditor shall apply the circuit breaker credit granted by this section to the taxpayers in the county for property taxes imposed for the March 1, 2006, or January 15, 2007, assessment date. The county auditor shall certify the total amount of circuit breaker credits granted in the county to the department of local government finance. Not later than ten (10) regular business days after receiving a certification from a county auditor, the department of local government finance shall review and certify the total amount of circuit breaker credits granted in a county to the department of state revenue.

(f) The department of state revenue shall distribute to the county auditor the amount certified by the department of local government finance in six (6) equal monthly installments beginning in the next month after the certification is received. There is appropriated the amount necessary to make the distributions to the department of state revenue from the state general fund, beginning July 1, 2007, and ending June 30, 2009.

(g) Notwithstanding IC 5-11-10-1 and IC 36-2-6-2, if after the application of the credit granted by this section, a taxpayer has overpaid the amount of property tax due, the county auditor shall, without a claim or an appropriation being required, pay the amount due the taxpayer from the money distributed to the county auditor under this subsection.

(h) No additional statement or revised statement of the amount of tax liability due is required under IC 6-1.1-22-8 or IC 6-1.1-22.5. The county auditor shall notify the county executive of the payment of the amount due and publish the allowance in the manner provided in IC 36-2-6-3. The county auditor shall use the distribution made to a county under this section to pay the refunds. The county auditor, however, may apply a refund amount of less than twenty-five dollars (\$25) as a credit against the next successive tax installment, if any, due in that year or a following year. The part of the distribution attributable to property tax liability that has not yet been paid shall be distributed to the various taxing units to replace revenue lost from the granting of credits under

this section.

(i) A distribution under this section shall be treated as property taxes for all purposes."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

ORENTLICHER

After discussion, Representative Orentlicher withdrew the motion.

HOUSE MOTION
(Amendment 1001-53)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 111, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 122. IC 6-1.1-18.5-3.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS: **Sec. 3.9. The county board may not approve countywide property tax rates that exceed the rates determined under STEP FIVE of the following formula:**

STEP ONE: Determine the property tax rates for the political subdivisions in the county without any reduction under this section.

STEP TWO: For each taxing district, determine the total amount of credits that would be granted in the taxing district under IC 6-1.1-20.6 as a result of imposing the property tax rates determined under STEP ONE.

STEP THREE: Determine the part of the STEP TWO amount that is attributable to each countywide property tax rate, using the procedures under IC 6-1.1-20.6-9.5.

STEP FOUR: For each countywide property tax rate and each taxing district, determine the property tax rate that would eliminate the excess credit amount determined for the taxing district under STEP THREE.

STEP FIVE: For each countywide property tax rate, determine the lowest tax rate determined for any taxing district under STEP FOUR."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

THOMPSON

After discussion, Representative Thompson withdrew the motion.

HOUSE MOTION
(Amendment 1001-90)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 253, between lines 31 and 32, begin a new paragraph and insert

"SECTION 1. P.L.234-2007, SECTION 300, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 300. (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) Subject to appropriation of money from the property tax reduction trust fund for an additional 2007 homestead credit, the department of local government finance shall calculate and certify to the department of state revenue and the county auditor of each county an additional homestead credit amount for property taxes first due and payable in 2007. The additional homestead credit shall be paid as a refund as provided in this SECTION for part of the tax liability (as defined in IC 6-1.1-21-5) imposed on the taxpayer's homestead for the March 1, 2006, or January 15, 2007, assessment date. The department of local government finance shall make the certification based on the best information available at the time the certification is made. Not later than November 1, 2007, the department of state revenue shall distribute to the county treasurer of each county the amount certified for the county under

this subsection. The county treasurer shall deposit the amount distributed in a separate account and use the money only for the purposes of providing property tax refunds under this SECTION. **The county treasurer shall mail the refunds under subsection (e) not more than sixty (60) days after the date that the county treasurer receives a distribution under this section.**

(c) At the same time as the department of local government finance makes the certification under subsection (b), the department of local government finance shall certify to the county auditor of each county the percentage that would apply in each taxing district to provide an additional 2007 homestead credit to taxpayers in the taxing district. The county auditor shall use the certified percentage to determine the amount of the refund due to each taxpayer. The county auditor shall certify the amount of the refund for each taxpayer to the county treasurer not later than the December 20, 2007, settlement date. IC 6-1.1-26 does not apply to a refund granted under this SECTION. The amount of the refund is equal to the lesser of the following:

- (1) The amount of the taxpayer's tax liability (as defined in IC 6-1.1-21-5) on a homestead for the March 1, 2006, or January 15, 2007, assessment date, after the application of all other credits.
- (2) The additional 2007 homestead credit determined for the taxpayer.

The department of local government finance, the department of state revenue, and the property tax replacement fund board shall take the actions necessary to carry out this SECTION.

(d) The amount of the refund shall be applied first against any delinquent property taxes owed in the county by the taxpayer. The county auditor shall issue a warrant for or authorize disbursement by electronic transfer of the remainder of the refund. The refund shall be:

- (1) mailed to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; or
- (2) transmitted by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records.

(e) In addition, the county auditor shall mail to the last known address of each person liable for any property taxes or special assessment on each homestead in the county, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book a written explanation of the refund. The explanation must include the amount of the refund specified in the following statement in at least 12 point type:

"A portion of your local property taxes due in 2007 are being refunded due to tax relief provided by the Indiana General Assembly. Your refund is in the amount of \$_____ (insert amount of refund). If you did not receive a check because you pay your property taxes through an escrow account along with your mortgage, your lender will receive the refund and should adjust your payments accordingly."

(f) Any part of the amount distributed to a county under this SECTION that is not applied or refunded as provided in this SECTION shall:

- (1) be transferred to the auditor of state for deposit in the property tax reduction trust fund- county general fund; and
- (2) be used to reduce the amount of property taxes levied by the county for property taxes first due and payable in 2008.

(g) This SECTION expires January 1, 2009."
 Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

GOODIN

The Speaker ordered the roll of the House to be called. Roll Call 25: yeas 48, nays 46. Motion prevailed.

HOUSE MOTION
 (Amendment 1001-11)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 52, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 59. IC 6-1.1-5.5-5, AS AMENDED BY P.L.154-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 15, 2008 (RETROACTIVE)]:
 Sec. 5. (a) The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

- (1) The key number of the parcel (as defined in IC 6-1.1-1-8.5).
- (2) Whether the entire parcel is being conveyed.
- (3) The address of the property.
- (4) The date of the execution of the form.
- (5) The date the property was transferred.
- (6) Whether the transfer includes an interest in land or improvements, or both.
- (7) Whether the transfer includes personal property.
- (8) An estimate of any personal property included in the transfer.
- (9) The name, address, and telephone number of:
 - (A) each transferor and transferee; and
 - (B) the person that prepared the form.
- (10) The mailing address to which the property tax bills or other official correspondence should be sent.
- (11) The ownership interest transferred.
- (12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).
- (13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.
- (14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.
- (15) Any family or business relationship existing between the transferor and the transferee.

(16) The information required for a person to apply for a standard deduction under IC 6-1.1-12-37.

~~(16)~~ **(17) Other information as required by the department of local government finance to carry out this chapter.**

If a form under this section includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential.

(b) The instructions for completing the form described in subsection (a) must include the information described in IC 6-1.1-12-43(c)(1)."

Page 68, line 41, after "located." insert "**A sales disclosure form under IC 6-1.1-5.5 that contains the information required by this section shall be treated as a certified statement that complies with this section.**"

Page 69, line 2, delete "With respect to real property, the statement".

Page 69, delete lines 3 through 8.

Page 69, line 9, delete "which the individual wishes to obtain the deduction." and insert "**The statement may be filed at any time. The deduction applies prospectively only to assessment dates for which no installment of property taxes has become**

first due and payable before the filing of the statement."

Page 69, line 10, after "person" insert ", by an agent of the person,".

Page 69, delete lines 17 through 26, begin a new paragraph and insert:

"(h) The application of a deduction granted for a statement filed after the setting of tax rates and tax levies results in a reduction of the property tax collections of each political subdivision in which the deduction and any credit under IC 6-1.1-20.4, IC 6-1.1-20.6, IC 6-3.5-6, or IC 6-3.5-7 that the deduction qualifies the taxpayer to receive is applied. A political subdivision may not increase its property tax levy to make up for that reduction. The county auditor shall in each calendar year notify each political subdivision in which the deduction is applied of the reduction of property tax collections. A political subdivision may not borrow money to compensate the political subdivision or any other political subdivision for the reduction of property tax collections. The county auditor shall correct the tax duplicate and any statements prepared for the affected property under IC 6-1.1-22-8 or IC 6-1.1-22.5 in the manner provided for the correction of errors under IC 6-1.1-15-12."

Page 70, between lines 18 and 19, begin a new paragraph and insert:

"(i) Notwithstanding subsection (b), an individual who:

(1) after the assessment date for a particular year:

(A) becomes the owner of the individual's homestead;

(B) is purchasing the individual's homestead under a contract that is recorded in the office of county recorder and provides that the individual is to pay the property taxes on the homestead; or

(C) has a beneficial interest in a trust that becomes the owner of a homestead or enters into a contract to purchase a homestead that is recorded in the office of county recorder and provides that the trust or a resident of the homestead is to pay the property taxes on the homestead; and

(2) was eligible for a standard deduction under this section on another property for the same assessment date;

is entitled to transfer the individual's eligibility for a standard deduction for the property described in subdivision (2) to the property described in subdivision (1). To be eligible to transfer eligibility for the standard deduction, the individual must file a certified statement requesting the transfer in the manner provided in subsection (f). If eligibility for a standard deduction is transferred, the property described in subdivision (2) is not eligible for a standard deduction based on the individual's residence at the property and the property described in subdivision (1) is eligible for a standard deduction to the same extent as if the individual had resided at the property on the assessment date. If both properties are not located in the same county, the county auditor of the county in which the property described in subdivision (1) is located shall notify the county auditor of the county in which the property described in subdivision (2) is located of the transfer."

Page 124, line 6, delete "UPON PASSAGE]" and insert "SEPTEMBER 30, 2007 (RETROACTIVE)]".

Page 124, line 12, strike "With respect to real".

Page 124, strike lines 13 through 18.

Page 124, line 19, strike "individual wishes to obtain the credit." and insert "A certified statement may be filed at any time before the first installment of taxes due for the March 1, 2007, and January 15, 2008, assessment dates is first due and payable. The credit applies prospectively only to the property taxes imposed for an assessment date only if no installment of property taxes has become first due and payable for that assessment date before the filing of the

statement."

Page 124, delete lines 26 through 32, begin a new paragraph and insert:

"(c) This subsection applies to a credit granted for a certified statement filed under this section after the setting of tax rates and tax levies. The credit results in a reduction of the property tax collections of each political subdivision in which the credit and any other credit under IC 6-1.1-20.4, IC 6-1.1-20.6, IC 6-3.5-6, or IC 6-3.5-7 that the credit qualifies the taxpayer to receive is applied. A political subdivision is not entitled to an additional distribution under IC 6-1.1-21 (before its repeal) to replace revenue lost as the result of the application of the credit. A political subdivision may not increase its property tax levy to make up for that reduction. The county auditor shall in each calendar year notify each political subdivision in which the deduction is applied of the reduction of property tax collections. A political subdivision may not borrow money to compensate the political subdivision or any other political subdivision for the reduction of property tax collections. The county auditor shall correct the tax duplicate and any statements prepared for the affected property under IC 6-1.1-22-8 or IC 6-1.1-22.5 in the manner provided for the correction of errors under IC 6-1.1-15-12."

Page 125, between lines 11 and 12, begin a new paragraph and insert:

"(f) An individual who:

(1) after the assessment date for a particular year:

(A) becomes the owner of the individual's homestead;

(B) is purchasing the individual's homestead under a contract that is recorded in the office of county recorder and provides that the individual is to pay the property taxes on the homestead; or

(C) has a beneficial interest in a trust that becomes the owner of a homestead or enters into a contract to purchase a homestead that is recorded in the office of county recorder and provides that the trust or a resident of the homestead is to pay the property taxes on the homestead; and

(2) was eligible for a homestead credit under this chapter on another property for the same assessment date;

is entitled to transfer the individual's eligibility for a homestead credit for the property described in subdivision (2) to the property described in subdivision (1). To be eligible to transfer eligibility for the homestead credit, the individual must file a certified statement requesting the transfer in the manner provided in subsection (a). If eligibility for a homestead credit is transferred, the property described in subdivision (2) is not eligible for a homestead credit based on the individual's residence at the property and the property described in subdivision (1) is eligible for a homestead credit to the same extent as if the individual had resided at the property on the assessment date. If both properties are not located in the same county, the county auditor of the county in which the property described in subdivision (1) is located shall notify the county auditor of the county in which the property described in subdivision (2) is located of the transfer."

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 251. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies to 2007 property taxes and 2008 property taxes imposed on a homestead whenever an individual is not otherwise eligible for a homestead credit under IC 6-1.1-20.9 (as effective before January 1, 2009).

(b) The definitions in IC 6-1.1 apply throughout this SECTION. The following definitions in this subsection apply throughout this SECTION:

- (1) "2007 property taxes" refers to property tax liability imposed on real property used as a principal place of residence by an owner on the March 1, 2006, assessment date.
- (2) "2008 property taxes" refers to property tax liability imposed on real property used as a principal place of residence by an owner on the March 1, 2007, assessment date.
- (3) "Homestead credit" refers to a state funded homestead credit granted under IC 6-1.1-20.9, P.L.234-2007, or another law.
- (4) "Property tax liability" refers to property tax liability (as defined in IC 6-1.1-21-5).
- (5) "Sales disclosure form" refers to a form filed under IC 6-1.1-5.5.

(c) Notwithstanding IC 6-1.1-20.9-3, as effective for the year in which an appeal is filed under this SECTION, and any other law, an individual shall be treated as filing a certified statement requesting a homestead credit against 2007 property taxes or 2008 property taxes, or both, imposed on a homestead if an individual:

- (1) files a written request for a homestead credit in the manner specified by this SECTION; and
- (2) is identified as a buyer of property in a sales disclosure form that:
 - (A) was filed under IC 6-1.1-5.5; and
 - (B) indicates that the property will be the individual's primary residence on an assessment date for which 2007 property taxes or 2008 property taxes, or both, were imposed.

(d) An individual may appeal to a county auditor for a homestead credit for 2007 property taxes or 2008 property taxes, or both, imposed on the individual's homestead in the same manner that a taxpayer would appeal for the correction of a mathematical error in computing taxes under IC 6-1.1-15-12. The individual must submit facts to the county auditor demonstrating that:

- (1) the sole reason that the individual is not entitled to the homestead credit is that the individual failed to file a timely certified statement requesting a homestead credit against the property taxes within the time required under IC 6-1.1-20.9, as effective for the year in which the credit is first claimed; and
- (2) the individual is identified as a buyer of property in a sales disclosure form that:
 - (A) was filed under IC 6-1.1-5.5; and
 - (B) indicates that the property will be the individual's primary residence on an assessment date for which 2007 property taxes or 2008 property taxes, or both, were imposed.

The appeal must be filed before January 1, 2009. The county auditor shall treat the appeal petition as if the appeal petition had been a timely filed certified statement under IC 6-1.1-20.9-3, as effective for the year in which the credit is first claimed under this SECTION. The county auditor shall grant a homestead credit against 2007 property taxes or 2008 property taxes, or both, whenever the applicant would have qualified for a homestead credit for the year had a timely application for the homestead credit been filed.

(e) This subsection applies to a credit granted for an appeal filed under this SECTION after the setting of tax rates and tax levies for a particular year to which the appeal applies. The credit results in a reduction of the property tax collections of each political subdivision in which the credit and any other credit under IC 6-1.1-20.4, IC 6-1.1-20.6, IC 6-3.5-6, or IC 6-3.5-7 that the credit qualifies the taxpayer to receive is applied. A political subdivision is not entitled to an additional distribution under IC 6-1.1-21 (before its repeal) to replace revenue lost as the result of the application of the credit. A political subdivision may not increase its

property tax levy to make up for that reduction. The county auditor shall in each calendar year notify each political subdivision in which the deduction is applied of the reduction of property tax collections. A political subdivision may not borrow money to compensate the political subdivision or any other political subdivision for the reduction of property tax collections. The county auditor shall correct the tax duplicate and any statements prepared for the affected property under IC 6-1.1-22-8 or IC 6-1.1-22.5 in the manner provided for the correction of errors under IC 6-1.1-15-12. A homestead that is eligible for a homestead credit for a particular year under this SECTION is eligible for a standard deduction under IC 6-1.1-12-37 for the same year. The homestead is not eligible for homestead credits under IC 6-1.1-20.4, IC 6-3.5-6, or IC 6-3.5-7 or credits granted to homesteads under IC 6-1.1-20.6 for 2007 property taxes or 2008 property taxes. The homestead is eligible for deductions under IC 6-1.1-12-37, IC 6-1.1-12-37.5, and homestead credits under IC 6-1.1-20.4, IC 6-3.5-6, or IC 6-3.5-7 in each subsequent year that the homestead continues to qualify for the deduction or credit without filing an additional application.

(f) Before April 15, 2008, the department of local government finance shall redesign and make electronically available a sales disclosure form that permits the sales disclosure form to be treated as an application form for a standard deduction under IC 6-1.1-12-37."

Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)

M. SMITH

Motion prevailed.

HOUSE MOTION
(Amendment 1001-14)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 135, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 142. IC 6-1.1-31-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. Failure to comply with the statutes, rules, regulations, assessment manuals, assessment guidelines, bulletins, and directives adopted by the department of local government finance in the assessment of tangible property shows that the assessment is not a reasonable measure of true tax value.**"

Page 253, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 253. [EFFECTIVE UPON PASSAGE] **50 IAC 2.3-1-1(d) is void. The publisher of the Indiana Administrative Code and Indiana Register shall remove this subsection from the Indiana Administrative Code.**"

Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)

M. SMITH

The Speaker ordered a division of the House to be recorded electronically. Roll Call 26: yeas 49, nays 47. Motion prevailed.

HOUSE MOTION
(Amendment 1001-36)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 1, delete lines 7 through 17, begin a new paragraph and insert:

"SECTION 2. IC 3-8-1-23.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 23.6. A person who runs in an election after June 30, 2008, for the office of township assessor under IC 36-6-5-1 must have attained the certification of a level two assessor-appraiser under**

IC 6-1.1-35.5 before taking office."

Delete pages 2 through 4.

Page 5, delete lines 1 through 35.

Page 6, line 17, reset in roman "township".

Page 6, line 17, after "and" insert "**assessors (if any)**".

Page 12, line 12, after "assessor" delete "and" and insert ",".

Page 12, line 12, reset in roman "and township".

Page 12, line 13, reset in roman "assessor".

Page 12, line 13, after "assessor" delete "," and insert "**(if any)**".

Page 12, between lines 36 and 37, begin a new line single block indented and insert:

"(6) Township assessors (if any)."

Page 13, delete lines 36 through 42, begin a new paragraph and insert:

"SECTION 9. IC 5-28-15-8, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) This section applies to records and other information, including records and information that are otherwise confidential, maintained by the following:

- (1) The board.
- (2) A U.E.A.
- (3) The department of state revenue.
- (4) The corporation.
- (5) The department of local government finance.
- (6) A county auditor.
- (7) A township assessor **(if any)**.
- (8) A county assessor.**

(b) A person or an entity listed in subsection (a) may request a second person or entity described in subsection (a) to provide any records or other information maintained by the second person or entity that concern an individual or a business that is receiving a tax deduction, exemption, or credit related to an enterprise zone. Notwithstanding any other law, the person or entity to whom the request is made under this section must comply with the request. A person or entity receiving records or information under this section that are confidential must also keep the records or information confidential.

(c) A person or an entity that receives confidential records or information under this section and knowingly or intentionally discloses the records or information to an unauthorized person commits a Class A misdemeanor.

SECTION 10. IC 6-1.1-1-1.5, AS AMENDED BY P.L.88-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1.5. (a) "Assessing official" means:

- (1) a township assessor **(if any)**;
- (2) a county assessor;** or
- ~~(2)~~ **(3) a member of a county property tax assessment board of appeals.**

SECTION 11. IC 6-1.1-1-22, AS AMENDED BY P.L.88-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 22. "Township assessor" **includes:**

- ~~(1) an elected means a township assessor and~~
- ~~(2) a trustee assessor: elected under IC 36-6-5-1."~~

Page 14, delete lines 1 through 27.

Page 15, line 2, delete "county".

Page 15, line 2, strike "assessors."

Page 15, line 2, after "assessors." insert "**assessing officials**".

Page 15, delete lines 3 through 42, begin a new paragraph and insert:

"SECTION 12. IC 6-1.1-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Except as provided in subsection (c) and section 11 of this chapter, personal property which is owned by a person who is a resident of this state shall be assessed at the place where the owner resides on the assessment date of the year for which the

assessment is made.

(b) Except as provided in subsection (c) and section 11 of this chapter, personal property which is owned by a person who is not a resident of this state shall be assessed at the place where the owner's principal office within this state is located on the assessment date of the year for which the assessment is made.

(c) Personal property shall be assessed at the place where it is situated on the assessment date of the year for which the assessment is made if the property is:

- (1) regularly used or permanently located where it is situated; or
- (2) owned by a nonresident who does not have a principal office within this state.

(d) If a personal property return is filed pursuant to subsection (c), the owner of the property shall provide, within forty-five (45) days after the filing deadline, a copy or other written evidence of the filing of the return to the assessor of the township in which the owner resides **or to the county assessor if there is no township assessor for the township**. If such evidence is not filed within forty-five (45) days after the filing deadline, the **township or county assessor of for the township in which area where** the owner resides shall determine if the owner filed a personal property return in the township **or county** where the property is situated. If such a return was filed, the property shall be assessed where it is situated. If such a return was not filed, the **township or county assessor of for the township area** where the owner resides shall notify the assessor of the township **or county** where the property is situated, and the property shall be assessed where it is situated. This subsection does not apply to a taxpayer who:

- (1) is required to file duplicate personal property returns under section 7(c) of this chapter and under regulations promulgated by the department of local government finance with respect to that section; or
- (2) is required by the department of local government finance to file a summary of the taxpayer's business tangible personal property returns.

SECTION 13. IC 6-1.1-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) If a question arises as to the proper place to assess personal property, the county assessor shall determine the place if:

- (1) two (2) or more townships in the county are served by township assessors and the conflict involves different townships which are located within the county the assessor serves: two (2) or more of those townships; or**
- (2) the conflict does not involve any other county and none of the townships in the county is served by a township assessor.**

If the conflict involves different counties, the department of local government finance shall determine the proper place of assessment.

(b) A determination made under this section by a **county assessor** or the department of local government finance is final.

(c) If taxes are paid to a county which is not entitled to collect them, the department of local government finance may direct the authorities of the county which wrongfully collected the taxes to refund the taxes collected and any penalties charged on the taxes.

SECTION 14. IC 6-1.1-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. Before the assessment date of each year, the county auditor shall deliver to each township assessor **(if any) and the county assessor** the proper assessment books and necessary blanks for the listing and assessment of personal property.

SECTION 15. IC 6-1.1-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. Between the assessment date and the filing date of each year, the appropriate township assessor, **or the county assessor if there is no township assessor for the township**, shall furnish each person whose personal property is subject to assessment for that

year with a personal property return.

SECTION 16. IC 6-1.1-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) Except as provided in subsections (b) and (d), a taxpayer shall, on or before the filing date of each year, file a personal property return with:

- (1) the assessor of each township in which the taxpayer's personal property is subject to assessment; or
- (2) **the county assessor if there is no township assessor for a township in which the taxpayer's personal property is subject to assessment.**

(b) The township assessor or 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 prior to 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.

(c) If the sum of the assessed values reported by a taxpayer on the business personal property returns which the taxpayer files with the township assessor or county assessor for a year exceeds one hundred fifty thousand dollars (\$150,000), the taxpayer shall file each of the returns in duplicate.

(d) ~~A taxpayer may file a consolidated return with the county assessor if: the~~

- (1) a taxpayer has personal property subject to assessment in more than one (1) township in a county; and
- (2) the total assessed value of the personal property in the county is less than one million five hundred thousand dollars (\$1,500,000); ~~A~~

~~the taxpayer filing a consolidated return shall file a single return with the county assessor and attach a schedule listing, by township, all the taxpayer's personal property and the property's assessed value. A taxpayer filing a consolidated return is not required to file a personal property return with the assessor of each township. A The taxpayer filing a consolidated return shall provide the following: (1) the county assessor with the information necessary for the county assessor to allocate the assessed value of the taxpayer's personal property among the townships listed on the return, including the street address, the township, and the location of the property.~~

~~(2) A copy of the consolidated return, with attachments, for each township listed on the return.~~

~~(c) The county assessor shall provide to each affected township assessor in the county all information filed by a taxpayer under subsection (d) that affects the township. The county assessor shall provide the information before:~~

- (1) ~~May 25 of each year, for a return filed on or before the filing date for the return; or~~
- (2) ~~June 30 of each year, for a return filed after the filing date for the return.~~

~~(f) The township assessor shall send all required notifications to the taxpayer.~~

~~(g) (e) The county assessor may refuse to accept a consolidated personal property tax return that does not have attached to it a schedule listing, by township, all the personal property of the taxpayer and the assessed value of the property as required under comply with subsection (d). For purposes of IC 6-1.1-37-7, a consolidated return to which subsection (d) applies is filed on the date it is filed with the county assessor with the schedule of personal property and assessed value required by subsection (d) attached.~~

SECTION 17. IC 6-1.1-3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) For purposes of this section, "inventory" means:

- (1) materials held for processing or for use in production;
- (2) finished or partially finished goods of a manufacturer or processor; and

(3) property held for sale in the ordinary course of trade or business.

(b) For purposes of this section, "dealer" has the meaning set forth in IC 9-13-2-42.

(c) For purposes of this section, "established place of business" refers to a place of business that meets the minimum standards prescribed by the bureau of motor vehicles under rules adopted under IC 4-22-2.

(d) If the inventory owned or held by a taxpayer on the assessment date of a year does not, in the taxpayer's opinion, fairly represent the average inventory carried by the taxpayer, the taxpayer may elect to list the taxpayer's inventory for assessment on the basis of the average true tax value of the inventory owned or held by the taxpayer during the preceding calendar year, or during the portion of the preceding calendar year that the taxpayer was engaged in business.

(e) If a taxpayer elects to use the average method, the taxpayer shall notify the township assessor, **or the county assessor if there is no township assessor for the township**, of the election at the time the taxpayer files the taxpayer's personal property return. The election, once made, is binding on the taxpayer for the tax year in question and for each year thereafter unless permission to change is granted by the department of local government finance.

(f) If a taxpayer elects to use the average method, the taxpayer shall use that method for reporting the value of all the taxpayer's inventories which are located in this state.

(g) Inventory owned by a dealer shall be assessed at the dealer's established place of business.

SECTION 18. IC 6-1.1-3-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. The township assessor, **or the county assessor if there is no township assessor for the township**, shall:

- (1) examine and verify; or
- (2) allow a contractor under IC 6-1.1-36-12 to examine and verify;

the accuracy of each personal property return filed with the township or county assessor by a taxpayer. If appropriate, the assessor or contractor under IC 6-1.1-36-12 shall compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

SECTION 19. IC 6-1.1-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. (a) In connection with the activities required by section 14 of this chapter, or if a person owning, holding, possessing, or controlling any personal property fails to file a personal property return with the township or county assessor as required by this chapter, the township or county assessor may examine:

- (1) the personal property of the person;
- (2) the books and records of the person; and
- (3) under oath, the person or any other person whom the assessor believes has knowledge of the amount, identity, or value of the personal property reported or not reported by the person on a return.

(b) After such an examination, the assessor shall assess the personal property to the person owning, holding, possessing, or controlling that property.

(c) As an alternative to such an examination, the township or county assessor may estimate the value of the personal property of the taxpayer and shall assess the person owning, holding, possessing, or controlling the property in an amount based upon the estimate. Upon receiving a notification of estimated value from the township or county assessor, the taxpayer may elect to file a personal property return, subject to the penalties imposed by IC 6-1.1-37-7.

SECTION 20. IC 6-1.1-3-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. If, from the evidence before ~~him~~, a township or county assessor, the assessor determines that a person has temporarily converted any

part of ~~his~~ **the person's** personal property into property which is not taxable under this article to avoid the payment of taxes on the converted property, the township **or county** assessor shall assess the converted property to the taxpayer.

SECTION 21. IC 6-1.1-3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. (a) On or before June 1 of each year, each township assessor **(if any)** of a county shall deliver to the county assessor a list which states by taxing district the total of the personal property assessments as shown on the personal property returns filed with the **township** assessor on or before the filing date of that year and in a county with a township assessor under IC 36-6-5-1 **(before its repeal)** in every township the township assessor shall deliver the lists to the county auditor as prescribed in subsection (b).

(b) On or before July 1 of each year, each county assessor shall certify to the county auditor the assessment value of the personal property in every taxing district.

(c) The department of local government finance shall prescribe the forms required by this section.

SECTION 22. IC 6-1.1-3-18, AS AMENDED BY P.L.219-2007, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. (a) Each township assessor of a county **(if any)** shall periodically report to the county assessor and the county auditor with respect to the returns and properties of taxpayers which the township assessor has examined. The township assessor shall submit these reports in the form and on the dates prescribed by the department of local government finance.

(b) Each year, on or before the time prescribed by the department of local government finance, each township assessor of a county **(if any)** shall deliver to the county assessor a copy of each business personal property return which the taxpayer is required to file in duplicate **with the township assessor** under section 7(c) of this chapter and a copy of any supporting data supplied by the taxpayer with the return. Each year, the county assessor:

- (1) shall review and may audit those returns; and
- (2) shall determine the returns in which the assessment appears to be improper.

SECTION 23. IC 6-1.1-3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19. **(a)** While a county property tax assessment board of appeals is in session, each township assessor of the county **(if any)** shall make the following information available to the county assessor and the board:

- (1) Personal property returns.
- (2) Documents related to the returns. ~~and~~
- (3) Any information in the possession of the **township** assessor ~~which that~~ is related to the identity of the owners or possessors of property or the values of property.

(b) Upon written request of the board, the township assessor shall furnish ~~this~~ information **referred to in subsection (a)** to any member of the board either directly or through employees of the board."

Delete pages 16 through 19.

Page 20, delete lines 1 through 25.

Page 20, line 40, reset in roman "township".

Page 20, line 40, delete "county".

Page 20, line 40, after "assessor" insert "**or the county assessor if there is no township assessor for the township.**".

Page 21, delete lines 12 through 42, begin a new paragraph and insert:

"SECTION 26. IC 6-1.1-4-4.7, AS ADDED BY P.L.228-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.7. ~~(a)~~ For purposes of this section, "assessor" means:

- ~~(1) a township assessor; or~~
- ~~(2) a county assessor who assumes the responsibility for verifying sales under 50 IAC 21-3-2(b).~~

~~(b)~~ The department of local government finance shall provide training to **township assessors, county** assessors, and county auditors with respect to the verification of sales disclosure forms under 50 IAC 21-3-2.

SECTION 27. IC 6-1.1-4-12.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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,~~ **section 4 of this chapter**, each oil or gas interest shall be assessed annually by the assessor of the township in which the oil or gas is located, **or the county assessor if there is no township assessor for the township.** The township **or county** 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 **assessment assessment** as real property. Notwithstanding ~~the provisions of IC 1971, 6-1.1-4-4,~~ **section 4 of this chapter**, each of these appurtenances shall be assessed annually by the assessor of the township in which the appurtenance is located, **or the county assessor if there is no township assessor for the township.** The township **or county** assessor shall assess the appurtenance to the person who owns or operates the working interest in the oil or gas interest.

SECTION 28. IC 6-1.1-4-12.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 ($\frac{1}{2}$) the assessed value computed under the formula prescribed in this subsection. The appropriate township assessor **(if any), or the county assessor if there is no township assessor for the township**, 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 assessor, **or the county assessor if there is no township assessor for the township**, 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 **and county** assessors to use in assessing the appurtenances described in section 12.4(c) of this chapter.

SECTION 29. IC 6-1.1-4-13.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13.6. (a) The township assessor, **or the county assessor if there is no**

township assessor for the township, shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the township **or county** using guidelines determined by the department of local government finance. Not later than November 1 of the year preceding the year in which a general reassessment becomes effective, the assessor determining the values of land shall submit the values to the county property tax assessment board of appeals. Not later than December 1 of the year preceding the year in which a general reassessment becomes effective, the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1 and shall hold the hearing after March 31 and before December 1 of the year preceding the year in which the general reassessment under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** becomes effective.

(b) The county property tax assessment board of appeals shall review the values submitted under subsection (a) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the department of local government finance. If the county assessor **or township assessor** fails to submit land values under subsection (a) to the county property tax assessment board of appeals before November 1 of the year before the date the general reassessment under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** becomes effective, the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before the general reassessment becomes effective, the department of local government finance shall determine the values.

(c) The county assessor shall notify all township assessors in the county **(if any)** of the values as modified by the county property tax assessment board of appeals. ~~Township assessors~~ **Assessing officials** shall use the values determined under this section.

SECTION 30. IC 6-1.1-4-13.8, AS AMENDED BY P.L.228-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13.8. (a) As used in this section, "commission" refers to a county land valuation commission established under subsection (b).

(b) Subject to subsection ~~(j)~~, **(k)**, a county land valuation commission is established in each county for the purpose of determining the value of commercial, industrial, and residential land (including farm homesites) in the county.

(c) The county assessor is chairperson of the commission.

(d) The following are members of the commission:

(1) The county assessor. The county assessor shall cast a vote only to break a tie.

(2) Each township assessor **(if any)**, when the respective township land values for that township assessor's township are under consideration. A township assessor serving under this subdivision shall vote on all matters relating to the land values of that township assessor's township.

(3) One (1) township assessor **(if any)** from the county to be appointed by a majority vote of all the township assessors in the county.

(4) One (1) county resident who:

(A) holds a license under IC 25-34.1-3 as a salesperson or broker; and

(B) is appointed by:

(i) the board of commissioners (as defined in IC 36-3-3-10) for a county having a consolidated city; or

(ii) the county executive (as defined in IC 36-1-2-5)

for a county not described in item (i).

(5) Four (4) individuals who:

(A) are appointed by the county executive (as defined in IC 36-1-2-5); and

(B) represent one (1) of the following four (4) kinds of land in the county:

(i) Agricultural.

(ii) Commercial.

(iii) Industrial.

(iv) Residential.

Each of the four (4) kinds of land in the county must be represented by one (1) individual appointed under this subdivision.

(6) One (1) individual who:

(A) represents financial institutions in the county; and (B) is appointed by:

(i) the board of commissioners (as defined in IC 36-3-3-10) for a county having a consolidated city; or

(ii) the county executive (as defined in IC 36-1-2-5) for a county not described in item (i).

(e) The term of each member of the commission begins November 1 of the year that precedes by two (2) years the year in which a general reassessment begins under ~~IC 6-1.1-4-4~~, **section 4 of this chapter**, and ends January 1 of the year in which the general reassessment begins under ~~IC 6-1.1-4-4~~, **section 4 of this chapter**. The appointing authority may fill a vacancy for the remainder of the vacated term.

(f) The commission shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the county using guidelines determined by the department of local government finance. Not later than November 1 of the year preceding the year in which a general reassessment begins, the commission determining the values of land shall submit the values, all data supporting the values, and all information required under rules of the department of local government finance relating to the determination of land values to the county property tax assessment board of appeals and the department of local government finance. Not later than January 1 of the year in which a general reassessment begins, the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1 and shall hold the hearing after March 31 of the year preceding the year in which the general reassessment begins and before January 1 of the year in which the general reassessment under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** begins.

(g) The county property tax assessment board of appeals shall review the values, data, and information submitted under subsection (f) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the department of local government finance. If the commission fails to submit land values under subsection (f) to the county property tax assessment board of appeals before January 1 of the year the general reassessment under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** begins, the county property tax assessment board of appeals shall determine the values.

(h) The county property tax assessment board of appeals shall give notice to the county and township assessors **(if any)** of its decision on the values. The notice must be given before March 1 of the year the general reassessment under ~~IC 6-1.1-4-4~~ **section 4 of this chapter** begins. Not later than twenty (20) days after that notice, the county assessor or a township assessor in the county **(if any)** may request that the county property tax

assessment board of appeals reconsider the values. The county property tax assessment board of appeals shall hold a hearing on the reconsideration in the county. The county property tax assessment board of appeals shall give notice of the hearing under IC 5-3-1.

(i) Not later than twenty (20) days after notice to the county assessor and township assessor (**if any**) is given under subsection (h), a taxpayer may request that the county property tax assessment board of appeals reconsider the values. The county property tax assessment board of appeals may hold a hearing on the reconsideration in the county. The county property tax assessment board of appeals shall give notice of the hearing under IC 5-3-1.

(j) A taxpayer may appeal the value determined under this section as applied to the taxpayer's land as part of an appeal filed under IC 6-1.1-15 after the taxpayer has received a notice of assessment. If a taxpayer that files an appeal under IC 6-1.1-15 requests the values, data, or information received by the county property tax assessment board of appeals under subsection (f), the county property tax assessment board of appeals shall satisfy the request. The department of local government finance may modify the taxpayer's land value and the value of any other land in the township, the county where the taxpayer's land is located, or the adjacent county if the department of local government finance determines it is necessary to provide uniformity and equality.

(k) The county assessor shall notify all township assessors in the county (**if any**) of the values as determined by the commission and as modified by the county property tax assessment board of appeals or department of local government finance under this section. Township assessors shall use the values determined under this section.

(l) After notice to the county assessor and all township assessors in the county (**if any**), a majority of the assessors authorized to vote under this subsection may vote to abolish the county land valuation commission established under subsection (b). Each township assessor and the county assessor has one (1) vote: The county assessor shall give written notice to:

- (1) each member of the county land valuation commission; and
- (2) each township assessor in the county (**if any**);

of the abolishment of the commission under this subsection. **If there are no township assessors in the county, the county assessor may abolish the county land valuation commission.**

SECTION 31. IC 6-1.1-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. (a) If real property is subject to assessment or reassessment under this chapter, the assessor of the township in which the property is located, **or the county assessor if there is no township assessor for the township**, shall either appraise the property ~~himself~~ or have it appraised.

(b) In order to determine the assessed value of buildings and other improvements, the township **or county** assessor or ~~his~~ **the assessor's** authorized representative may, after first making known ~~his~~ **the assessor's or representative's** intention to the owner or occupant, enter and fully examine all buildings and structures which are located within the township ~~he serves~~ **or county** and which are subject to assessment.

SECTION 32. IC 6-1.1-4-16, AS AMENDED BY P.L.228-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) For purposes of making a general reassessment of real property or annual adjustments under section 4.5 of this chapter, any township assessor (**if any**) and any county assessor may employ:

- (1) deputies;
- (2) employees; and
- (3) technical advisors who are:
 - (A) qualified to determine real property values;
 - (B) professional appraisers certified under 50 IAC 15;

and

(C) employed either on a full-time or a part-time basis, subject to sections 18.5 and 19.5 of this chapter.

(b) The county council of each county shall appropriate the funds necessary for the employment of deputies, employees, or technical advisors employed under subsection (a) of this section.

SECTION 33. IC 6-1.1-4-17, AS AMENDED BY P.L.228-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a:

- (1) township assessor (**if any**); or
- (2) group consisting of the county assessor and the township assessors in a county;

may employ professional appraisers as technical advisors. A decision by one (1) or more assessors referred to in subdivisions (1) and (2) to not employ a professional appraiser as a technical advisor in a general reassessment is subject to approval by the department of local government finance.

(b) After notice to the county assessor and all township assessors in the county (**if any**), a majority of the assessors authorized to vote under this subsection may vote to:

- (1) employ a professional appraiser to act as a technical advisor in the county during a general reassessment period;
- (2) appoint an assessor or a group of assessors to:
 - (A) enter into and administer the contract with a professional appraiser employed under this section; and
 - (B) oversee the work of a professional appraiser employed under this section.

Each township assessor and the county assessor has one (1) vote. A decision by a majority of the persons authorized to vote is binding on the county assessor and all township assessors in the county. Subject to the limitations in section 18.5 of this chapter, the assessor or assessors appointed under subdivision (2) may contract with a professional appraiser employed under this section to supply technical advice during a general reassessment period for all townships in the county. A proportionate part of the appropriation to all townships for assessing purposes shall be used to pay for the technical advice.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

SECTION 34. IC 6-1.1-4-18.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18.5. (a) A township assessor (**if any**), a group of township assessors (**if any**), or the county assessor may not use the services of a professional appraiser for assessment or reassessment purposes without a written contract. The contract used must be either a standard contract developed by the ~~state board of tax commissioners (before the board was abolished)~~ or the department of local government finance or a contract which has been specifically approved by the ~~board~~ or the department. The department shall ensure that the contract:

- (1) includes all of the provisions required under section 19.5(b) of this chapter; and
- (2) adequately provides for the creation and transmission of real property assessment data in the form required by the legislative services agency and the division of data analysis of the department.

(b) No contract shall be made with any professional appraiser to act as technical advisor in the assessment of property, before the giving of notice and the receiving of bids from anyone desiring to furnish this service. Notice of the time and place for receiving bids for the contract shall be given by publication by one (1) insertion in two (2) newspapers of general circulation published in the county and representing each of the two (2) leading political parties in the county. ~~or~~ If only one (1) newspaper is there published, notice in that one (1) newspaper is sufficient to comply with the requirements of this subsection. The contract shall be awarded to the lowest and best bidder who

meets all requirements under law for entering a contract to serve as technical advisor in the assessment of property. However, any and all bids may be rejected, and new bids may be asked.

(c) The county council of each county shall appropriate the funds needed to meet the obligations created by a professional appraisal services contract which is entered into under this chapter.

SECTION 35. IC 6-1.1-4-19.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19.5. (a) The department of local government finance shall develop a standard contract or standard provisions for contracts to be used in securing professional appraising services.

(b) The standard contract or contract provisions must contain:

- (1) a fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract;
- (2) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;
- (3) a provision requiring the appraiser, or appraisal firm, to make periodic reports to the township assessors ~~involved;~~ **(if any) or the county assessor;**
- (4) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (3) of this subsection are to be made;
- (5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;
- (6) a provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance; and
- (7) a provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract.

The department of local government finance may devise other necessary provisions for the contracts in order to give effect to **the provisions of this chapter.**

(c) In order to comply with the duties assigned to it by this section, the department of local government finance may develop:

- (1) one (1) or more model contracts;
- (2) one (1) contract with alternate provisions; or
- (3) any combination of subdivisions (1) and (2).

The department may approve special contract language in order to meet any unusual situations.

SECTION 36. IC 6-1.1-4-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 20. The department of local government finance may establish a period with respect to each general reassessment that is the only time during which a township **assessor (if any)** or county assessor may enter into a contract with a professional appraiser. The period set by the department of local government finance may not begin before January 1 of the year the general reassessment begins. If no period is established by the department of local government finance, a township or county assessor may enter into such a contract only on or after January 1 and before April 16 of the year in which the general reassessment is to commence.

SECTION 37. IC 6-1.1-4-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 21. (a) If, during a period of general reassessment, a township assessor **or county assessor personally** makes the real property appraisals, ~~himself;~~ the appraisals of the parcels subject to taxation must be completed as follows:

- (1) The appraisal of one-fourth (1/4) of the parcels shall be completed before December 1 of the year in which the general reassessment begins.

(2) The appraisal of one-half (1/2) of the parcels shall be completed before May 1 of the year following the year in which the general reassessment begins.

(3) The appraisal of three-fourths (3/4) of the parcels shall be completed before October 1 of the year following the year in which the general reassessment begins.

(4) The appraisal of all the parcels shall be completed before March 1 of the second year following the year in which the general reassessment begins.

(b) If a township assessor **or county assessor** employs a professional appraiser or a professional appraisal firm to make real property appraisals during a period of general reassessment, the professional appraiser or appraisal firm must file appraisal reports with the township assessor **or county assessor** as follows:

(1) The appraisals for one-fourth (1/4) of the parcels shall be reported before December 1 of the year in which the general reassessment begins.

(2) The appraisals for one-half (1/2) of the parcels shall be reported before May 1 of the year following the year in which the general reassessment begins.

(3) The appraisals for three-fourths (3/4) of the parcels shall be reported before October 1 of the year following the year in which the general reassessment begins.

(4) The appraisals for all the parcels shall be reported before March 1 of the second year following the year in which the general reassessment begins.

However, the reporting requirements prescribed in this subsection do not apply if the contract under which the professional appraiser, or appraisal firm, is employed prescribes different reporting procedures."

Delete pages 22 through 30.

Page 31, delete lines 1 through 14.

Page 31, line 22, reset in roman "township".

Page 31, line 22, after "township" insert "**or**".

Page 31, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 39. IC 6-1.1-4-25, AS AMENDED BY P.L.177-2005, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 25. (a) Each township assessor **and each county assessor** shall keep the assessor's reassessment data and records current by securing the necessary field data and by making changes in the assessed value of real property as changes occur in the use of the real property. The township **or 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 **(if any), the county assessor if there are no township assessors 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; 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 40. IC 6-1.1-4-28.5, AS AMENDED BY P.L.219-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

- (1) the general reassessment of real property, including the computerization of assessment records;
- (2) payments to ~~county assessors, members of property tax assessment boards of appeals, or~~ assessing officials **and hearing officers for county property tax assessment boards of appeals** under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;
- (4) the updating of plat books;
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist ~~county assessors, members of a county property tax assessment board of appeals, and~~ assessing officials;
- (6) making annual adjustments under section 4.5 of this chapter; and
- (7) the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to
 - (A) the county assessor; or
 - (B) township assessors **(if any)**;
 under IC 6-1.1-5.5-3.

Money in a property tax reassessment fund may not be transferred or reassigned to any other fund and may not be used for any purposes other than those set forth in this section.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with ~~an elected~~ a township assessor in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section."

Delete pages 32 through 33.

Page 34, delete lines 1 through 34.

Page 35, delete lines 8 through 42, begin a new paragraph and insert:

"SECTION 42. IC 6-1.1-4-31, AS AMENDED BY P.L.228-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 property assessment activities in the county, as determined by the department.

The department of local government finance may inform township assessors **(if any)**, county assessors, and the presidents of county councils in writing if its check reveals that the general reassessment or other 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 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 assessment activities for a general reassessment year or any other year are not being properly conducted; and
- (2) informs:

- (A) the township assessor **(if any)** of each affected township;
 - (B) the county assessor; and
 - (C) the president of the county council;
- in writing under subsection (a);

the department may order a state conducted assessment or reassessment 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 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 **(if any)**;
 - (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.

SECTION 43. IC 6-1.1-4-31.5, AS ADDED BY P.L.228-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 31.5. (a) As used in this section, "assessment official" means any of the following:

- (1) A county assessor.
- (2) A township assessor.
- ~~(3) A township trustee-assessor.~~

(b) As used in this section, "department" refers to the department of local government finance.

(c) If the department makes a determination and informs local officials under section 31(c) of this chapter, the department may order a state conducted assessment or reassessment in the county subject to the time limitation in that subsection.

(d) If the department orders a state conducted assessment or reassessment in a county, the department shall assume the duties of the county's assessment officials. Notwithstanding sections 15 and 17 of this chapter, an assessment official in a county subject to an order issued under this section may not assess property or have property assessed for the assessment or general reassessment. Until the state conducted assessment or reassessment is completed under this section, the assessment or reassessment duties of an assessment 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.

(e) Before assuming the duties of a county's assessment officials, the department shall transmit a copy of the department's order requiring a state conducted assessment or reassessment to the county's assessment 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. The department is not required to conduct a public hearing before taking action under this section.

(f) ~~Township and~~ County assessment 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 assessment or 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 an assessment or a general reassessment and is subject to IC 6-1.1-37-2.

(g) The department may enter into a contract with a professional appraising firm to conduct an assessment or 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 assessment or reassessment before the department orders a state conducted assessment or 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.

(h) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (g), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment. The notice of assessment or reassessment:

- (1) is subject to appeal by the taxpayer under section 31.7 of this chapter; and
- (2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

(i) The department shall forward a bill for services provided under a contract described in subsection (g) 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 (j).

(j) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (g), without appropriation, from the county 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~~. **date the claim is certified by the county fiscal officer if the procedures in IC 5-11-10-2 are used to approve the claim or the date the claim is placed on the claim docket under IC 36-2-6-4 if the procedures in IC 36-2-6-4 are used to approve the claim.** 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 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.

(k) 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.

(l) If money in the county's property reassessment fund is insufficient to pay for an assessment or 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 assessment or reassessment.

(m) 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 assessment officials of the land values determined under this subsection.

(n) 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 (j) 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 (j) 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.

(o) The department, upon receiving notice under subsection (n) 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 (n)(1) or (n)(2); or
- (B) a person or an entity acted or failed to act as described in subsection (n)(3); and

(2) provide to the treasurer of state the department's approval under subsection (j)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (n).

(p) Upon receipt of the department's approval of a contractor's bill under subsection (o), 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.

(q) 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 (n) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (p). 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.

(r) Compliance with subsections (n) through (q) constitutes compliance with IC 5-11-10.

(s) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (n) through (q). This subsection and subsections (n) through (q) 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.

(t) The provisions of this section are severable as provided in

IC 1-1-1-8(b).

SECTION 44. 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, 2009]: 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) explain to the taxpayer how the assessment or reassessment was determined;
- (4) provide to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or reassessment;
- (5) note and consider objections of the taxpayer;
- (6) consider all errors alleged by the taxpayer; and
- (7) 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 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.

(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;
- (3) the county assessor; and

- (4) the township assessor (**if any**) 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 45. IC 6-1.1-4-31.7, AS AMENDED BY P.L.219-2007, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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) 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 or level three 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 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 (**if any**); and
 - (D) 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 (**if any**) 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.

SECTION 46. IC 6-1.1-4-39, AS AMENDED BY P.L.199-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 39. (a) For assessment dates after February 28, 2005, except as provided in subsections (c) and (e), the true tax value of real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more and that has more than four (4) rental units is the lowest valuation determined by applying each of the following appraisal approaches:

- (1) Cost approach that includes an estimated reproduction

or replacement cost of buildings and land improvements as of the date of valuation together with estimates of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences.

(2) Sales comparison approach, using data for generally comparable property.

(3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.

(b) The gross rent multiplier method is the preferred method of valuing:

(1) real property that has at least one (1) and not more than four (4) rental units; and

(2) mobile homes assessed under IC 6-1.1-7.

(c) A township assessor **(if any) or the county assessor** is not required to appraise real property referred to in subsection (a) using the three (3) appraisal approaches listed in subsection (a) if the ~~township~~ assessor and the taxpayer agree before notice of the assessment is given to the taxpayer under section 22 of this chapter to the determination of the true tax value of the property by the assessor using one (1) of those appraisal approaches.

(d) To carry out this section, the department of local government finance may adopt rules for assessors to use in gathering and processing information for the application of the income capitalization method and the gross rent multiplier method. A taxpayer must verify under penalties for perjury any information provided to the **township or county** assessor for use in the application of either method.

(e) The true tax value of low income rental property (as defined in section 41 of this chapter) is not determined under subsection (a). The assessment method prescribed in section 41 of this chapter is the exclusive method for assessment of that property. This subsection does not impede any rights to appeal an assessment.

SECTION 47. IC 6-1.1-4-39.5, AS ADDED BY P.L.233-2007, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 39.5. (a) As used in this section, "qualified real property" means a riverboat (as defined in IC 4-33-2-17).

(b) Except as provided in subsection (c), the true tax value of qualified real property is the lowest valuation determined by applying each of the following appraisal approaches:

(1) Cost approach that includes an estimated reproduction or replacement cost of buildings and land improvements as of the date of valuation together with estimates of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences using base prices determined under 50 IAC 2.3 and associated guidelines published by the department.

(2) Sales comparison approach, using data for generally comparable property, excluding values attributable to licenses, fees, or personal property as determined under 50 IAC 4.2.

(3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.

(c) A township **or county** assessor is not required to appraise qualified real property using the three (3) appraisal approaches listed in subsection (b) if the township **or county** assessor and the taxpayer agree before notice of the assessment is given to the taxpayer under section 22 of this chapter to the determination of the true tax value of the property by the assessor using one (1) of those appraisal approaches.

(d) To carry out this section, the department of local government finance may adopt rules for assessors to use in

gathering and processing information for the application of the income capitalization method. A taxpayer must verify under penalties for perjury any information provided to the assessor for use in the application of the income capitalization method.

SECTION 48. IC 6-1.1-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 assessor **(if any) or the county assessor** a list of all real property entered in the township **or 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 49. IC 6-1.1-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. ~~Except as provided in section 4(b) of this chapter, for all civil townships in which~~ **In a county containing a consolidated city: is situated,**

(1) the township assessor has the duties and authority described in sections 1 through 8 of this chapter; and

(2) the county assessor has the duties and authority described in sections 1 through 8 of this chapter for a township for which there is no township assessor.

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;~~ **a county containing a consolidated city,** the clerk of the court shall deliver the transcript to the ~~township~~ **county** assessor.

SECTION 50. IC 6-1.1-5-9.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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, **or the county assessor if there is no township assessor for the township,** 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 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 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 assessor instead of the county auditor, before it is recorded. The township 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 51. IC 6-1.1-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. If a township assessor, **or the county assessor if there is no township assessor for the township,** believes that it is necessary to obtain an accurate description of a specific lot or tract, ~~which is situated in the township he serves;~~ the assessor may demand in

writing that the owner or occupant of the lot or tract deliver all the title papers in ~~his~~ **the owner's or occupant's** possession to the assessor for ~~his~~ **the assessor's** examination. If the person fails to deliver the title papers to the 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~~ **the assessor** can obtain. For that purpose, the assessor may examine, under oath, any person whom ~~he~~ **the assessor** believes has any knowledge relevant to the issue.

SECTION 52. IC 6-1.1-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) In order to determine the quantity of land contained within a tract, an assessor shall follow the rules contained in this section.

(b) Except as provided in subsection (c), ~~of this section~~, the 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 (c)~~ **subsection (f)**, 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 owner or person in whose name the land is listed** 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.

(e) If the party fails to return the certificate ~~under subsection (d)~~ within thirty (30) days after the demand is mailed, the 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.

~~(c)~~ **(f)** 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 53. IC 6-1.1-5-14, AS AMENDED BY P.L.88-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. Not later than May 15, each ~~assessing official~~ **township assessor in the county (if any)** 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 54. IC 6-1.1-5-15, AS AMENDED BY P.L.228-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 **(if any)** in which the real property to be demolished, modified, or improved is situated.

(e) 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 fund.

(f) 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) 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 55. IC 6-1.1-5.5-3, AS AMENDED BY P.L.219-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 do the following:

- (1) 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.

- (2) Before filing a sales disclosure form with the county auditor, submit the sales disclosure form to the county assessor. The county assessor must review the accuracy and

completeness of each sales disclosure form submitted immediately upon receipt of the form and, if the form is accurate and complete, stamp the form as eligible for filing with the county auditor and return the form to the appropriate party for filing with the county auditor. If multiple forms are filed in a short period, the county assessor shall process the forms as quickly as possible. For purposes of this subdivision, a sales disclosure form is considered to be accurate and complete if:

(A) the county assessor does not have substantial evidence when the form is reviewed under this subdivision that information in the form is inaccurate; and

(B) the form:

(i) substantially conforms to the sales disclosure form prescribed by the department of local government finance under section 5 of this chapter; and

(ii) is submitted to the county assessor in a format usable to the county assessor.

(3) File the sales disclosure form with the county auditor.

(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 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, 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 **(if any)**. The township **or county** assessor shall forward the sales disclosure form to the department of local government finance and the legislative services agency 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.

(e) 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.

(f) County assessing officials and other local officials may not establish procedures or requirements concerning sales disclosure forms that substantially differ from the procedures and requirements of this chapter.

SECTION 56. IC 6-1.1-5.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 **(if any)** in a county containing a consolidated city, ~~or the county assessor in~~ **for a township in a county for which there is no township assessor, or the county assessor for 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 57. IC 6-1.1-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. A person who permits a mobile home to be placed on any land which ~~he~~ **the person** owns, possesses, or controls shall report that fact to the assessor of the township in which the land is located, **or the county assessor if there is no township assessor for the township,** within ten (10) days after the mobile home is placed on the land. The ten (10) day period commences the day after the day that the mobile home is placed upon the land.

SECTION 58. IC 6-1.1-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. A mobile home which is subject to taxation under this chapter shall be assessed by the assessor of the township within which the place of assessment is located, **or the county assessor if there is no township assessor for the township.** Each township assessor ~~of a county and the county assessor~~ shall certify the assessments of mobile homes to the county auditor in the same manner provided for the certification of personal property assessments. The township **or county** assessor shall make this certification on the forms prescribed by the department of local government finance.

SECTION 59. IC 6-1.1-8-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 23. Each year a public utility company shall file a statement with the assessor of each township **(if any)** and county assessor of each county in which the company's property is located. The company shall file the statement on the form prescribed by the department of local government finance. The statement shall contain a description of the company's tangible personal property located in the township **or county.**

SECTION 60. IC 6-1.1-8-24, AS AMENDED BY P.L.88-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 24. (a) Each year a township assessor, **or the county assessor if there is no township assessor for the township,** shall assess the fixed property ~~which that~~ 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~~ **or county.**

(b) The township **or county** assessor shall determine the assessed value of fixed property. ~~The A~~ 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~~ **electd** a township assessor in every township the township assessor shall certify the list to the department of local government finance. The county assessor shall review the assessed values and shall certify the assessed values to the department of local government finance on or before April 10 of ~~the that year. of assessment.~~

SECTION 61. IC 6-1.1-8-33 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 33. A public utility company may appeal a township **or county** assessor's assessment of fixed property in the same manner that it may appeal a township **or county** assessor's assessment of tangible property under ~~IC 6-1.1-15~~, IC 6-1.1-15.

SECTION 62. IC 6-1.1-8-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 39. The annual assessments of a public utility company's property are presumed to include all the company's property which is subject to taxation under this chapter. However, this presumption does not preclude the subsequent assessment of a specific item of tangible property which is clearly shown to have been omitted from the assessments for that year. The appropriate township assessor, **or the county assessor if there is no township assessor for the township**, shall make assessments of omitted fixed property. The department of local government finance shall make assessments of omitted distributable property. However, the department of local government finance may not assess omitted distributable property after the expiration of ten (10) years from the last day of the year in which the assessment should have been made.

SECTION 63. IC 6-1.1-8.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) The township assessor of each township (**if any**) in a qualifying county shall notify the department of local government finance of a newly constructed industrial facility that is located in the township served by the township assessor. **The county assessor shall perform this duty for a township in a qualifying county if there is no township assessor for the township.**

(b) Each building commissioner in a qualifying county shall notify the department of local government finance of a newly constructed industrial facility that is located in the jurisdiction served by the building commissioner.

(c) The department of local government finance shall schedule an assessment under this chapter of a newly constructed industrial facility within six (6) months after receiving notice of the construction ~~from the appropriate township assessor or building commissioner~~: **under this section.**

SECTION 64. IC 6-1.1-9-1, AS AMENDED BY P.L.219-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. If a township assessor (**if any**), county assessor, or county property tax assessment board of appeals believes that any taxable tangible 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 review with the county property tax assessment board of appeals under IC 6-1.1-15-1.

SECTION 65. IC 6-1.1-9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. The county assessor shall obtain from the county auditor or the township assessors (**if any**) all returns for tangible property made by the township assessors of the county and all assessment lists, schedules, statements, maps, and other books and papers filed with the county auditor by the township assessors. For purposes of discovering undervalued or omitted property, the county assessor shall carefully examine the county tax duplicates and all other pertinent records and papers of the county auditor, treasurer, recorder, clerk, sheriff, and surveyor. The county assessor shall, in the manner prescribed in this article, assess all omitted or undervalued tangible property which is subject to assessment.

SECTION 66. IC 6-1.1-10-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) The owner of an industrial waste control facility who wishes to obtain the exemption provided in section 9 of this chapter shall file an

exemption claim **along** with the ~~assessor of the township in which the property is located when he files his owner's~~ annual personal property return. The claim shall describe and state the assessed value of the property for which an exemption is claimed.

(b) The owner shall, by registered or certified mail, forward a copy of the exemption claim to the department of environmental management. The department shall acknowledge its receipt of the claim.

(c) The department of environmental management may investigate any claim. The department may also determine if the property for which the exemption is claimed is being utilized as an industrial waste control facility. Within one hundred twenty (120) days after a claim is mailed to the department, the department may certify its written determination to the township **or county** assessor with whom the claim was filed.

(d) The determination of the department remains in effect:

(1) as long as the owner owns the property and uses the property as an industrial waste control facility; or

(2) for five (5) years;

whichever is less. In addition, during the five (5) years after the department's determination the owner of the property must notify the **township county** assessor and the department in writing if any of the property on which the department's determination was based is disposed of or removed from service as an industrial waste control facility.

(e) The department may revoke a determination if the department finds that the property is not predominantly used as an industrial waste control facility.

(f) The township **or county** assessor, in accord with the determination of the department, shall allow or deny in whole or in part each exemption claim. However, if the owner provides the assessor with proof that a copy of the claim has been mailed to the department, and if the department has not certified a determination to the assessor within one hundred twenty (120) days after the claim has been mailed to the department, the assessor shall allow the total exemption claimed by the owner.

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

SECTION 67. IC 6-1.1-10-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. (a) The owner of personal property which is part of a stationary or unlicensed mobile air pollution control system who wishes to obtain the exemption provided in section 12 of this chapter shall claim the exemption on ~~his the owner's~~ annual personal property return. ~~which he files with the assessor of the township in which the property is located~~: On the return, the owner shall describe and state the assessed value of the property for which the exemption is claimed.

(b) The township **or county** assessor shall:

(1) review the exemption claim; and ~~he shall~~

(2) allow or deny it in whole or in part.

In making ~~his the~~ decision, the township **or county** assessor shall consider the requirements stated in section 12 of this chapter.

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

SECTION 68. IC 6-1.1-10-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. The action taken by a township **or county** assessor on an exemption claim filed under section 10 or ~~section~~ 13 of this chapter shall be treated as an assessment of personal property. Thus, the assessor's action is subject to all the provisions of this article pertaining to notice, review, or appeal of personal property assessments.

SECTION 69. IC 6-1.1-10-31.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 31.7. (a) Subject to subsection (c), in order to claim a property tax

exemption under section 31.4, 31.5, or 31.6 of this chapter, the owner or possessor of:

- (1) a truck chassis under section 31.4 of this chapter;
- (2) a passenger motor vehicle under section 31.5 of this chapter; or
- (3) a school bus body or chassis under section 31.6 of this chapter;

must file a claim for an exemption at the same time that the taxpayer is required to file a personal property tax return.

(b) A claim for exemption under this section must be filed on a form:

- (1) prescribed by the department of local government finance; and
- (2) containing the following information:
 - (A) A description of the property claimed to be exempt in sufficient detail to afford identification of the property.
 - (B) A statement indicating the ownership and the possession of the property.
 - (C) The grounds for claiming the exemption.
 - (D) The full name and address of the applicant.
 - (E) Any additional information that the department of local government finance may require that is:
 - (i) reasonably related to the exemption; and
 - (ii) necessary to determine the exemption.

(c) Notwithstanding subsection (b), an owner or a possessor may claim an exemption for a chassis or vehicle under this section without filing the form required under subsection (b) if:

- (1) before March 1 the owner or possessor of the chassis or vehicle identifies the chassis or vehicle, by chassis or vehicle identification number, as a chassis or vehicle to be used to fulfill an order from an out-of-state dealer; and
- (2) the owner or possessor of the chassis or vehicle submits with the owner's or possessor's personal property return a list that:
 - (A) gives the chassis or vehicle identification number of each chassis or vehicle claimed to be exempt under subdivision (1); and
 - (B) identifies the order from an out-of-state dealer that corresponds to each chassis or vehicle listed.

(d) If, upon the request of ~~the local an~~ assessing official ~~a county assessor, a member of the county property tax assessment board of appeals,~~ or the department of local government finance, the owner or possessor is unable to verify that the chassis or vehicle was used to fulfill the identified order, an exemption claimed under subsection (c) shall be denied.

SECTION 70. IC 6-1.1-10.1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) A high impact business that desires to obtain the property tax credit provided by section 10 of this chapter must file a certified credit application, on forms prescribed by the department of local government finance, with the auditor of the county in which the inventory is located. The credit application must be filed on or before May 15 each year. If the high impact business obtains a filing extension under IC 6-1.1-3-7(b) for any year, the application for the year must be filed by the extended due date for that year.

(b) The property tax credit application required by this section must contain the following information:

- (1) The name of the high impact business owning the inventory.
- (2) A description of the inventory for which a property tax credit is claimed in sufficient detail to afford identification.
- (3) The assessed value of the inventory subject to the property tax credit.
- (4) Any other information considered necessary by the department of local government finance.

(c) On verification of the correctness of a property tax credit application by the ~~assessors~~ assessor of the ~~townships township~~

in which the inventory is located, **or the county assessor if there is no township assessor for the township**, the county auditor shall grant the property tax credit.

(d) The property tax credit and the period of the credit provided for inventory under section 10 of this chapter are not affected by a change in the ownership of the high impact business if the new owner of the high impact business owning the inventory:

- (1) continues the business operation of the high impact business within the commission's jurisdiction and maintains employment levels within the commission's jurisdiction consistent with the certification and pledge required under section 9(a) of this chapter; and
- (2) files an application in the manner provided by subsections (a) and (b).

SECTION 71. IC 6-1.1-11-3, AS AMENDED BY P.L.219-2007, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) Subject to subsections (e), (f), and (g), 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 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 **or direct the township assessor to properly assess the real property;** and

(2) notify the ~~county assessor and~~ county auditor of the proper assessment **or direct the township assessor to notify the 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.

(g) This subsection applies whenever a law requires an exemption to be claimed on or in an application accompanying a personal property tax return. The claim or application may be filed on or with a personal property tax return not more than thirty (30) days after the filing date for the personal property tax return, regardless of whether an extension of the filing date has been granted under IC 6-1.1-3-7.

SECTION 72. IC 6-1.1-12-20, AS AMENDED BY P.L.154-2006, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 20. (a) A property owner who desires to obtain the deduction provided by section 18 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the rehabilitated property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before June 11 of the year in which the addition to assessed value is made.

(b) If notice of the addition to assessed value for any year is not given to the property owner before May 11 of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township **or county** assessor.

(c) The application required by this section shall contain the following information:

- (1) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (2) Statements of the ownership of the property.
- (3) The assessed value of the improvements on the property before rehabilitation.
- (4) The number of dwelling units on the property.
- (5) The number of dwelling units rehabilitated.
- (6) The increase in assessed value resulting from the rehabilitation. ~~and~~
- (7) The amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the increase in assessed value occurs and for the immediately following four (4) years without any additional application being filed.

(e) On verification of an application by the assessor of the township in which the property is located, **or the county assessor if there is no township assessor for the township**, the county auditor shall make the deduction.

SECTION 73. IC 6-1.1-12-24, AS AMENDED BY P.L.154-2006, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before June 11 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation for any year is not given to the property owner before May 11 of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township **or county** assessor.

(c) The application required by this section shall contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements on the property before rehabilitation.
- (4) The increase in the assessed value of improvements resulting from the rehabilitation. ~~and~~
- (5) The amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the addition to assessed value is made and in the immediate following four (4) years without any additional application being filed.

(e) On verification of the correctness of an application by the assessor of the township in which the property is located, **or the county assessor if there is no township assessor for the township**, the county auditor shall make the deduction.

SECTION 74. IC 6-1.1-12-27.1, AS AMENDED BY P.L.183-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 27.1. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 26 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 real property or mobile home is subject to assessment. With respect to real property, the person must file the statement during the twelve (12) months before June 11 of each year for which the person desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. 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. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, **or the county assessor if there is no township assessor for the township**, the county auditor shall allow the deduction.

SECTION 75. IC 6-1.1-12-28.5, AS AMENDED BY P.L.137-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 28.5. (a) For purposes of this section:

- (1) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a) and includes a waste determined to be a hazardous waste under IC 13-22-2-3(b).
- (2) "Resource recovery system" means tangible property directly used to dispose of solid waste or hazardous waste by converting it into energy or other useful products.
- (3) "Solid waste" has the meaning set forth in IC 13-11-2-205(a) but does not include dead animals or any animal solid or semisolid wastes.

(b) Except as provided in this section, the owner of a resource recovery system is entitled to an annual deduction in an amount equal to ninety-five percent (95%) of the assessed value of the system if:

- (1) the system was certified by the department of environmental management for the 1993 assessment year or a prior assessment year; and
- (2) the owner filed a timely application for the deduction for the 1993 assessment year.

For purposes of this section, a system includes tangible property that replaced tangible property in the system after the

certification by the department of environmental management.

(c) The owner of a resource recovery system that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

- (1) is convicted of any violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or a criminal statute under IC 13; or
- (2) is subject to an order or a consent decree with respect to property located in Indiana based upon a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(d) The certification of a resource recovery system by the department of environmental management for the 1993 assessment year or a prior assessment year is valid through the 1997 assessment year so long as the property is used as a resource recovery system. If the property is no longer used for the purpose for which the property was used when the property was certified, the owner of the property shall notify the county auditor. However, the deduction from the assessed value of the system is:

- (1) ninety-five percent (95%) for the 1994 assessment year;
- (2) ninety percent (90%) for the 1995 assessment year;
- (3) seventy-five percent (75%) for the 1996 assessment year; and
- (4) sixty percent (60%) for the 1997 assessment year.

Notwithstanding this section as it existed before 1995, for the 1994 assessment year, the portion of any tangible property comprising a resource recovery system that was assessed and first deducted for the 1994 assessment year may not be deducted for property taxes first due and payable in 1995 or later.

(e) In order to qualify for a deduction under this section, the person who desires to claim the deduction must file an application with the county auditor after February 28 and before May 16 of the current assessment year. An application must be filed in each year for which the person desires to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. If the application is not filed before the applicable deadline under this subsection, the deduction is waived. The application must be filed on a form prescribed by the department of local government finance. The application for a resource recovery system deduction must include:

- (1) a certification by the department of environmental management for the 1993 assessment year or a prior assessment year as described in subsection (d); or
- (2) the certification by the department of environmental management for the 1993 assessment year as described in subsection (g).

Beginning with the 1995 assessment year a person must also file an itemized list of all property on which a deduction is claimed. The list must include the date of purchase of the property and the cost to acquire the property.

(f) Before July 1, 1995, the department of environmental management shall transfer all the applications, records, or other material the department has with respect to resource recovery system deductions under this section for the 1993 and 1994 assessment years. The township assessor, **or the county assessor if there is no township assessor for the township**, shall verify each deduction application filed under this section and the county auditor shall determine the deduction. The county auditor shall send to the department of local government finance a copy of each deduction application. The county auditor shall notify the county property tax assessment board of appeals of all deductions allowed under this section. A denial of a deduction claimed under this subsection may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor, **the county assessor**, or the

county auditor.

(g) Notwithstanding subsection (d), the certification for the 1993 assessment year of a resource recovery system in regard to which a political subdivision is liable for the payment of the property taxes remains valid at the ninety-five percent (95%) deduction level allowed before 1994 as long as the political subdivision remains liable for the payment of the property taxes on the system.

SECTION 76. IC 6-1.1-12-30, AS AMENDED BY P.L.183-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 30. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 29 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 real property or mobile home is subject to assessment. With respect to real property, the person must file the statement during the twelve (12) months before June 11 of each year for which the person desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, **or the county assessor if there is no township assessor for the township**, the county auditor shall allow the deduction.

SECTION 77. IC 6-1.1-12-35.5, AS AMENDED BY P.L.183-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 35.5. (a) Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 31, 33, 34, or 34.5 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, and proof of certification under subsection (b) or (f) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement during the twelve (12) months before June 11 of the assessment year. The person must file the statement in each year for which the person desires to obtain the deduction. With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. 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. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, **or the county assessor if there is no township assessor for the township**, the county auditor shall allow the deduction.

(b) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. If the department of environmental management receives an application for certification before May 11 of the assessment year, the department shall determine whether the system or device qualifies for a deduction before June 11 of the assessment year. If the department fails to make a determination under this

subsection before June 11 of the assessment year, the system or device is considered certified.

(d) A denial of a deduction claimed under section 31, 33, 34, or 34.5 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township **assessor, the county assessor, or the county property tax assessment board of appeals, or department of local government finance.**

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in subsection (a) during the twelve (12) months before June 11 of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year.

(f) This subsection applies only to an application for a deduction under section 34.5 of this chapter. The center for coal technology research established by IC 21-47-4-1, upon receiving an application from the owner of a building, shall determine whether the building qualifies for a deduction under section 34.5 of this chapter. If the center determines that a building qualifies for a deduction, the center shall certify the building and provide proof of the certification to the owner of the building. The center shall prescribe the form and procedure for certification of buildings under this subsection. If the center receives an application for certification of a building under section 34.5 of this chapter before May 11 of an assessment year:

- (1) the center shall determine whether the building qualifies for a deduction before June 11 of the assessment year; and
- (2) if the center fails to make a determination before June 11 of the assessment year, the building is considered certified."

Delete pages 36 through 66.

Page 67, delete lines 1 through 4.

Page 71, delete lines 23 through 42, begin a new paragraph and insert:

"SECTION 84. IC 6-1.1-12-38, AS AMENDED BY P.L.154-2006, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 38. (a) A person is entitled to a deduction from the assessed value of the person's property in an amount equal to the difference between:

- (1) the assessed value of the person's property, including the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11; minus
- (2) the assessed value of the person's property, excluding the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11.

(b) To obtain the deduction under this section, a person 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 property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist listing the improvements that were made to comply with the fertilizer storage rules adopted under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11. The statement and certification must be filed before June 11 of the year preceding the year the deduction will first be applied. Upon the verification of the statement and certification by the assessor of the township in which the property is subject to assessment, **or the county assessor if there is no township assessor for the township,** the county auditor shall allow the deduction.

SECTION 85. IC 6-1.1-12-41, AS AMENDED BY

P.L.199-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 41. (a) This section does not apply to assessment years beginning after December 31, 2005.

(b) As used in this section, "assessed value of inventory" means the assessed value determined after the application of any deductions or adjustments that apply by statute or rule to the assessment of inventory, other than the deduction allowed under subsection (f).

(c) As used in this section, "county income tax council" means a council established by IC 6-3.5-6-2.

(d) As used in this section, "fiscal body" has the meaning set forth in IC 36-1-2-6.

(e) As used in this section, "inventory" has the meaning set forth in IC 6-1.1-3-11.

(f) An ordinance may be adopted in a county to provide that a deduction applies to the assessed value of inventory located in the county. The deduction is equal to one hundred percent (100%) of the assessed value of inventory located in the county for the appropriate year of assessment. An ordinance adopted under this section in a particular year applies:

- (1) if adopted before March 31, 2004, to each subsequent assessment year ending before January 1, 2006; and
- (2) if adopted after March 30, 2004, and before June 1, 2005, to the March 1, 2005, assessment date.

An ordinance adopted under this section may be consolidated with an ordinance adopted under IC 6-3.5-7-25 or IC 6-3.5-7-26. The consolidation of an ordinance adopted under this section with an ordinance adopted under IC 6-3.5-7-26 does not cause the ordinance adopted under IC 6-3.5-7-26 to expire after December 31, 2005.

(g) An ordinance may not be adopted under subsection (f) after May 30, 2005. However, an ordinance adopted under this section:

- (1) before March 31, 2004, may be amended after March 30, 2004; and
- (2) before June 1, 2005, may be amended after May 30, 2005;

to consolidate an ordinance adopted under IC 6-3.5-7-26.

(h) The entity that may adopt the ordinance permitted under subsection (f) is:

- (1) the county income tax council if the county option income tax is in effect on January 1 of the year in which an ordinance under this section is adopted;
- (2) the county fiscal body if the county adjusted gross income tax is in effect on January 1 of the year in which an ordinance under this section is adopted; or
- (3) the county income tax council or the county fiscal body, whichever acts first, for a county not covered by subdivision (1) or (2).

To adopt an ordinance under subsection (f), 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. The entity that adopts the ordinance shall provide a certified copy of the ordinance to the department of local government finance before February 1.

(i) A taxpayer is not required to file an application to qualify for the deduction permitted under subsection (f).

(j) The department of local government finance shall incorporate the deduction established in this section in the personal property return form to be used each year for filing under IC 6-1.1-3-7 or IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the form. If a taxpayer fails to enter the deduction on the form, the township assessor, **or the county assessor if there is no township assessor for the township,** shall:

- (1) determine the amount of the deduction; and
- (2) within the period established in IC 6-1.1-16-1, issue a notice of assessment to the taxpayer that reflects the

application of the deduction to the inventory assessment.

(k) The deduction established in this section must be applied to any inventory assessment made by:

- (1) an assessing official;
- (2) a county property tax board of appeals; or
- (3) the department of local government finance.

SECTION 86. IC 6-1.1-12-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 42. (a) As used in this section, "assessed value of inventory" means the assessed value determined after the application of any deductions or adjustments that apply by statute or rule to the assessment of inventory, other than the deduction established in subsection (c).

(b) As used in this section, "inventory" has the meaning set forth in IC 6-1.1-3-11.

(c) A taxpayer is entitled to a deduction from assessed value equal to one hundred percent (100%) of the taxpayer's assessed value of inventory beginning with assessments made in 2006 for property taxes first due and payable in 2007.

(d) A taxpayer is not required to file an application to qualify for the deduction established by this section.

(e) The department of local government finance shall incorporate the deduction established by this section in the personal property return form to be used each year for filing under IC 6-1.1-3-7 or IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the form. If a taxpayer fails to enter the deduction on the form, the township assessor, **or the county assessor if there is no township assessor for the township**, shall:

- (1) determine the amount of the deduction; and
- (2) within the period established in IC 6-1.1-16-1, issue a notice of assessment to the taxpayer that reflects the application of the deduction to the inventory assessment.

(f) The deduction established by this section must be applied to any inventory assessment made by:

- (1) an assessing official;
- (2) a county property tax assessment board of appeals; or
- (3) the department of local government finance.

SECTION 87. IC 6-1.1-12.1-5, AS AMENDED BY P.L.193-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (c), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township **or county** assessor.

(c) The deduction application required by this section must contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements before rehabilitation.
- (4) The increase in the assessed value of improvements resulting from the rehabilitation.
- (5) The assessed value of the new structure in the case of redevelopment.
- (6) The amount of the deduction claimed for the first year of the deduction.
- (7) If the deduction application is for a deduction in a residentially distressed area, the assessed value of the improvement or new structure for which the deduction is

claimed.

(d) A deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the following years the deduction is allowed without any additional deduction application being filed. However, property owners who had an area designated an urban development area pursuant to a deduction application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to a deduction application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

(e) A property owner who desires to obtain the deduction provided by section 3 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which shall be applicable for the year filed and the subsequent years without any additional deduction application being filed for the amounts of the deduction which would be applicable to such years pursuant to section 4 of this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall act as follows:

- (1) If a determination about the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.
- (2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.
- (3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

- (1) continues to use the property in compliance with any standards established under section 2(g) of this chapter; and
- (2) files an application in the manner provided by subsection (e).

(h) The township **or county** assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the property is located, **or the county assessor if there is no township assessor for the township**, review the deduction application.

(j) A property owner may appeal a determination of the county auditor under subsection (f) to deny or alter the amount of the deduction by requesting in writing a preliminary conference with the county auditor not more than forty-five (45) days after the county auditor gives the person notice of the determination. An appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

SECTION 88. IC 6-1.1-12.1-5.3, AS ADDED BY P.L.154-2006, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5.3. (a) A property owner that desires to obtain the deduction provided by section 4.8 of this chapter must file a deduction application, on

forms prescribed by the department of local government finance, with the auditor of the county in which the eligible vacant building is located. Except as otherwise provided in this section, the deduction application must be filed before May 10 of the year in which the property owner or a tenant of the property owner initially occupies the eligible vacant building.

(b) If notice of the assessed valuation or new assessment for a year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date the notice is mailed to the property owner at the address shown on the records of the township **or county** assessor.

(c) The deduction application required by this section must contain the following information:

- (1) The name of the property owner and, if applicable, the property owner's tenant.
- (2) A description of the property for which a deduction is claimed.
- (3) The amount of the deduction claimed for the first year of the deduction.
- (4) Any other information required by the department of local government finance or the designating body.

(d) A deduction application filed under this section applies to the year in which the property owner or a tenant of the property owner occupies the eligible vacant building and in the following year if the deduction is allowed for a two (2) year period, without an additional deduction application being filed.

(e) A property owner that desires to obtain the deduction provided by section 4.8 of this chapter but that did not file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year. A deduction application filed under this subsection applies to the year in which the deduction application is filed and the following year if the deduction is allowed for a two (2) year period, without an additional deduction application being filed. The amount of the deduction under this subsection is the amount that would have been applicable to the year under section 4.8 of this chapter if the deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall do the following:

- (1) If a determination concerning the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.
- (2) If a determination concerning the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided by section 4.8 of this chapter are not affected by a change in the ownership of the eligible vacant building or a change in the property owner's tenant, if the new property owner or the new tenant:

- (1) continues to occupy the eligible vacant building in compliance with any standards established under section 2(g) of this chapter; and
- (2) files an application in the manner provided by subsection (e).

(h) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the eligible vacant building is located, **or the county assessor if there is no township assessor for the township**, review the deduction application.

(i) A property owner may appeal a determination of the county

auditor under subsection (f) by requesting in writing a preliminary conference with the county auditor not more than forty-five (45) days after the county auditor gives the property owner notice of the determination. An appeal under this subsection shall be processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

(j) In addition to the requirements of subsection (c), a property owner that files a deduction application under this section must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 4.8 of this chapter. This information must be included in the deduction application and must also be updated each year in which the deduction is applicable:

- (1) at the same time that the property owner or the property owner's tenant files a personal property tax return for property located at the eligible vacant building for which the deduction was granted; or
- (2) if subdivision (1) does not apply, before May 15 of each year.

(k) The following information is a public record if filed under this section:

- (1) The name and address of the property owner.
- (2) The location and description of the eligible vacant building for which the deduction was granted.
- (3) Any information concerning the number of employees at the eligible vacant building for which the deduction was granted, including estimated totals that were provided as part of the statement of benefits.
- (4) Any information concerning the total of the salaries paid to the employees described in subdivision (3), including estimated totals that are provided as part of the statement of benefits.
- (5) Any information concerning the assessed value of the eligible vacant building, including estimates that are provided as part of the statement of benefits.

(l) Information concerning the specific salaries paid to individual employees by the property owner or tenant is confidential.

SECTION 89. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.193-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5.4. (a) A person that desires to obtain the deduction provided by section 4.5 of this chapter must file a certified deduction schedule with the person's personal property return on a form prescribed by the department of local government finance with the township assessor of the township in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is located, **or with the county assessor if there is no township assessor for the township**. Except as provided in subsection (e), the deduction is applied in the amount claimed in a certified schedule that a person files with:

- (1) a timely personal property return under IC 6-1.1-3-7(a) or IC 6-1.1-3-7(b); or
- (2) a timely amended personal property return under IC 6-1.1-3-7.5.

The township **or county** assessor shall forward to the county auditor **and the county assessor** a copy of each certified deduction schedule filed under this subsection. **The township assessor shall forward to the county assessor a copy of each certified deduction schedule filed with the township assessor under this subsection.**

(b) The deduction schedule required by this section must contain the following information:

- (1) The name of the owner of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(2) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) The amount of the deduction claimed for the first year of the deduction.

(c) This subsection applies to a deduction schedule with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which a statement of benefits was initially approved after April 30, 1991. If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction schedule to the designating body, and the designating body shall adopt a resolution under section 4.5(g)(2) of this chapter.

(d) A deduction schedule must be filed under this section in the year in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is installed and in each of the immediately succeeding years the deduction is allowed.

(e) The township assessor, or the county assessor **if there is no township assessor for the township**, may:

- (1) review the deduction schedule; and
- (2) before the March 1 that next succeeds the assessment date for which the deduction is claimed, deny or alter the amount of the deduction.

If the township ~~assessor~~ or ~~the~~ county assessor does not deny the deduction, the county auditor shall apply the deduction in the amount claimed in the deduction schedule or in the amount as altered by the township ~~assessor~~ or ~~the~~ county assessor. A township ~~assessor~~ or a county assessor who denies a deduction under this subsection or alters the amount of the deduction shall notify the person that claimed the deduction and the county auditor of the assessor's action. The county auditor shall notify the designating body and the county property tax assessment board of appeals of all deductions applied under this section.

(f) If the ownership of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment changes, the deduction provided under section 4.5 of this chapter continues to apply to that equipment if the new owner:

- (1) continues to use the equipment in compliance with any standards established under section 2(g) of this chapter; and
- (2) files the deduction schedules required by this section.

(g) The amount of the deduction is the percentage under section 4.5 of this chapter that would have applied if the ownership of the property had not changed multiplied by the assessed value of the equipment for the year the deduction is claimed by the new owner.

(h) A person may appeal a determination of the township ~~assessor~~ or ~~the~~ county assessor under subsection (e) to deny or alter the amount of the deduction by requesting in writing a preliminary conference with the township ~~assessor~~ or ~~the~~ county assessor not more than forty-five (45) days after the township ~~assessor~~ or ~~the~~ county assessor gives the person notice of the determination. Except as provided in subsection (i), an appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

(i) The county assessor is recused from any action the county property tax assessment board of appeals takes with respect to an appeal under subsection (h) of a determination by the county assessor.

SECTION 90. IC 6-1.1-12.1-5.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5.8. In lieu of providing the statement of benefits required by section 3

or 4.5 of this chapter and the additional information required by section 5.1 or 5.6 of this chapter, the designating body may, by resolution, waive the statement of benefits if the designating body finds that the purposes of this chapter are served by allowing the deduction and the property owner has, during the thirty-six (36) months preceding the first assessment date to which the waiver would apply, installed new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment or developed or rehabilitated property at a cost of at least ten million dollars (\$10,000,000) as determined by the assessor of the township in which the property is located, **or by the county assessor if there is no township assessor for the township.**

SECTION 91. IC 6-1.1-12.1-5.9, AS AMENDED BY P.L.154-2006, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5.9. (a) This section does not apply to:

- (1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or
- (2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 1991.

(b) Not later than forty-five (45) days after receipt of the information described in section 5.1, 5.3(j), or 5.6 of this chapter, the designating body may determine whether the property owner has substantially complied with the statement of benefits approved under section 3, 4.5, or 4.8 of this chapter. If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:

- (1) An explanation of the reasons for the designating body's determination.
- (2) The date, time, and place of a hearing to be conducted by the designating body for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.

(c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3, 4.5, or 4.8 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

(d) If the designating body adopts a resolution terminating a deduction under subsection (c), the designating body shall immediately mail a certified copy of the resolution to:

- (1) the property owner;
- (2) the county auditor; and
- (3) ~~if the deduction applied under section 4.5 of this chapter, the township county assessor.~~

The county auditor shall remove the deduction from the tax

duplicate and shall notify the county treasurer of the termination of the deduction. If the designating body's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

(e) A property owner whose deduction is terminated by the designating body under this section may appeal the designating body's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is final and conclusive unless an appeal is taken as in other civil actions.

(f) If an appeal under subsection (e) is pending, the taxes resulting from the termination of the deduction are not due until after the appeal is finally adjudicated and the termination of the deduction is finally determined.

SECTION 92. IC 6-1.1-12.4-1, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. For purposes of this chapter, "official" means:

- (1) a county auditor;
- (2) a county assessor; or
- (3) a township assessor (if any).

SECTION 93. IC 6-1.1-12.4-2, AS AMENDED BY P.L.219-2007, SECTION 34, AND AS AMENDED BY P.L.234-2007, SECTION 38, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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~~ 2007. Except as provided in subsection (h) 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) *Subject to section 14 of this chapter*, 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, **or the county assessor if there is no township assessor for the township**, 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) 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) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

SECTION 94. IC 6-1.1-12.4-3, AS AMENDED BY P.L.219-2007, SECTION 35, AND AS AMENDED BY P.L.234-2007, SECTION 39, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) For purposes of this section, an increase in the assessed value of personal property is determined in the same manner that an increase in the assessed value of new manufacturing equipment is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to personal property that the owner purchases after March 1, 2005, and before March 2, ~~2009~~ 2007. Except as provided in sections 4, 5, and 8 of this chapter, an owner that purchases personal property other than inventory (as defined in 50 IAC 4.2-5-1, as in effect on January 1, 2005) that:

- (1) was never before used by its owner for any purpose in Indiana; and
- (2) creates or retains employment;

is entitled to a deduction from the assessed value of the personal property.

(c) *Subject to section 14 of this chapter*, the deduction under this section is first available in the year in which the increase in assessed value resulting from the purchase of the personal property occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to personal 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 purchase of the personal property; multiplied by
 - (B) the percentage from the following table:
- | YEAR OF DEDUCTION | PERCENTAGE |
|-------------------|------------|
| 1st | 75% |
| 2nd | 50% |
| 3rd | 25% |

(d) If an appeal of an assessment is approved that results in a reduction of the assessed value of the personal property, the amount of the deduction is adjusted to reflect the percentage decrease that results from the appeal.

(e) A property owner must claim the deduction under this section on the owner's annual personal property tax return. The township assessor, **or the county assessor if there is no township assessor for the township**, shall:

- (1) identify the personal property eligible for the deduction

to the county auditor; and

(2) inform the county auditor of the deduction amount.

(f) 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.

(g) The deduction under this section does not apply to personal property at a facility listed in IC 6-1.1-12.1-3(e).

SECTION 95. IC 6-1.1-12.4-9, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. If an official terminates a deduction under section 8 of this chapter:

(1) the official shall immediately mail a certified copy of the determination to:

(A) the property owner; and

(B) if the determination is made by the county assessor or the township assessor (**if any**), the county auditor;

(2) the county auditor shall:

(A) remove the deduction from the tax duplicate; and

(B) notify the county treasurer of the termination of the deduction; and

(3) if the official's determination to terminate the deduction occurs after the county treasurer has mailed the statement required by IC 6-1.1-22-8, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

SECTION 96. IC 6-1.1-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. When the county property tax assessment board of appeals convenes, the county auditor shall submit to the board the assessment list of the county for the current year as returned by the township assessors (**if any**) and as amended and returned by the county assessor. The county assessor shall make recommendations to the board for corrections and changes in the returns and assessments. The board shall consider and act upon all the recommendations.

SECTION 97. IC 6-1.1-14-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. The county assessor, a township assessor (**if any**), or ten (10) or more taxpayers who are affected by an equalization order issued under section 5 of this chapter may file a petition for review of the order with the county assessor auditor of the county to which the equalization order is issued. The petition must be filed within ten (10) days after notice of the order is given under section 9 of this chapter. The petition shall set forth, in the form and detail prescribed by the department of local government finance, the objections to the equalization order.

SECTION 98. IC 6-1.1-14-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) If a petition for review of an equalization order is filed with a county auditor under section 7 of this chapter, the county auditor shall immediately mail a certified copy of the petition and any information relevant to the petition to the department of local government finance. Within a reasonable period of time, the department of local government finance shall fix a date for a hearing on the petition. The hearing shall be held in the county to which the equalization order has been directed. At least three (3) days before the date fixed for the hearing, the department of local government finance shall give notice of the hearing by mail to the township assessor (**if any**) and the county assessors assessor whose assessments are assessment is affected by the order and to the first ten (10) taxpayers whose names appear on the petition for review at the addresses listed by those taxpayers on the petition. In addition, the department of local government finance shall give the notice, if any, required under section 9(a) of this chapter.

(b) After the hearing required by subsection (a), the department of local government finance may affirm, modify, or set aside its equalization order. The department shall certify its

action with respect to the order to the county auditor. The county auditor shall immediately make any changes in the assessed values required by the action of the department of local government finance.

(c) A person whose name appears on the petition for review may petition for judicial review of the final determination of the department of local government finance under subsection (b). The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (b).

SECTION 99. IC 6-1.1-15-1, AS AMENDED BY P.L.219-2007, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) A taxpayer may obtain a review by the county board 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 a review under this section, including a meeting under subsection (h) with the county or township official referred to in this subsection; and

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

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

(c) A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection (a). To obtain the review, the taxpayer must file a notice in writing with the township assessor of the township in which the property is subject to assessment, **or the county assessor if there is no township assessor for the township**. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. For an assessment date in a year before 2009, the notice must be filed on or before May 10 of the year. For an assessment date in a year after 2008, the notice must be filed not later than the later of:

(1) May 10 of the year; or

(2) forty-five (45) days after the date of the statement mailed by the county auditor under IC 6-1.1-17-3(b).

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

(e) The written notice filed by a taxpayer under subsection (b) or (c) 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) A county or township official who receives a notice for review filed by a taxpayer under subsection (b) or (c) shall immediately forward the notice to the county board.

(g) The county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of the notice for review filed by the taxpayer under subsection (b) or (c). The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed

the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board.

(h) Before the county board holds the hearing required under subsection (g), the taxpayer may request a meeting by filing a written request with the county or township official with whom the taxpayer filed the notice for review to:

- (1) attempt to resolve as many issues under review as possible; and
- (2) seek a joint recommendation for settlement of some or all of the issues under review.

A county or township official who receives a meeting request under this subsection before the county board hearing shall meet with the taxpayer. The taxpayer and the county or township official shall present a joint recommendation reached under this subsection to the county board at the hearing required under subsection (g). The county board may adopt or reject the recommendation in whole or in part.

(i) At the hearing required under subsection (g):

- (1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment; and
- (2) the county or township official with whom the taxpayer filed the notice for review must present:
 - (A) the basis for the assessment decision; and
 - (B) the reasons the taxpayer's contentions should be denied.

(j) The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (g).

(k) Regardless of whether the county board adopts a recommendation under subsection (h), the county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (g) to the taxpayer, the county assessor and the township assessor **(if any)**.

(l) If the maximum time elapses:

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

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

SECTION 100. IC 6-1.1-15-9, AS AMENDED BY P.L.219-2007, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) If the assessment or exemption of tangible property is corrected by the department of local government finance or the county board under section 8 of this chapter, the owner of the property has a right to appeal the final determination of the corrected assessment or exemption to the Indiana board. The county assessor also has a right to appeal the final determination of the reassessment or exemption by the department of local government finance or the county board, but only upon request by the county assessor, the ~~elected~~ township assessor **(if any)**, or an affected taxing unit. If the appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.

(b) An appeal under this section must be initiated in the manner prescribed in section 3 of this chapter or IC 6-1.5-5.

SECTION 1012. IC 6-1.1-15-12, AS AMENDED BY P.L.219-2007, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 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 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 **(if any)**.
- (2) The county auditor.
- (3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board 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 board 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 **(if any)**.

(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 or an appeal under IC 6-1.1-8-30.

(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 102. IC 6-1.1-15-14, AS AMENDED BY P.L.219-2007, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. In any assessment review, the assessing official ~~the county assessor, and the members of a county board~~ shall:

- (1) use the department of local government finance's rules in effect; and
- (2) consider the conditions and circumstances of the property as they existed;

on the original assessment date of the property under review.

SECTION 103. IC 6-1.1-15-16, AS AMENDED BY P.L.219-2007, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. Notwithstanding any provision in the 2002 Real Property Assessment Manual and Real Property Assessment Guidelines for 2002-Version A, incorporated by reference in 50 IAC 2.3-1-2, a county board or the Indiana board shall consider all evidence relevant to the assessment of real property regardless of whether the evidence was submitted to the township assessor **(if any) or county assessor** before the assessment of the property.

SECTION 104. IC 6-1.1-16-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Except as provided in section 2 of this chapter, an assessing official ~~county assessor~~; or county property tax assessment board of appeals may not change the assessed value claimed by a taxpayer on a personal property return unless the assessing official ~~county assessor~~; or county property tax assessment board of appeals takes the action and gives the notice required by IC 6-1.1-3-20 within the following ~~time~~ periods:

(1) A township ~~or county assessing official~~ **assessor (if any)** must make a change in the assessed value and give the notice of the change on or before the latter of:

- (A) September 15 of the year for which the assessment is made; or
- (B) four (4) months from the date the personal property return is filed if the return is filed after May 15 of the year for which the assessment is made.

(2) A county assessor or 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 ~~a township or county an~~ assessing official, ~~or county property tax assessment board of appeals~~; and give the notice of the change on or before the ~~latter~~ **later** of:

- (A) October 30 of the year for which the assessment is made; or
- (B) five (5) months from the date the personal property return is filed if the return is filed after May 15 of the year for which the assessment is made.

(3) 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 ~~latter~~ **later** of:

- (A) October 1 of the year immediately following the year for which the assessment is made; or
- (B) sixteen (16) months from the date the personal 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 an assessing official ~~a county assessor~~; or 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 personal 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 personal property return which substantially complies with ~~the provisions of~~ this article and the regulations of the department of local government finance; or
- (2) files a fraudulent personal 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)(3) 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 105. IC 6-1.1-16-2, AS AMENDED BY P.L.219-2007, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 **if there is no township assessor for the township**, may file a petition for review of the assessment by the Indiana board. The township ~~assessor~~ or ~~the~~ county assessor must file the petition for review in the manner provided in IC 6-1.1-15-3(d). 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) of this chapter as though the board acted and gave notice of its action on that day.

(b) Notwithstanding section 1(a)(3) 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."

Delete pages 72 through 91.

Page 92, delete lines 1 through 34.

Page 125, delete lines 12 through 42, begin a new paragraph and insert:

"SECTION 136 IC 6-1.1-21-4, AS AMENDED BY P.L.234-2007, SECTION 297, AND AS AMENDED BY P.L.219-2007, SECTION 62, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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, *except as provided in section 9 of this chapter*, 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 form data~~ under ~~IC 6-1.1-5.5-3(b)~~; ~~IC 6-1.1-5.5-3(h)~~; **IC 6-1.1-5.5-3(c)**;
- (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 **(if any)**, the ~~elected~~ township assessors **(if any)** 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 137. IC 6-1.1-23-1, AS AMENDED BY P.L.214-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Annually, after November 10th but before August 1st of the succeeding year, each county treasurer shall serve a written demand upon each county resident who is delinquent in the payment of personal property taxes. Annually, after May 10 but before October 31 of the same year, each county treasurer may serve a written demand upon a county resident who is delinquent in the payment of personal property taxes. The written demand may be served upon the taxpayer:

- (1) by registered or certified mail;
- (2) in person by the county treasurer or the county treasurer's agent; or
- (3) by proof of certificate of mailing.

(b) The written demand required by this section shall contain:

- (1) a statement that the taxpayer is delinquent in the payment of personal property taxes;
- (2) the amount of the delinquent taxes;
- (3) the penalties due on the delinquent taxes;
- (4) the collection expenses which the taxpayer owes; and
- (5) a statement that if the sum of the delinquent taxes, penalties, and collection expenses are not paid within thirty (30) days from the date the demand is made then:

- (A) sufficient personal property of the taxpayer shall be sold to satisfy the total amount due plus the additional collection expenses incurred; or
- (B) a judgment may be entered against the taxpayer in the circuit court of the county.

(c) Subsections (d) through (g) apply only to personal property that:

- (1) is subject to a lien of a creditor imposed under an agreement entered into between the debtor and the creditor after June 30, 2005;
- (2) comes into the possession of the creditor or the creditor's agent after May 10, 2006, to satisfy all or part of the debt arising from the agreement described in subdivision (1); and
- (3) has an assessed value of at least three thousand two hundred dollars (\$3,200).

(d) For the purpose of satisfying a creditor's lien on personal property, the creditor of a taxpayer that comes into possession of personal property on which the taxpayer is adjudicated delinquent in the payment of personal property taxes must pay in full to the county treasurer the amount of the delinquent personal

property taxes determined under STEP SEVEN of the following formula from the proceeds of any transfer of the personal property made by the creditor or the creditor's agent before applying the proceeds to the creditor's lien on the personal property:

STEP ONE: Determine the amount realized from any transfer of the personal property made by the creditor or the creditor's agent after the payment of the direct costs of the transfer.

STEP TWO: Determine the amount of the delinquent taxes, including penalties and interest accrued on the delinquent taxes as identified on the form described in subsection (f) by the county treasurer.

STEP THREE: Determine the amount of the total of the unpaid debt that is a lien on the transferred property that was perfected before the assessment date on which the delinquent taxes became a lien on the transferred property.

STEP FOUR: Determine the sum of the STEP TWO amount and the STEP THREE amount.

STEP FIVE: Determine the result of dividing the STEP TWO amount by the STEP FOUR amount.

STEP SIX: Multiply the STEP ONE amount by the STEP FIVE amount.

STEP SEVEN: Determine the lesser of the following:

(A) The STEP TWO amount.

(B) The STEP SIX amount.

(e) This subsection applies to transfers made by a creditor after May 10, 2006. As soon as practicable after a creditor comes into possession of the personal property described in subsection (c), the creditor shall request the form described in subsection (f) from the county treasurer. Before a creditor transfers personal property described in subsection (d) on which delinquent personal property taxes are owed, the creditor must obtain from the county treasurer a delinquent personal property tax form and file the delinquent personal property tax form with the county treasurer. The creditor shall provide the county treasurer with:

(1) the name and address of the debtor; and

(2) a specific description of the personal property described in subsection (d);

when requesting a delinquent personal property tax form.

(f) The delinquent personal property tax form must be in a form prescribed by the state board of accounts under IC 5-11 and must require the following information:

(1) The name and address of the debtor as identified by the creditor.

(2) A description of the personal property identified by the creditor and now in the creditor's possession.

(3) The assessed value of the personal property identified by the creditor and now in the creditor's possession, as determined under subsection (g).

(4) The amount of delinquent personal property taxes owed on the personal property identified by the creditor and now in the creditor's possession, as determined under subsection (g).

(5) A statement notifying the creditor that ~~IC 6-1.1-23-1~~ **this section** requires that a creditor, upon the liquidation of personal property for the satisfaction of the creditor's lien, must pay in full the amount of delinquent personal property taxes owed as determined under subsection (d) on the personal property in the amount identified on this form from the proceeds of the liquidation before the proceeds of the liquidation may be applied to the creditor's lien on the personal property.

(g) The county treasurer shall provide the delinquent personal property tax form described in subsection (f) to the creditor not later than fourteen (14) days after the date the creditor requests the delinquent personal property tax form. The county **assessor** and **the** township assessors (**if any**) shall assist the county treasurer in determining the appropriate assessed value of the

personal property and the amount of delinquent personal property taxes owed on the personal property. Assistance provided by the county **assessor** and **the** township assessors (**if any**) must include providing the county treasurer with relevant personal property forms filed with the **assessor** or assessors and providing the county treasurer with any other assistance necessary to accomplish the purposes of this section.

SECTION 138. IC 6-1.1-24-2, AS AMENDED BY P.L.89-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) In addition to the delinquency list required under section 1 of this chapter, each county auditor shall prepare a notice. The notice shall contain the following:

(1) A list of tracts or real property eligible for sale under this chapter.

(2) A statement that the tracts or real property included in the list will be sold at public auction to the highest bidder, subject to the right of redemption.

(3) A statement that the tracts or real property will not be sold for an amount which is less than the sum of:

(A) the delinquent taxes and special assessments on each tract or item of real property;

(B) the taxes and special assessments on each tract or item of real property that are due and payable in the year of the sale, whether or not they are delinquent;

(C) all penalties due on the delinquencies;

(D) an amount prescribed by the county auditor that equals the sum of:

(i) the greater of twenty-five dollars (\$25) or postage and publication costs; and

(ii) any other actual costs incurred by the county that are directly attributable to the tax sale; and

(E) any unpaid costs due under subsection (b) from a prior tax sale.

(4) A statement that a person redeeming each tract or item of real property after the sale must pay:

(A) one hundred ten percent (110%) of the amount of the minimum bid for which the tract or item of real property was offered at the time of sale if the tract or item of real property is redeemed not more than six (6) months after the date of sale;

(B) one hundred fifteen percent (115%) of the amount of the minimum bid for which the tract or item of real property was offered at the time of sale if the tract or item of real property is redeemed more than six (6) months after the date of sale;

(C) the amount by which the purchase price exceeds the minimum bid on the tract or item of real property plus ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid; and

(D) all taxes and special assessments on the tract or item of real property paid by the purchaser after the tax sale plus interest at the rate of ten percent (10%) per annum on the amount of taxes and special assessments paid by the purchaser on the redeemed property.

(5) A statement for informational purposes only, of the location of each tract or item of real property by key number, if any, and street address, if any, or a common description of the property other than a legal description. The township assessor, **or the county assessor if there is no township assessor for the township**, upon written request from the county auditor, shall provide the information to be in the notice required by this subsection. A misstatement in the key number or street address does not invalidate an otherwise valid sale.

(6) A statement that the county does not warrant the accuracy of the street address or common description of the property.

(7) A statement indicating:

- (A) the name of the owner of each tract or item of real property with a single owner; or
 - (B) the name of at least one (1) of the owners of each tract or item of real property with multiple owners.
- (8) A statement of the procedure to be followed for obtaining or objecting to a judgment and order of sale, that must include the following:
- (A) A statement:
 - (i) that the county auditor and county treasurer will apply on or after a date designated in the notice for a court judgment against the tracts or real property for an amount that is not less than the amount set under subdivision (3), and for an order to sell the tracts or real property at public auction to the highest bidder, subject to the right of redemption; and
 - (ii) indicating the date when the period of redemption specified in IC 6-1.1-25-4 will expire.
 - (B) A statement that any defense to the application for judgment must be:
 - (i) filed with the court; and
 - (ii) served on the county auditor and the county treasurer;
 before the date designated as the earliest date on which the application for judgment may be filed.
 - (C) A statement that the county auditor and the county treasurer are entitled to receive all pleadings, motions, petitions, and other filings related to the defense to the application for judgment.
 - (D) A statement that the court will set a date for a hearing at least seven (7) days before the advertised date and that the court will determine any defenses to the application for judgment at the hearing.
- (9) A statement that the sale will be conducted at a place designated in the notice and that the sale will continue until all tracts and real property have been offered for sale.
- (10) A statement that the sale will take place at the times and dates designated in the notice. Whenever the public auction is to be conducted as an electronic sale, the notice must include a statement indicating that the public auction will be conducted as an electronic sale and a description of the procedures that must be followed to participate in the electronic sale.
- (11) A statement that a person redeeming each tract or item after the sale must pay the costs described in IC 6-1.1-25-2(e).
- (12) If a county auditor and county treasurer have entered into an agreement under IC 6-1.1-25-4.7, a statement that the county auditor will perform the duties of the notification and title search under IC 6-1.1-25-4.5 and the notification and petition to the court for the tax deed under IC 6-1.1-25-4.6.
- (13) A statement that, if the tract or item of real property is sold for an amount more than the minimum bid and the property is not redeemed, the owner of record of the tract or item of real property who is divested of ownership at the time the tax deed is issued may have a right to the tax sale surplus.
- (14) If a determination has been made under subsection (d), a statement that tracts or items will be sold together.
- (b) If within sixty (60) days before the date of the tax sale the county incurs costs set under subsection (a)(3)(D) and those costs are not paid, the county auditor shall enter the amount of costs that remain unpaid upon the tax duplicate of the property for which the costs were set. The county treasurer shall mail notice of unpaid costs entered upon a tax duplicate under this subsection to the owner of the property identified in the tax duplicate.
- (c) The amount of unpaid costs entered upon a tax duplicate under subsection (b) must be paid no later than the date upon

which the next installment of real estate taxes for the property is due. Unpaid costs entered upon a tax duplicate under subsection (b) are a lien against the property described in the tax duplicate, and amounts remaining unpaid on the date the next installment of real estate taxes is due may be collected in the same manner that delinquent property taxes are collected.

(d) The county auditor and county treasurer may establish the condition that a tract or item will be sold and may be redeemed under this chapter only if the tract or item is sold or redeemed together with one (1) or more other tracts or items. Property may be sold together only if the tract or item is owned by the same person.

SECTION 139. IC 6-1.1-25-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.1. (a) If, as provided in ~~section 4(f)~~ **section 4(h)** of this chapter, the county auditor does not issue a deed to the county for property for which a certificate of sale has been issued to the county under IC 6-1.1-24-9 because the county executive determines that the property contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property, the property may be transferred consistent with ~~the provisions~~ of this section.

(b) A person who desires to obtain title to and eliminate the hazardous conditions of property containing hazardous waste or another environmental hazard for which a county holds a certificate of sale but to which a deed may not be issued to the county under ~~section 4(f)~~ **section 4(h)** of this chapter may file a petition with the county auditor seeking a waiver of the delinquent taxes, special assessments, interest, penalties, and costs assessed against the property and transfer of the title to the property to the petitioner. The petition must:

- (1) be on a form prescribed by the state board of accounts and approved by the department of local government finance;
- (2) state the amount of taxes, special assessments, penalties, and costs assessed against the property for which a waiver is sought;
- (3) describe the conditions existing on the property that have prevented the sale or the transfer of title to the county;
- (4) describe the plan of the petitioner for elimination of the hazardous condition on the property under IC 13-25-5 and the intended use of the property; and
- (5) be accompanied by a fee established by the county auditor for completion of a title search and processing.

(c) Upon receipt of a petition described in subsection (b), the county auditor shall review the petition to determine whether the petition is complete. If the petition is not complete, the county auditor shall return the petition to the petitioner and describe the defects in the petition. The petitioner may correct the defects and file the completed petition with the county auditor. Upon receipt of a completed petition, the county auditor shall forward a copy of the petition to:

- (1) the assessor of the township in which the property is located, **or the county assessor if there is no township assessor for the township;**
- (2) the owner;
- (3) all persons who have, as of the date of the filing of the petition, a substantial interest of public record in the property;
- (4) the county property tax assessment board of appeals; and
- (5) the department of local government finance.

(d) Upon receipt of a petition described in subsection (b), the county property tax assessment board of appeals shall, at the county property tax assessment board of appeals' earliest opportunity, conduct a public hearing on the petition. The county property tax assessment board of appeals shall, by mail, give notice of the date, time, and place fixed for the hearing to:

- (1) the petitioner;

- (2) the owner;
- (3) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property; and
- (4) the assessor of the township in which the property is located, **or the county assessor if there is no township assessor for the township.**

In addition, notice of the public hearing on the petition shall be published one (1) time at least ten (10) days before the hearing in a newspaper of countywide circulation and posted at the principal office of the county property tax assessment board of appeals, or at the building where the meeting is to be held.

(e) After the hearing and completion of any additional investigation of the property or of the petitioner that is considered necessary by the county property tax assessment board of appeals, the county board shall give notice, by mail, to the parties listed in subsection (d) of the county property tax assessment board of appeals' recommendation as to whether the petition should be granted. The county property tax assessment board of appeals shall forward to the department of local government finance a copy of the county property tax assessment board of appeals' recommendation and a copy of the documents submitted to or collected by the county property tax assessment board of appeals at the public hearing or during the course of the county board of appeals' investigation of the petition.

(f) Upon receipt by the department of local government finance of a recommendation by the county property tax assessment board of appeals, the department of local government finance shall review the petition and all other materials submitted by the county property tax assessment board of appeals and determine whether to grant the petition. Notice of the determination by the department of local government finance and the right to seek an appeal of the determination shall be given by mail to:

- (1) the petitioner;
- (2) the owner;
- (3) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property;
- (4) the assessor of the township in which the property is located, **or the county assessor if there is no township assessor for the township;** and
- (5) the county property tax assessment board of appeals.

(g) Any person aggrieved by a determination of the department of local government finance under subsection (f) may file an appeal seeking additional review by the department of local government finance and a public hearing. In order to obtain a review under this subsection, the aggrieved person must file a petition for appeal with the county auditor in the county where the tract or item of real property is located not more than thirty (30) days after issuance of notice of the determination of the department of local government finance. The county auditor shall transmit the petition for appeal to the department of local government finance not more than ten (10) days after the petition is filed.

(h) Upon receipt by the department of local government finance of an appeal, the department of local government finance shall set a date, time, and place for a hearing. The department of local government finance shall give notice, by mail, of the date, time, and place fixed for the hearing to:

- (1) the person filing the appeal;
- (2) the petitioner;
- (3) the owner;
- (4) all persons who have, as of the date the petition was filed, a substantial interest of public record in the property;
- (5) the assessor of the township in which the property is located, **or the county assessor if there is no township assessor for the township;** and
- (6) the county property tax assessment board of appeals.

The department of local government finance shall give the

notices at least ten (10) days before the day fixed for the hearing.

(i) After the hearing, the department of local government finance shall give the parties listed in subsection (h) notice by mail of the final determination of the department of local government finance.

- (j) If the department of local government finance decides to:
 - (1) grant the petition submitted under subsection (b) after initial review of the petition under subsection (f) or after an appeal under subsection (h); and
 - (2) waive the taxes, special assessments, interest, penalties, and costs assessed against the property;

the department of local government finance shall issue to the county auditor an order directing the removal from the tax duplicate of the taxes, special assessments, interest, penalties, and costs for which the waiver is granted.

(k) After:

- (1) at least thirty (30) days have passed since the issuance of a notice by the department of local government finance to the county property tax assessment board of appeals granting a petition filed under subsection (b), if no appeal has been filed; or
- (2) not more than thirty (30) days after receipt by the county property tax assessment board of appeals of a notice of a final determination of the department of local government finance granting a petition filed under subsection (b) after an appeal has been filed and heard under subsection (h);

the county auditor shall file a verified petition and an application for an order on the petition in the court in which the judgment of sale was entered asking the court to direct the county auditor to issue a tax deed to the real property. The petition shall contain the certificate of sale issued to the county, a copy of the petition filed under subsection (b), and a copy of the notice of the final determination of the department of local government finance directing the county auditor to remove the taxes, interest, penalties, and costs from the tax duplicate. Notice of the filing of the petition and application for an order on the petition shall be given, by mail, to the owner and any person with a substantial interest of public record in the property. A person owning or having an interest in the property may appear to object to the petition.

(l) The court shall enter an order directing the county auditor to issue a tax deed to the petitioner under subsection (b) if the court finds that the following conditions exist:

- (1) The time for redemption has expired.
- (2) The property has not been redeemed before the expiration of the period of redemption specified in section 4 of this chapter.
- (3) All taxes, special assessments, interest, penalties, and costs have been waived by the department of local government finance or, to the extent not waived, paid by the petitioner under subsection (b).
- (4) All notices required by this section and sections 4.5 and 4.6 of this chapter have been given.
- (5) The petitioner under subsection (b) has complied with all the provisions of law entitling the petitioner to a tax deed.

(m) A tax deed issued under this section is uncontestable except by appeal from the order of the court directing the county auditor to issue the tax deed. The appeal must be filed not later than sixty (60) days after the date of the court's order."

Delete pages 126 through 133.

Page 134, delete lines 1 through 41.

Page 135, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 142. 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, 2009]: 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;
- (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 (if any) 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) (2) the department of local government finance; and~~
- ~~(4) members of the county property tax assessment board of appeals.~~
- (3) assessing officials.**

(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 (if any) 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 143. IC 6-1.1-35-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) All information that is related to earnings, income, profits, losses, or expenditures and that is:

- (1) given by a person to:
 - (A) an assessing official;
 - ~~(B) a member of a county property tax assessment board of appeals;~~
 - ~~(C) a county assessor;~~
 - ~~(D) (B) an employee of a person referred to in clauses (A) through (C); an assessing official; or~~
 - ~~(E) (C) an officer or employee of an entity that contracts with a board of county commissioners or a county assessor or an elected township assessor under IC 6-1.1-36-12; or~~
- (2) acquired by:
 - (A) an assessing official;
 - ~~(B) a member of a county property tax assessment board of appeals;~~
 - ~~(C) a county assessor;~~
 - ~~(D) (B) an employee of a person referred to in clauses (A) through (C); an assessing official; or~~
 - ~~(E) (C) an officer or employee of an entity that contracts with a board of county commissioners or a county assessor or an elected township assessor under IC 6-1.1-36-12;~~

in the performance of the person's duties; is confidential. The assessed valuation of tangible property is a matter of public record and is thus not confidential. Confidential information may be disclosed only in a manner that is authorized under subsection (b), (c), or (d).

(b) Confidential information may be disclosed to:

- (1) an official or employee of:
 - (A) this state or another state;
 - (B) the United States; or
 - (C) an agency or subdivision of this state, another state, or the United States;

if the information is required in the performance of the official duties of the official or employee; or

(2) an officer or employee of an entity that contracts with a board of county commissioners or a county assessor or an elected township assessor under IC 6-1.1-36-12 if the information is required in the performance of the official duties of the officer or employee.

(c) The following state agencies, or their authorized representatives, shall have access to the confidential farm property records and schedules that are on file in the office of a county or township assessor:

- (1) The Indiana state board of animal health, in order to perform its duties concerning the discovery and eradication of farm animal diseases.
- (2) The department of agricultural statistics of Purdue University, in order to perform its duties concerning the compilation and dissemination of agricultural statistics. ~~and~~
- (3) Any other state agency that needs the information in

order to perform its duties.

(d) Confidential information may be disclosed during the course of a judicial proceeding in which the regularity of an assessment is questioned.

(e) Confidential information that is disclosed to a person under subsection (b) or (c) retains its confidential status. Thus, that person may disclose the information only in a manner that is authorized under subsection (b), (c), or (d).

(f) Notwithstanding any other provision of law:

(1) a person who:

(A) is an officer or employee of an entity that contracts with a board of county commissioners **or** a county assessor ~~or an elected township assessor~~ under IC 6-1.1-36-12; and

(B) obtains confidential information under this section; may not disclose that confidential information to any other person; and

(2) a person referred to in subdivision (1) must return all confidential information to the taxpayer not later than fourteen (14) days after the earlier of:

(A) the completion of the examination of the taxpayer's personal property return under IC 6-1.1-36-12; or

(B) the termination of the contract.

SECTION 144. IC 6-1.1-35-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) An assessing official ~~member of a county property tax assessment board of appeals, a state board member,~~ or an employee of ~~any~~ **an** assessing official ~~county assessor, or board~~ shall immediately be dismissed from that position if the person discloses in an unauthorized manner any information that is classified as confidential under section 9 of this chapter.

(b) If an officer or employee of an entity that contracts with a board of county commissioners, a county assessor, or ~~an elected~~ **a** township assessor under IC 6-1.1-36-12 discloses in an unauthorized manner any information that is classified as confidential under section 9 of this chapter:

(1) the contract between the entity and the board is void as of the date of the disclosure;

(2) the entity forfeits all right to payments owed under the contract after the date of disclosure;

(3) the entity and its affiliates are barred for three (3) years after the date of disclosure from entering into a contract with a board, a county assessor, or ~~an elected~~ **a** township assessor under IC 6-1.1-36-12; and

(4) the taxpayer whose information was disclosed has a right of action for triple damages against the entity."

Delete pages 136 through 142.

Page 143, delete lines 1 through 5.

Page 145, delete lines 2 through 15.

Page 145, delete lines 39 through 42.

Page 146, delete lines 1 through 5.

Page 146, delete lines 33 through 42, begin a new paragraph and insert:

"SECTION 150. IC 6-1.1-36-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) A township assessor's assessment or a county assessor's assessment of property is valid even if:

(1) ~~he the assessor~~ does not complete, or notify the county auditor of, the assessment by the time prescribed under IC 6-1.1-3 or IC 6-1.1-4;

(2) there is an irregularity or informality in the manner in which ~~he the assessor~~ makes the assessment; or

(3) there is an irregularity or informality in the tax list.

An irregularity or informality in the assessment or the tax list may be corrected at any time.

(b) This section does not release a township assessor or county assessor from any duty to give notice or from any penalty imposed on ~~him the assessor~~ by law for ~~his the assessor's~~ failure to make ~~his the assessor's~~ return within the time ~~period~~

prescribed in IC 6-1.1-3 or IC 6-1.1-4."

Page 147, delete lines 1 through 7.

Page 147, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 152. IC 6-1.1-36-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. In order to discharge their official duties, the following officials may administer oaths and affirmations:

~~(1) Assessing officials-~~

~~(2) (1) County assessors.~~

(2) Township assessors.

(3) County auditors.

(4) Members of a county property tax assessment board of appeals.

(5) Members of the Indiana board."

Page 149, line 22, reset in roman "and the assessor of each township".

Page 149, line 22, after "township" insert "**(if any)**".

Page 149, delete lines 38 through 42, begin a new paragraph and insert:

"SECTION 154. IC 6-1.1-36-12, AS AMENDED BY P.L.154-2006, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) A board of county commissioners, a county assessor, or ~~an elected~~ **a** township assessor **(if any)** may enter into a contract for the discovery of property that has been undervalued or omitted from assessment. The contract must prohibit payment to the contractor for discovery of undervaluation or omission with respect to a parcel or personal property return before all appeals of the assessment of the parcel or the assessment under the return have been finalized. The contract may require the contractor to:

(1) examine and verify the accuracy of personal property returns filed by taxpayers with a township assessor of a township in the county **or with the county assessor**; and

(2) compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

(b) This subsection applies if funds are not appropriated for payment of services performed under a contract described in subsection (a). The county auditor may create a special nonreverting fund in which the county treasurer shall deposit the amount of taxes, including penalties and interest, that result from additional assessments on undervalued or omitted property collected from all taxing jurisdictions in the county after deducting the amount of any property tax credits that reduce the owner's property tax liability for the undervalued or omitted property. The fund remains in existence during the term of the contract. Distributions shall be made from the fund without appropriation only for the following purposes:

(1) All contract fees and other costs related to the contract.

(2) After the payments required by subdivision (1) have been made and the contract has expired, the county auditor shall distribute all money remaining in the fund to the appropriate taxing units in the county using the property tax rates of each taxing unit in effect at the time of the distribution.

(c) A board of county commissioners, a county assessor, or ~~an elected~~ **a** township assessor may not contract for services under subsection (a) on a percentage basis.

SECTION 155. IC 6-1.1-36-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. When a political subdivision is formed, the auditor of the county in which the political subdivision is situated shall, at the written request of the legislative body of the political subdivision, prepare a list of all the lands and lots within the limits of the political subdivision, and the county auditor shall deliver the list to the appropriate township assessor, **or the county assessor if there is no township assessor for the township**, on or before the assessment date which immediately follows the date of

incorporation. The county auditor shall use the records in the auditor's office in order to compile the list."

Page 150, delete lines 1 through 41.

Page 152, delete lines 14 through 27, begin a new paragraph and insert:

"SECTION 158. IC 6-1.1-37-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7.5. A person who fails to provide, within forty-five (45) days after the filing deadline, evidence of the filing of a personal property return to the **township** assessor ~~of the township in which the owner resides; or the county assessor~~, as required under IC 6-1.1-3-1(d), shall pay to the ~~township in which the owner resides; county~~ a penalty equal to ten percent (10%) of the tax liability.

SECTION 159. IC 6-1.1-37-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. A township assessor, ~~or the county assessor if there is no township assessor for the township~~, shall inform the county auditor of any vending machine which does not, as required under ~~IC 1-9-1; IC 6-1.1-3-8~~, have an identification device on its face. The county auditor shall then add a one dollar ~~(\$1.00)~~ **(\$1)** penalty to the next property tax installment of the person on whose premises the machine is located."

Page 153, delete lines 7 through 42, begin a new paragraph and insert:

"SECTION 162. IC 6-1.1-42-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 27. (a) A property owner who desires to obtain the deduction provided by section 24 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township ~~or county~~ assessor.

(c) The certified deduction application required by this section must contain the following information:

- (1) The name of each owner of the property.
- (2) A certificate of completion of a voluntary remediation under IC 13-25-5-16.
- (3) Proof that each owner who is applying for the deduction:
 - (A) has never had an ownership interest in an entity that contributed; and
 - (B) has not 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.
- (4) Proof that the deduction was approved by the appropriate designating body.
- (5) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (6) The assessed value of the improvements before remediation and redevelopment.
- (7) The increase in the assessed value of improvements resulting from remediation and redevelopment.
- (8) The amount of the deduction claimed for the first year of the deduction.

(d) A certified deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of property is made and each subsequent year to which the deduction applies under the resolution adopted under section 24 of this chapter.

(e) A property owner who desires to obtain the deduction provided by section 24 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which is applicable for the year filed and the subsequent years without any additional certified deduction application being filed for the amounts of the deduction which would be applicable to such years under this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) On verification of the correctness of a certified deduction application by the assessor of the township in which the property is located, ~~or the county assessor if there is no township assessor for the township~~, the county auditor shall, if the property is covered by a resolution adopted under section 24 of this chapter, make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 24 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

- (1) is a person that:
 - (A) has never had an ownership interest in an entity that contributed; and
 - (B) has not 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;
- (2) continues to use the property in compliance with any standards established under sections 7 and 23 of this chapter; and
- (3) files an application in the manner provided by subsection (e).

(h) The township assessor, ~~or the county assessor if there is no township assessor for the township~~, shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

SECTION 163. IC 6-1.1-45.5-3, AS ADDED BY P.L.208-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. On receipt of a petition under section 2 of this chapter, the county auditor shall determine whether the petition is complete. If the petition is not complete, the county auditor shall return the petition to the petitioner and describe the defects in the petition. The petitioner may correct the defects and file the completed petition with the county auditor. On receipt of a complete petition, the county auditor shall forward a copy of the complete petition to:

- (1) the assessor of the township in which the brownfield is located, ~~or the county assessor if there is no township assessor for the township~~;
- (2) the owner, if different from the petitioner;
- (3) all persons that have, as of the date of the filing of the petition, a substantial property interest of public record in the brownfield;
- (4) the board;
- (5) the fiscal body;
- (6) the department of environmental management; and
- (7) the department.

SECTION 164. IC 6-1.1-45.5-4, AS ADDED BY P.L.208-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. On receipt of a complete petition as provided under sections 2 and 3 of this chapter, the board shall at its earliest opportunity conduct a public hearing on the petition. The board shall give notice of the date, time, and place fixed for the hearing:

- (1) by mail to:
 - (A) the petitioner;

- (B) the owner, if different from the petitioner;
- (C) all persons that have, as of the date the petition was filed, a substantial interest of public record in the brownfield; and
- (D) the assessor of the township in which the brownfield is located, **or the county assessor if there is no township assessor for the township;** and

(2) under IC 5-3-1.

SECTION 165. IC 6-1.1-45.5-8, AS ADDED BY P.L.208-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) The department shall give notice of its determination under section 7 of this chapter and the right to seek an appeal of the determination by mail to:

- (1) the petitioner;
- (2) the owner, if different from the petitioner;
- (3) all persons that have, as of the date the petition was filed under section 2 of this chapter, a substantial property interest of public record in the brownfield;
- (4) the assessor of the township in which the brownfield is located, **or the county assessor if there is no township assessor for the township;**
- (5) the board;
- (6) the fiscal body; and
- (7) the county auditor.

(b) A person aggrieved by a determination of the department under section 7 of this chapter may obtain an additional review by the department and a public hearing by filing a petition for review with the county auditor of the county in which the brownfield is located not more than thirty (30) days after the department gives notice of the determination under subsection (a). The county auditor shall transmit the petition to the department not more than ten (10) days after the petition is filed.

(c) On receipt by the department of a petition for review, the department shall set a date, time, and place for a hearing. At least ten (10) days before the date fixed for the hearing, the department shall give notice by mail of the date, time, and place fixed for the hearing to:

- (1) the person that filed the appeal;
- (2) the petitioner;
- (3) the owner, if different from the petitioner;
- (4) all persons that have, as of the date the petition is filed, a substantial interest of public record in the brownfield;
- (5) the assessor of the township in which the brownfield is located, **or the county assessor if there is no township assessor for the township;**
- (6) the board;
- (7) the fiscal body; and
- (8) the county auditor.

(d) After the hearing, the department shall give the parties listed in subsection (c) notice by mail of the final determination of the department. The department's final determination under this subsection is subject to the limitations in subsections (f)(2) and (g).

(e) The petitioner under section 2 of this chapter shall provide to the county auditor reasonable proof of ownership of the brownfield:

- (1) if a petition is not filed under subsection (b), at least thirty (30) days but not more than one hundred twenty (120) days after notice is given under subsection (a); or
- (2) after notice is given under subsection (d) but not more than ninety (90) days after notice is given under subsection (d).

(f) The county auditor:

- (1) shall, subject to subsection (g), reduce or remove the delinquent tax liability on the tax duplicate in the amount stated in:
 - (A) if a petition is not filed under subsection (b), the determination of the department under section 7 of this

chapter; or

(B) the final determination of the department under this section;

not more than thirty (30) days after receipt of the proof of ownership required in subsection (e); and

(2) may not reduce or remove any delinquent tax liability on the tax duplicate if the petitioner under section 2 of this chapter fails to provide proof of ownership as required in subsection (e).

(g) A reduction or removal of delinquent tax liability under subsection (f) applies until the county auditor makes a determination under this subsection. After the date referred to in section 2(6) of this chapter, the county auditor shall determine if the petitioner successfully completed the plan described in section 2(5) of this chapter by that date. If the county auditor determines that the petitioner completed the plan by that date, the reduction or removal of delinquent tax liability under subsection (f) becomes permanent. If the county auditor determines that the petitioner did not complete the plan by that date, the county auditor shall restore to the tax duplicate the delinquent taxes reduced or removed under subsection (f), along with interest in the amount that would have applied if the delinquent taxes had not been reduced or removed.

SECTION 166. IC 6-1.5-5-2, AS AMENDED BY P.L.219-2007, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) After receiving a petition for review that is filed under a statute listed in section 1(a) of this chapter, the Indiana board shall, at its earliest opportunity:

- (1) conduct a hearing; or
- (2) cause a hearing to be conducted by an administrative law judge.

The Indiana board may determine to conduct the hearing under subdivision (1) on its own motion or on request of a party to the appeal.

(b) In its resolution of a petition, the Indiana board may correct any errors that may have been made and adjust the assessment in accordance with the correction.

(c) The Indiana board shall give notice of the date fixed for the hearing by mail to:

- (1) the taxpayer;
- (2) the department of local government finance; and
- (3) the appropriate:
 - (A) township assessor (**if any**);
 - (B) county assessor; and
 - (C) county auditor.

(d) With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notices required under subsection (c) must include the following:

- (1) The action of the department of local government finance 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;
 - (B) offer testimony; and
 - (C) file an amicus curiae brief in the proceeding.

(e) If, after receiving notice of a hearing under subsection (c), 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. A taxing unit that receives a notice from the county auditor under this subsection is not a party to the appeal. 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.

(f) The Indiana board shall give the notices required under subsection (c) at least thirty (30) days before the day fixed for the

hearing.

SECTION 167. IC 6-1.5-5-5, AS AMENDED BY P.L.154-2006, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. After the hearing, the Indiana board shall give the petitioner, the township assessor (**if any**), the county assessor, the county auditor, and the department of local government finance:

- (1) notice, by mail, of its final determination, findings of fact, and conclusions of law; and
- (2) notice of the procedures the petitioner or the department of local government finance must follow in order to obtain court review of the final determination of the Indiana board.

The county auditor shall provide copies of the documents described in subdivisions (1) and (2) to the taxing units entitled to notice under section 2(e) of this chapter."

Delete pages 154 through 157.

Page 158, delete lines 1 through 35.

Page 164, delete line 42, begin a new paragraph and insert:

"(j) Except as provided in subsection (k), the department shall submit to the township assessor, **or the county assessor if there is no township assessor for the township**, before July 15 of each year:

- (1) the name of each retail merchant that has newly obtained a registered retail merchant's certificate between March 2 of the preceding year and March 1 of the current year for a place of business located in the township **or county**; and
- (2) the address of each place of business of the taxpayer in the township **or county**.

(k) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, the department shall submit the information listed in subsection (j) to the county assessor."

Page 165, delete lines 1 through 10.

Page 213, delete lines 26 through 42.

Delete pages 214 through 215.

Page 218, delete lines 27 through 32, begin a new paragraph and insert:

"(h) The following are not required to be a licensed or certified real estate appraiser to perform the requirements of IC 6-1.1-4:

- (1) A county assessor. ~~who holds office under IC 36-2-15.~~
- (2) A township assessor. ~~who holds office under IC 36-6-5.~~
- (3) An ~~individual employed by an officer described in subdivision (1) or (2):~~ **employee of a county or township assessor.**"

Page 219, delete lines 30 through 42, begin a new paragraph and insert:

"SECTION 203. IC 32-21-2-13, AS AMENDED BY P.L.219-2007, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. (a) Except as provided in subsection (c), if the auditor of the county or the township assessor (**if any**) under IC 6-1.1-5-9 and IC 6-1.1-5-9.1 determines it necessary, an instrument transferring fee simple title to less than the whole of a tract that will result in the division of the tract into at least two (2) parcels for property tax purposes may not be recorded unless the auditor or township assessor is furnished a drawing or other reliable evidence of the following:

- (1) The number of acres in each new tax parcel being created.
- (2) The existence or absence of improvements on each new tax parcel being created.
- (3) The location within the original tract of each new tax parcel being created.

(b) Any instrument that is accepted for recording and placed of record that bears the endorsement required by IC 36-2-11-14 is presumed to comply with this section.

(c) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor."

Delete pages 220 through 227, begin a new paragraph and insert:

"SECTION 204 IC 36-1-8-14.2, AS AMENDED BY P.L.219-2007, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14.2. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Property taxation.
- (6) Real property.
- (7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7.

(d) Subject to the approval of a property owner, the governing body of a political subdivision may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7, if the improvements that qualify the real property for an exemption were begun or acquired after December 31, 2001. The ordinance remains in full force and effect until repealed or modified by the governing body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount equal to the amount of property taxes that would have been levied by the governing body for the political subdivision upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection (d). Except as provided in subsection (j), the township ~~assessors assessor, or the county assessor if there is no township assessor for the township~~, shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be deposited in the unit's affordable housing fund established under IC 5-20-5-15.5 and used for any purpose for which the affordable housing fund may be used.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

(i) This section does not apply to a county that contains a consolidated city or to a political subdivision of the county.

(j) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor.

SECTION 205. IC 36-2-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) Before the Thursday after the first Monday in August of each year, each county officer and township assessor (**if any**) shall prepare an itemized estimate of the amount of money required for ~~his the officer's or assessor's~~ office for the next calendar year. Each budget estimate under this section must include:

- (1) the compensation of the officer;
- (2) the expense of employing deputies;
- (3) the expense of office supplies, itemized by the quantity and probable cost of each kind of supplies;
- (4) the expense of litigation for the office; and

(5) other expenses of the office, specifically itemized; that are payable out of the county treasury.

(b) If all or part of the expenses of a county office may be paid out of the county treasury, but only under an order of the county executive to that effect, the expenses of the office shall be included in the officer's budget estimate and may not be included in the county executive's budget estimate.

SECTION 206. IC 36-2-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) The county executive or a court may not make an allowance to a county officer for:

- (1) services rendered in a criminal action;
- (2) services rendered in a civil action; or
- (3) extra services rendered in ~~his~~ **the county officer's** capacity as a county officer.

(b) The county executive may make an allowance to the clerk of the circuit court, county auditor, county treasurer, county sheriff, township assessor (**if any**), or county assessor, or to any of those officers' employees, only if:

- (1) the allowance is specifically required by law; or
- (2) the county executive finds, on the record, that the allowance is necessary in the public interest.

(c) A member of the county executive who recklessly violates subsection (b) commits a Class C misdemeanor and forfeits ~~his~~ **the member's** office.

SECTION 207. IC 36-2-6-22, AS AMENDED BY P.L.219-2007, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 22. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Property taxation.
- (6) Real property.
- (7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7 that is not located in a county containing a consolidated city.

(d) Subject to the approval of a property owner, the fiscal body of a county may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7. The ordinance remains in full force and effect until repealed or modified by the legislative body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount equal to the amount of property taxes that would have been levied upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed in the same manner as property taxes and shall be based on the assessed value of the real property described in subsection (d). Except as provided in subsection (i), the township ~~assessors~~ **assessor, or the county assessor if there is no township assessor for the township**, shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be distributed in the same manner as if they were property taxes being distributed to taxing units in the county.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

(i) If the duties of the township assessor have been transferred

to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor."

Page 228, delete line 1.

Page 229, line 5, delete "IC 6-1.1." and insert "**IC 6-1.1 in a township that is not served by a township assessor.**"

Page 230, delete lines 17 through 42, begin a new paragraph and insert:

"SECTION 210. IC 36-2-19-7, AS AMENDED BY P.L.219-2007, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) Except as provided in subsection (b), In a township in which IC 6-1.1-5-9 or IC 6-1.1-5-9.1 applies, the county surveyor shall file a duplicate copy of any plat described in section 4 of this chapter with the township assessor, **or with the county assessor if there is no township assessor for the township.**

(b) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor.

SECTION 211. IC 36-3-2-10, AS AMENDED BY P.L.219-2007, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) The general assembly finds the following:

(1) That the tax base of the consolidated city and the county have been significantly eroded through the ownership of tangible property by separate municipal corporations and other public entities that operate as private enterprises yet are exempt or whose property is exempt from property taxation.

(2) That to restore this tax base and provide a proper allocation of the cost of providing governmental services the legislative body of the consolidated city and county should be authorized to collect payments in lieu of taxes from these public entities.

(3) That the appropriate maximum payments in lieu of taxes would be the amount of the property taxes that would be paid if the tangible property were not subject to an exemption.

(b) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Personal property.
- (6) Property taxation.
- (7) Tangible property.
- (8) Township assessor (**if any**).

(c) As used in this section, "PILOTS" means payments in lieu of taxes.

(d) As used in this section, "public entity" means any of the following government entities in the county:

- (1) An airport authority operating under IC 8-22-3.
- (2) A capital improvement board of managers under IC 36-10-9.
- (3) A building authority operating under IC 36-9-13.
- (4) A wastewater treatment facility.

(e) The legislative body of the consolidated city may adopt an ordinance to require a public entity to pay PILOTS at times set forth in the ordinance with respect to:

- (1) tangible property of which the public entity is the owner or the lessee and that is subject to an exemption;
- (2) tangible property of which the owner is a person other than a public entity and that is subject to an exemption under IC 8-22-3; or
- (3) both.

The ordinance remains in full force and effect until repealed or modified by the legislative body.

(f) The PILOTS must be calculated so that the PILOTS may be in any amount that does not exceed the amount of property taxes that would have been levied by the legislative body for the consolidated city and county upon the tangible property described in subsection (e) if the property were not subject to an exemption from property taxation.

(g) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the tangible property described in subsection (e). Except as provided in subsection (l), the township ~~assessors~~ **assessor, or the county assessor if there is no township assessor for the township**, shall assess the tangible property described in subsection (e) as though the property were not subject to an exemption. The public entity shall report the value of personal property in a manner consistent with IC 6-1.1-3.

(h) Notwithstanding any law to the contrary, a public entity is authorized to pay PILOTS imposed under this section from any legally available source of revenues. The public entity may consider these payments to be operating expenses for all purposes.

(i) PILOTS shall be deposited in the consolidated county fund and used for any purpose for which the consolidated county fund may be used.

(j) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

(k) PILOTS imposed on a wastewater treatment facility may be paid only from the cash earnings of the facility remaining after provisions have been made to pay for current obligations, including:

- (1) operating and maintenance expenses;
- (2) payment of principal and interest on any bonded indebtedness;
- (3) depreciation or replacement fund expenses;
- (4) bond and interest sinking fund expenses; and
- (5) any other priority fund requirements required by law or by any bond ordinance, resolution, indenture, contract, or similar instrument binding on the facility.

(l) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor.

SECTION 212. IC 36-3-2-11, AS AMENDED BY P.L.219-2007, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Property taxation.
- (6) Real property.
- (7) Township assessor **(if any)**.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7 that is located in a county with a consolidated city.

(d) Subject to the approval of a property owner, the legislative body of the consolidated city may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7. The ordinance remains in full force and effect until repealed or modified by the legislative body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount that is:

(1) agreed upon by the property owner and the legislative body of the consolidated city;

(2) a percentage of the property taxes that would have been levied by the legislative body for the consolidated city and the county upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation; and

(3) not more than the amount of property taxes that would have been levied by the legislative body for the consolidated city and county upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection (d). Except as provided in subsection (i), the township ~~assessors~~ **assessor, or the county assessor if there is no township assessor for the township**, shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be deposited in the housing trust fund established under IC 36-7-15.1-35.5 and used for any purpose for which the housing trust fund may be used.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

(i) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor.

SECTION 213. IC 36-3-6-4, AS AMENDED BY P.L.227-2005, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) Before the Wednesday after the first Monday in July each year, the consolidated city and county shall prepare budget estimates for the ensuing budget year under this section.

(b) The following officers shall prepare for their respective departments, offices, agencies, or courts an estimate of the amount of money required for the ensuing budget year, stating in detail each category and item of expenditure they anticipate:

- (1) The director of each department of the consolidated city.
- (2) Each township assessor **(if any)**, elected county officer, or head of a county agency.
- (3) The county clerk, for each court ~~of which he is the clerk~~ **serves**.

(c) In addition to the estimates required by subsection (b), the county clerk shall prepare an estimate of the amount of money that is, under law, taxable against the county for the expenses of cases tried in other counties on changes of venue.

(d) Each officer listed in subsection (b)(2) or (b)(3) shall append a certificate to each estimate the officer prepares stating that in the officer's opinion the amount fixed in each item will be required for the purpose indicated. The certificate must be verified by the oath of the officer.

(e) An estimate for a court or division of a court is subject to modification and approval by the judge of the court or division.

(f) All of the estimates prepared by city officers and county officers shall be submitted to the controller.

(g) The controller shall also prepare an itemized estimate of city and county expenditures for other purposes above the money proposed to be used by the city departments and county officers and agencies.

SECTION 214. IC 36-5-1-3, AS AMENDED BY P.L.219-2007, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. ~~(a)~~ A petition for incorporation must be accompanied by the following items, to be supplied at the expense of the petitioners:

(1) A survey, certified by a surveyor registered under IC 25-21.5, showing the boundaries of and quantity of land contained in the territory sought to be incorporated.

(2) An enumeration of the territory's residents and landowners and their mailing addresses, completed not more than thirty (30) days before the time of filing of the petition and verified by the persons supplying it.

(3) Except as provided in subsection (b), a statement of the assessed valuation of all real property within the territory, certified by the **assessors township assessor** of the **townships township** in which the territory is located, **or the county assessor if there is no township assessor for the township.**

(4) A statement of the services to be provided to the residents of the proposed town and the approximate times at which they are to be established.

(5) A statement of the estimated cost of the services to be provided and the proposed tax rate for the town.

(6) The name to be given to the proposed town.

(b) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor."

Delete pages 231 through 234.

Page 235, delete lines 1 through 13.

Page 235, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 216. IC 36-6-5-1, AS AMENDED BY P.L.219-2007, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) Except as provided in subsection (f), a township assessor shall be elected under IC 3-10-2-13 by the voters of each township having:

(1) a population of more than ~~eight ten~~ thousand (~~8,000~~); (**10,000**); or

(2) an elected township assessor or the authority to elect a township assessor before January 1, 1979.

(b) Except as provided in subsection (f), a township assessor shall be elected under IC 3-10-2-14 in each township having a population of more than five thousand (5,000) but not more than ~~eight ten~~ thousand (~~8,000~~); (**10,000**), if the legislative body of the township:

(1) by resolution, declares that the office of township assessor is necessary; and

(2) the resolution is filed with the county election board not later than the first date that a declaration of candidacy may be filed under IC 3-8-2.

(c) Except as provided in subsection (f), a township government that is created by merger under IC 36-6-1.5 shall elect only one (1) township assessor under this section.

(d) The township assessor must reside within the township as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The assessor forfeits office if the assessor ceases to be a resident of the township.

(e) The term of office of a township assessor is four (4) years, beginning January 1 after election and continuing until a successor is elected and qualified. However, the term of office of a township assessor elected at a general election in which no other township officer is elected ends on December 31 after the next election in which any other township officer is elected.

(f) A person who runs for the office of township assessor in an election after June 30, 2008, is subject to IC 3-8-1-23.5.

(g) Except as provided in subsection (h), the term of office of a township assessor in a township having a population of ten thousand (10,000) or less on December 31, 2008, is terminated on January 1, 2009.

(h) Subsection (g) does not apply if the legislative body of the township:

(1) by resolution adopted before December 15, 2008, declares that the office of township assessor is

necessary; and

(2) the resolution is filed with the county election board not later than December 20, 2008."

Page 237, delete lines 8 through 42, begin a new paragraph and insert:

"SECTION 218. IC 36-7-11.2-58, AS AMENDED BY P.L.219-2007, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 58. (a) A person who has filed a petition under section 56 or 57 of this chapter shall, not later than ten (10) days after the filing, serve notice upon all interested parties. The notice must state the following:

(1) The full name and address of the following:

(A) The petitioner.

(B) Each attorney acting for and on behalf of the petitioner.

(2) The street address of the Meridian Street and bordering property for which the petition was filed.

(3) The name of the owner of the property.

(4) The full name and address of, and the type of business, if any, conducted by:

(A) each person who at the time of the filing is a party to; and

(B) each person who is a disclosed or an undisclosed principal for whom the party was acting as agent in entering into;

a contract of sale, lease, option to purchase or lease, agreement to build or develop, or other written agreement of any kind or nature concerning the subject property or the present or future ownership, use, occupancy, possession, or development of the subject property.

(5) A description of the contract of sale, lease, option to purchase or lease, agreement to build or develop, or other written agreement sufficient to disclose the full nature of the interest of the party or of the party's principal in the subject property or in the present or future ownership, use, occupancy, possession, or development of the subject property.

(6) A description of the proposed use for which the rezoning or zoning variance is sought, sufficiently detailed to appraise the notice recipient of the true character, nature, extent, and physical properties of the proposed use.

(7) The date of the filing of the petition.

(8) The date, time, and place of the next regular meeting of the commission if a petition is for approval of a zoning variance. If a petition is filed with the development commission, the notice does not have to specify the date of a hearing before the commission or the development commission. However, the person filing the petition shall give ten (10) days notice of the date, time, and place of a hearing before the commission on the petition after the referral of the petition to the commission by the development commission.

(b) For purposes of giving notice to the interested parties who are owners, the records in the bound volumes of the recent real estate tax assessment records as the records appear in:

(1) the offices of the township assessors (**if any**); or

(2) the office of the county assessor;

as of the date of filing are considered determinative of the persons who are owners.

SECTION 219. IC 36-7-11.3-6, AS AMENDED BY P.L.219-2007, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. As used in this chapter, "notice" means written notice:

(1) served personally upon the person, official, or office entitled to the notice; or

(2) served upon the person, official, or office by placing the notice in the United States mail, first class postage prepaid, properly addressed to the person, official, or office. Notice

is considered served if mailed in the manner prescribed by this subdivision properly addressed to the following:

- (A) The governor, both to the address of the governor's official residence and to the governor's executive office in Indianapolis.
- (B) The Indiana department of transportation, to the commissioner.
- (C) The department of natural resources, both to the director of the department and to the director of the department's division of historic preservation and archeology.
- (D) The municipal plan commission.
- (E) An occupant, to:
 - (i) the person by name; or
 - (ii) if the name is unknown, the "Occupant" at the address of the primary or secondary property occupied by the person.
- (F) An owner, to the person by the name shown to be the name of the owner, and at the person's address, as appears in the records in the bound volumes of the most recent real estate tax assessment records as the records appear in:
 - (i) the offices of the township assessors (**if any**); or
 - (ii) the office of the county assessor.
- (G) The society, to the organization at the latest address as shown in the records of the commission.

SECTION 220. IC 36-7-11.3-52, AS AMENDED BY P.L.219-2007, SECTION 124, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 52. (a) A person who has filed a petition under section 50 or 51 of this chapter shall, not later than ten (10) days after the filing, serve notice upon all interested parties. The notice must state the following:

- (1) The full name and address of the following:
 - (A) The petitioner.
 - (B) Each attorney acting for and on behalf of the petitioner.
 - (2) The street address of the primary and secondary property for which the petition was filed.
 - (3) The name of the owner of the property.
 - (4) The full name and address of and the type of business, if any, conducted by:
 - (A) each person who at the time of the filing is a party to; and
 - (B) each person who is a disclosed or an undisclosed principal for whom the party was acting as agent in entering into;
- a contract of sale, lease, option to purchase or lease, agreement to build or develop, or other written agreement of any kind or nature concerning the subject property or the present or future ownership, use, occupancy, possession, or development of the subject property.
- (5) A description of the contract of sale, lease, option to purchase or lease, agreement to build or develop, or other written agreement sufficient to disclose the full nature of the interest of the party or of the party's principal in the subject property or in the present or future ownership, use, occupancy, possession, or development of the subject property.
 - (6) A description of the proposed use for which the rezoning or zoning variance is sought, sufficiently detailed to appraise the notice recipient of the true character, nature, extent, and physical properties of the proposed use.
 - (7) The date of the filing of the petition.
 - (8) The date, time, and place of the next regular meeting of the commission if a petition is for approval of a zoning variance. If a petition is filed with the development commission, the notice does not have to specify the date of a hearing before the commission or the development

commission. However, the person filing the petition shall give ten (10) days notice of the date, time, and place of a hearing before the commission on the petition after the referral of the petition to the commission by the development commission.

(b) For purposes of giving notice to the interested parties who are owners, the records in the bound volumes of the recent real estate tax assessment records as the records appear in:

- (1) the offices of the township assessors (**if any**); or
- (2) the office of the county assessor;

as of the date of filing are considered determinative of the persons who are owners.

SECTION 221. IC 36-7-15.1-32, AS AMENDED BY P.L.219-2007, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 32. (a) The commission must establish a program for housing. The program, which may include such elements as the commission considers appropriate, must be adopted as part of a redevelopment plan or amendment to a redevelopment plan, and must establish an allocation area for purposes of sections 26 and 35 of this chapter for the accomplishment of the program.

(b) The notice and hearing provisions of sections 10 and 10.5 of this chapter apply to the resolution adopted under subsection (a). Judicial review of the resolution may be made under section 11 of this chapter.

(c) Before formal submission of any housing program to the commission, the department shall consult with persons interested in or affected by the proposed program and provide the affected neighborhood associations, residents, township assessors (**if any**), and the county assessor with an adequate opportunity to participate in an advisory role in planning, implementing, and evaluating the proposed program. The department may hold public meetings in the affected neighborhood to obtain the views of neighborhood associations and residents.

SECTION 222. IC 36-7-30-31, AS AMENDED BY P.L.219-2007, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 31. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Owner.
- (3) Person.
- (4) Personal property.
- (5) Property taxation.
- (6) Tangible property.
- (7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) The general assembly finds the following:

- (1) That the closing of a military base in a unit results in an increased cost to the unit of providing governmental services to the area formerly occupied by the military base.
- (2) That military base property held by a reuse authority is exempt from property taxation, resulting in the lack of an adequate tax base to support the increased governmental services.
- (3) That to restore this tax base and provide a proper allocation of the cost of providing governmental services the fiscal body of the unit should be authorized to collect PILOTS from the reuse authority.
- (4) That the appropriate maximum PILOTS would be the amount of the property taxes that would be paid if the tangible property were not exempt.

(d) The fiscal body of the unit may adopt an ordinance to require a reuse authority to pay PILOTS at times set forth in the ordinance with respect to tangible property of which the reuse authority is the owner or the lessee and that is exempt from property taxes. The ordinance remains in full force and effect until repealed or modified by the fiscal body.

(e) The PILOTS must be calculated so that the PILOTS do not exceed the amount of property taxes that would have been levied by the fiscal body for the unit upon the tangible property described in subsection (d) if the property were not exempt from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the tangible property described in subsection (d). Except as provided in subsection (j), the township ~~assessors assessor, or the county assessor if there is no township assessor for the township~~, shall assess the tangible property described in subsection (d) as though the property were not exempt. The reuse authority shall report the value of personal property in a manner consistent with IC 6-1.1-3.

(g) Notwithstanding any other law, a reuse authority is authorized to pay PILOTS imposed under this section from any legally available source of revenues. The reuse authority may consider these payments to be operating expenses for all purposes.

(h) PILOTS shall be deposited in the general fund of the unit and used for any purpose for which the general fund may be used.

(i) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as property taxes for purposes of all procedural and substantive provisions of law.

(j) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor.

SECTION 223. IC 36-7-30.5-34, AS AMENDED BY P.L.219-2007, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 34. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Owner.
- (3) Person.
- (4) Personal property.
- (5) Property taxation.
- (6) Tangible property.
- (7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) The general assembly finds the following:

- (1) That the closing of a military base in a unit results in an increased cost to the unit of providing governmental services to the area formerly occupied by the military base.
- (2) That military base property held by a development authority is exempt from property taxation, resulting in the lack of an adequate tax base to support the increased governmental services.
- (3) That to restore this tax base and provide a proper allocation of the cost of providing governmental services the fiscal body of the unit should be authorized to collect PILOTS from the development authority.
- (4) That the appropriate maximum PILOTS would be the amount of the property taxes that would be paid if the tangible property were not exempt.

(d) The fiscal body of the unit may adopt an ordinance to require a development authority to pay PILOTS at times set forth in the ordinance with respect to tangible property of which the development authority is the owner or the lessee and that is exempt from property taxes. The ordinance remains in full force and effect until repealed or modified by the fiscal body.

(e) The PILOTS must be calculated so that the PILOTS do not exceed the amount of property taxes that would have been levied by the fiscal body for the unit upon the tangible property described in subsection (d) if the property were not exempt from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the tangible property described in subsection (d). Except as provided in subsection (j), the township ~~assessors assessor, or the county assessor if there is no township assessor for the township~~, shall assess the tangible property described in subsection (d) as though the property were not exempt. The development authority shall report the value of personal property in a manner consistent with IC 6-1.1-3.

(g) Notwithstanding any other law, a development authority is authorized to pay PILOTS imposed under this section from any legally available source of revenues. The development authority may consider these payments to be operating expenses for all purposes.

(h) PILOTS shall be deposited in the general fund of the unit and used for any purpose for which the general fund may be used.

(i) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as property taxes for purposes of all procedural and substantive provisions of law.

(j) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor.

SECTION 224. IC 36-9-11.1-11, AS AMENDED BY P.L.219-2007, SECTION 143, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) All property of every kind, including air rights, acquired for off-street parking purposes, and all its funds and receipts, are exempt from taxation for all purposes. When any real property is acquired by the consolidated city, the county auditor shall, upon certification of that fact by the board, cancel all taxes then a lien. The certificate of the board must specifically describe the real property, including air rights, and the purpose for which acquired.

(b) A lessee of the city may not be assessed any tax upon any land, air rights, or improvements leased from the city, but the separate leasehold interest has the same status as leases on taxable real property, notwithstanding any other law. Except as provided in subsection (c), whenever the city sells any such property to anyone for private use, the property becomes liable for all taxes after that, as other property is so liable and is assessed, and the board shall report all such sales to the township assessor, **or the county assessor if there is no township assessor for the township**, who shall cause the property to be upon the proper tax records.

(c) If the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24, a reference to the township assessor in this section is considered to be a reference to the county assessor."

Delete pages 238 through 243.

Page 244, delete lines 1 through 2.

Page 244, line 12, delete "IC 3-10-2-14;"

Page 244, line 13, delete "IC 3-13-10-3;"

Page 244, line 13, delete "IC 6-1.1-1-22;"

Page 244, line 14, delete "IC 6-1.1-1-24;"

Page 244, line 19, delete "IC 6-1.1-35-4; IC 6-1.1-35-5;"

Page 244, line 23, delete "IC 36-6-5." and insert "IC 36-6-5-2."

Page 244, line 29, delete "elected township assessor or"

Page 244, line 39, delete "An elected township assessor or" and insert "A".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008.)

GIA QUINTA

Upon request of Representatives Bosma and Espich, the Speaker ordered the roll of the House to be called. Roll Call 27: yeas 48, nays 48. Motion failed. The bill was ordered engrossed.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1061, 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 8, nays 0.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1213, 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 2, line 39, strike "the bureau" and insert "INSafe".
(Reference is to HB 1213 as introduced.)
and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 0.

NIEZGODSKI, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1271, 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 8, nays 0.

L. LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Technology, Research and Development, to which was referred House Bill 1329, 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 1 through 17.
Page 2, delete lines 1 through 5.
Page 10, delete lines 22 through 42.
Page 11, delete lines 1 through 26.
Renummer all SECTIONS consecutively.
(Reference is to HB 1329 as introduced.)
and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

RESKE, Chair

Report adopted.

OTHER BUSINESS ON THE SPEAKER'S TABLE

Referrals to Ways and Means

The Speaker announced, pursuant to House Rule 127, that House Bills 1184 and 1248 had been referred to the Committee on Ways and Means.

HOUSE MOTION

Mr. Speaker: I move that Representative Ulmer be added as coauthor of House Bill 1034.

V. SMITH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Ripley be added as coauthor of House Bill 1036.

ULMER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thompson be added as coauthor of House Bill 1052.

NEESE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Welch be added as coauthor of House Bill 1053.

NEESE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Foley be added as coauthor of House Bill 1061.

DAY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Fry be added as coauthor of House Bill 1154.

TYLER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Bell and Noe be added as coauthors of House Bill 1171.

SUMMERS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Frizzell be added as coauthor of House Bill 1179.

MOSES

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Leonard be removed as author, Representative Dembowski be substituted as author, and that Representative Leonard be added as coauthor of House Bill 1189.

LEONARD

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Oxley be added as coauthor of House Bill 1202.

STILWELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Austin be added as coauthor of House Bill 1219.

TYLER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Elrod removed as author, Representative Day be substituted as author, and that Representative Elrod be added as coauthor of House Bill 1229.

ELROD

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Bischoff be added as coauthor of House Bill 1232.

HOY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Austin be added as coauthor of House Bill 1237.

STUTZMAN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Battles and VanDenburgh be added as coauthors of House Bill 1239.

T. HARRIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Crawford and Buell be added as coauthors of House Bill 1245.

AUSTIN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Porter and Simms be added as coauthors of House Bill 1246.

AUSTIN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Buell and Pond be added as coauthors of House Bill 1250.

KLINKER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Saunders be added as coauthor of House Bill 1276.

PFLUM

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Tyler be added as coauthor of House Bill 1277.

HERRELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Crawford, Wolkins, and Austin be added as coauthor of House Bill 1318.

MAYS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Koch and Hoy be added as coauthors of House Bill 1329.

RESKE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Knollman and Leonard be added as coauthors of House Bill 1339.

NEESE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Reske be added as coauthor of House Bill 1342.

RIPLEY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Fry be added as coauthor of House Bill 1343.

RIPLEY

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Bell, the House adjourned at 10:20 p.m., this twenty-second day of January, 2008, until Thursday, January 24, 2008, at 9:00 a.m.

B. PATRICK BAUER

Speaker of the House of Representatives

CLINTON McKAY

Principal Clerk of the House of Representatives