Journal of the Senate

State of Indiana

115th General Assembly Second Regular Session

Thirty-second Meeting Day Friday Morning March 14, 2008

The Senate convened at 9:22 a.m., with the President of the Senate, Rebecca S. Skillman, in the Chair.

Prayer was offered by Brent E. Steele.

The Pledge of Allegiance to the Flag was led by Senator Steele.

The Chair ordered the roll of the Senate to be called. Those present were:

Alting	Long
Arnold	Lubbers
Becker	Meeks
Boots	Merritt
Bray	Miller
Breaux	Mishler
Broden	Mrvan
Charbonneau	Nugent ▶
Deig	Paul
Delph	Riegsecker
Dillon	Rogers
Drozda	Simpson
Errington	Sipes
Ford	Skinner
Gard	Smith
Hershman	Steele
Howard ▶	Tallian
Hume	Walker
Jackman	Waltz
Kenley	Waterman
Kruse	Weatherwax
Lanane	Wyss
Landske	Young, M.
Lawson	Young, R.
Lewis	Zakas

Roll Call 351: present 47; excused 2. [*Note: A ▶ indicates those who were excused.*] The Chair announced a quorum present. Pursuant to Senate Rule 5(d), no motion having been heard, the Journal of the previous day was considered read.

RESOLUTIONS ON FIRST READING

Senate Resolution 71

Senate Resolution 71, introduced by Senators Kruse and Becker:

A SENATE RESOLUTION urging the Legislative Council to assign to the Pension Management Oversight Commission several issues relating to certain public safety officers and certain members of the Teachers' Retirement Fund.

Whereas, A number of issues arose during the 2008 legislative session concerning the pension plans of certain law enforcement officers, as well as certain members of the Teachers' Retirement Fund, and appointments of certain police officers and firefighters by local units of government;

Whereas, The limited time allowed for the 2008 "short" legislative session did not allow for an in-depth discussion of these issues; and

Whereas, The Pension Management Oversight Commission established by IC 2-5-12-1 is the appropriate body to closely examine all of these issues and make recommendations to the General Assembly, as appropriate: Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana:

SECTION 1. (a) That the Legislative Council is urged to assign to the Pension Management Oversight Commission for study and recommendation to the Legislative Council the following:

(1) The addition of state police motor carrier inspectors and capitol police officers as participants in the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan, and the renaming of the plan as the state special law enforcement officer retirement plan.

(2) The addition of cost of living adjustments for the state police 1987 benefit system to the state budget bill.

(3) The authorization of units of local government to appoint or reappoint police officers and firefighters who are at least thirty-six (36) years of age.

(4) The feasibility of a minimum payment of five hundred dollars ($500) on the pension portion (plus postretirement increases to the pension portion) provided by employer or state contributions of the monthly benefit payable to a member of the Indiana state teachers' retirement fund (or to a survivor or beneficiary of a member of the Indiana state teachers' retirement fund) who:

(A) retired before January 1, 1981; and

(B) has at least ten (10) years of creditable service.

(b) Before November 1, 2008, the Pension Management Oversight Commission shall issue a final report to the Legislative Council containing the findings and recommendations of the commission, including any recommended legislation. The report must be in an electronic format under IC 5-14-6.

SECTION 2. That the Secretary of the Senate is directed to transmit a copy of this Resolution to the Chair of the Legislative

Council.

The resolution was read in full and referred to the Committee on Rules and Legislative Procedure.

Senate Resolution 72

Senate Resolution 72, introduced by Senator Kruse:

A SENATE RESOLUTION urging the Legislative Council to direct an Interim Study Committee or other appropriate committee to study the issue of allowing student instructional days for public schools and nonpublic schools that have voluntarily become accredited (excluding year-round schools) to begin after September 1 of a year and end before June 1 of the following year.

Whereas, Current Indiana law does not provide total control to school districts when setting school calendars;

Whereas, Surveys in Indiana and nationwide show the vast majority of parents support post-Labor Day school start dates;

Whereas, Having a uniform, post-Labor Day school start date will provide an equal number of instructional days to all students before taking the state standardized test;

Whereas, Having all students starting school on the same day will eliminate confusion for parents moving from district to district and ensure all children start school on the first day of classes: Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana:

SECTION 1. That the Legislative Council is urged to direct an Interim Study Committee or other appropriate committee to study allowing student instructional days for public schools and nonpublic schools that have voluntarily become accredited (excluding year-round schools) to begin after September 1 of a year and end before June 1 of the following year.

SECTION 2. That the Secretary of the Senate is directed to transmit a copy of this Resolution to the Chair of the Legislative Council.

The resolution was read in full and referred to the Committee on Rules and Legislative Procedure.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Madam President: Pursuant to Senate Rule 83(k) your Committee on Rules and Legislative Procedure to which was referred Conference Committee Reports filed on Engrossed Senate Joint Resolution 1, Engrossed Senate Bills 62 and 339 and Engrossed House Bills 1052, 1204, 1219, 1246, 1284, and 1359 has had the same under consideration and begs leave to report back to the Senate with the recommendation that said Conference Committee Reports are eligible for consideration.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: Pursuant to Senate Rule 83(k) your Committee on Rules and Legislative Procedure to which was referred Conference Committee Reports filed on Engrossed House Bills 1071, 1105, and 1140 has had the same under consideration and begs leave to report back to the Senate with the recommendation that said Conference Committee Reports are eligible for consideration.

LONG, Chair

Report adopted.

JOINT RULE COMMITTEE REPORTS

COMMITTEE REPORT

Madam President: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedure, to which was referred Engrossed Senate Bill 329 because it conflicts with Senate Enrolled Act 227-2008 without properly recognizing the existence of SEA 227-2008, has had Engrossed Senate Bill 329 under consideration and begs leave to report back to the Senate with the recommendation that Engrossed Senate Bill 329 be corrected as follows:

In the conference committee report to ESB 329, page 3, line 1, delete "P.L.174-2006," and insert "SEA 227-2008, SECTION 5,".

In the conference committee report to ESB 329, page 3, line 2, delete "SECTION 16,".

In the conference committee report to ESB 329, page 4, line 12, delete "IC 4-23-25-11(i)" and insert "IC 5-2-6-23(h)".

(Reference is to ESB 329, as printed February 22, 2008, and as amended by the conference committee report to ESB 329.)

LONG, Chair
R. YOUNG, R.M.M.
KRUSE

Report adopted.

COMMITTEE REPORT

Madam President: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedure, to which was referred Engrossed Senate Bill 307 because it conflicts with Senate Enrolled Act 190-2008 without properly recognizing the existence of SEA 190-2008, has had Engrossed Senate Bill 307 under consideration and begs leave to report back to the Senate with the recommendation that Engrossed Senate Bill 307 be corrected as follows:

Page 23, line 32, delete "IC 15-12-1-48 IS ADDED TO THE

INDIANA" and insert "IC 15-12-1-48, AS ADDED BY SEA 190-2008, SECTION 3, IS AMENDED".

Page 23, line 33, delete "CODE AS A NEW SECTION".

Page 23, line 34, reset in roman "Sec. 48. (a) The secretary of state shall".

Page 23, reset in roman lines 35 through 42.

Page 24, reset in roman line 1.

Page 24, line 2, reset in roman "capital stock not".

Page 24, line 2, after "not" insert in stricken type "in excess of".

Page 24, line 2, reset in roman "five thousand dollars ($5,000) of".

Page 24, reset in roman lines 3 through 16.

Page 24, line 16, after "for" insert in stricken type "which".

Page 24, line 17, reset in roman "is as provided in subdivision (3).".

Page 24, reset in roman lines 18 through 21.

Page 24, between lines 21 and 22, begin a new line block indented and insert in stricken type:

"(6) For filing a designation of or change of resident agent for any association, one dollar ($1).".

Page 24, line 22, before "(6)" insert in stricken type "(7)".

Page 24, line 22, reset in roman "For each certificate issued by the secretary of state, one".

Page 24, reset in roman lines 23 through 27.

(Reference is to ESB 307 as reprinted February 27, 2008.)

LONG, Chair
R. YOUNG, R.M.M.
BRAY

Report adopted.

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 73

Senate Concurrent Resolution 73, introduced by Senator Long:

A CONCURRENT RESOLUTION fixing the date for the second regular technical session of the General Assembly.

Whereas, IC 2-2.1-1-3.5 authorizes the General Assembly to fix a date for the second regular technical session of the General Assembly;

Whereas, The General Assembly finds that it is in the best interest of the State of Indiana to fix a date for the Technical Session;

Whereas, It is prudent to allow the Speaker of the House of Representatives and the President Pro Tempore of the Senate to jointly order that the Technical Session not convene if they determined its cost and inconvenience do not justify meeting in Technical Session: Now: Therefore,

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

SECTION 1. The date for the Technical Session of the General Assembly is hereby fixed for April 15, 2008, at 1:30 pm.

SECTION 2. The Speaker of the House of Representatives and the President Pro Tempore of the Senate may issue a joint order that the General Assembly not convene in Technical Session if they determined that the cost and inconvenience of meeting in Technical Session are not justified.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsors: Representatives Bauer and Bosma.

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has accepted and approved the Joint Rule 20 correction on Engrossed Senate Bill 329.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE PRESIDENT PRO TEMPORE OF THE INDIANA STATE SENATE

Madam President and Members of the Senate: I have on March 13, 2008, signed House Enrolled Acts: 1042, 1065, 1318, and 1341.

DAVID C. LONG
President Pro Tempore

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT
ESB 62–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill 62 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 32-29-7-3, AS AMENDED BY P.L.240-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) In a proceeding for the foreclosure of a mortgage executed on real estate, process may not issue for the execution of a judgment or decree of sale for a period of three (3) months after the filing of a complaint in the proceeding. However:

(1) the period is:

(A) twelve (12) months in a proceeding for the foreclosure of a mortgage executed before January 1, 1958; and

(B) six (6) months in a proceeding for the foreclosure of a mortgage executed after December 31, 1957, but before July 1, 1975; and

(2) if the court finds that the mortgaged real estate is residential real estate and has been abandoned, a judgment or decree of sale may be executed on the date the judgment of foreclosure or decree of sale is entered, regardless of the date the mortgage is executed.

(b) A judgment and decree in a proceeding to foreclose a mortgage that is entered by a court having jurisdiction may be filed with the clerk in any county as provided in IC 33-32-3-2. After the period set forth in subsection (a) expires, a person who may enforce the judgment and decree may file a praecipe with the clerk in any county where the judgment and decree is filed, and the clerk shall promptly issue and certify to the sheriff of that county a copy of the judgment and decree under the seal of the court.

(c) Upon receiving a certified judgment under subsection (b), the sheriff shall, subject to section 4 of this chapter, sell the mortgaged premises or as much of the mortgaged premises as necessary to satisfy the judgment, interest, and costs at public auction at the office of the sheriff or at another location that is reasonably likely to attract higher competitive bids. The sheriff shall schedule the date and time of the sheriff's sale for a time certain between the hours of 10 a.m. and 4 p.m. on any day of the week except Sunday.

(d) Before selling mortgaged property, the sheriff must advertise the sale by publication once each week for three (3) successive weeks in a daily or weekly newspaper of general circulation. The sheriff shall publish the advertisement in at least one (1) newspaper published and circulated in each county where the real estate is situated. The first publication shall be made at least thirty (30) days before the date of sale. At the time of placing the first advertisement by publication, the sheriff shall also serve a copy of the written or printed notice of sale upon each owner of the real estate. Service of the written notice shall be made as provided in the Indiana Rules of Trial Procedure governing service of process upon a person. The sheriff shall charge a fee of ten dollars ($10) to one (1) owner and three dollars ($3) to each additional owner for service of written notice under this subsection. The fee is:

(1) a cost of the proceeding;

(2) to be collected as other costs of the proceeding are collected; and

(3) to be deposited in the county general fund for appropriation for operating expenses of the sheriff's department.

(e) The sheriff also shall post written or printed notices of the sale ~~in at least three (3) public places in each township in which the real estate is situated and~~ at the door of the courthouse of each county in which the real estate is located.

(f) If the sheriff is unable to procure the publication of a notice within the county, the sheriff may dispense with publication. The sheriff shall state that the sheriff was not able to procure the publication and explain the reason why publication was not possible.

(g) Notices under subsections (d) and (e) must contain a statement, for informational purposes only, of the location of each property by street address, if any, or other common description of the property other than legal description. A misstatement in the informational statement under this subsection does not invalidate an otherwise valid sale.

(h) The sheriff may charge an administrative fee of not more than two hundred dollars ($200) with respect to a proceeding referred to in subsection (b) for actual costs directly attributable to the administration of the sale under subsection (c). The fee is:

(1) payable by the person seeking to enforce the judgment and decree; and

(2) due at the time of filing of the praecipe;

under subsection (b).

(Reference is to ESB 62 as reprinted February 19, 2008.)

Steele, Chair	Dembowski
Broden	Foley
Senate Conferees	House Conferees

Roll Call 352: yeas 45, nays 2. Report adopted.

CONFERENCE COMMITTEE REPORT

ESB 339–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill 339 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-2-6-3, AS AMENDED BY P.L.186-2007, SECTION 3, AS AMENDED BY P.L.192-2007, SECTION 1, AND AS AMENDED BY P.L.216-2007, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. The institute is established to do the following:

(1) Evaluate state and local programs associated with:

(A) the prevention, detection, and solution of criminal offenses;

(B) law enforcement; and

(C) the administration of criminal and juvenile justice.

(2) Improve and coordinate all aspects of law enforcement, juvenile justice, and criminal justice in this state.

(3) Stimulate criminal and juvenile justice research.

(4) Develop new methods for the prevention and reduction of crime.

(5) Prepare applications for funds under the Omnibus Act and the Juvenile Justice Act.

(6) Administer victim and witness assistance funds.

(7) Administer the traffic safety functions assigned to the institute under IC 9-27-2.

(8) Compile and analyze information and disseminate the information to persons who make criminal justice decisions in this state.

(9) Serve as the criminal justice statistical analysis center for this state.

(10) Identify grants and other funds that can be used by the department of correction to carry out its responsibilities concerning sex *or violent* offender registration under IC 11-8-8.

(11) Administer the application and approval process for designating an area of a consolidated or second class city as a public safety improvement area under IC 36-8-19.5.

(12) Develop and maintain a meth watch program to inform retailers and the public about illicit methamphetamine production, distribution, and use in Indiana.

(13) Establish, maintain, and operate, subject to specific appropriation by the general assembly, a web site containing a list of properties (as defined in IC 5-2-6-19(b)) that have been used as the site of a methamphetamine laboratory.

~~(13)~~ **(14)** *Develop and manage the gang crime witness protection program established by section 21 of this chapter.*

~~(14)~~ **(15)** *Identify grants and other funds that can be used to fund the gang crime witness protection program.*

(16) After December 31, 2008, administer the licensing of:

(A) commercial driver training schools; and

(B) instructors at commercial driver training schools.

SECTION 2. IC 5-2-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]

Chapter 6.5. Commercial Driver Training Schools

Sec. 1. This chapter applies after December 31, 2008.

Sec. 2. This chapter does not apply to the following:

(1) An individual giving driver training lessons without charge.

(2) Employers maintaining driver training schools without charge, for employees of the employer only.

(3) Schools or classes conducted by colleges, universities, and high schools for regularly enrolled students.

Sec. 3. As used in this chapter, "bureau" refers to the bureau of motor vehicles created by IC 9-14-1-1.

Sec. 4. As used in this chapter, "college" means:

(1) an accredited college;

(2) a technical college;

(3) a university; or

(4) a junior college.

Sec. 5. (a) As used in this chapter, "commercial driver training school" means a business enterprise that:

(1) is conducted by an individual, an association, a partnership, a limited liability company, or a corporation for the education and training of persons, practically or theoretically, or both, to operate or drive motor vehicles or to prepare an applicant for an examination or validation given by the bureau under IC 9-24 for a driver's license; and

(2) charges consideration or tuition for the provision of services.

(b) The term does not include a business enterprise that educates or trains a person or prepares a person for an examination or a validation given by the bureau to operate or drive a motor vehicle as a vocation.

Sec. 6. As used in this chapter, "driver's license" has the meaning set forth in IC 9-13-2-48.

Sec. 7. As used in this chapter, "institute" refers to the Indiana criminal justice institute established by IC 5-2-6-3.

Sec. 8. As used in this chapter, "instructor" means the following:

(1) An individual, whether acting as the operator of a commercial driver training school or on behalf of a commercial driver training school, who for compensation teaches, conducts classes of, gives demonstrations to, or supervises the practice of individuals learning to operate or drive motor vehicles or preparing to take an examination for a driver's license.

(2) An individual who supervises the work of an instructor.

Sec. 9. (a) To establish or operate a commercial driver training school, the commercial driver training school must obtain a commercial driver training school license from the institute in the manner and form prescribed by the institute.

(b) Subject to subsections (c) and (d), the institute shall adopt rules under IC 4-22-2 that state the requirements for obtaining a commercial driver training school license, including the following:

(1) Location of the commercial driver training school.

(2) Equipment required.

(3) Courses of instruction.

(4) Instructors.

(5) Previous records of the commercial driver training school and instructors.

(6) Financial statements.

(7) Schedule of fees and charges.

(8) Character and reputation of the operators and instructors.

(9) Insurance in the amount and with the provisions the institute considers necessary to adequately protect the interests of the public.

(10) Other matters the institute prescribes for the protection of the public.

(c) The rules adopted under subsection (b) must permit a licensed commercial driver training school to provide classroom training during which an instructor is present in a county outside the county where the commercial driver training school is located to the students of:

(1) a school corporation (as defined in IC 36-1-2-17);

(2) a nonpublic secondary school that voluntarily becomes accredited under IC 20-19-2-8;

(3) a nonpublic secondary school recognized under IC 20-19-2-10;

(4) a state educational institution; or

(5) a nonaccredited nonpublic school.

However, the rules must provide that a licensed commercial driver training school may provide classroom training in an entity listed in subdivisions (1) through (3) only if the governing body of the entity approves the delivery of the training to its students.

(d) Notwithstanding subsection (b)(3), the rules adopted under subsection (b) must provide that the classroom instruction and the practice driving instruction required for students of a commercial driver training school be the same as the rules adopted by the state board of education under IC 20-19-2-8(4) concerning the standards for driver education programs, including classroom instruction and practice driving.

Sec. 10. (a) To be eligible for an instructor's license under subsection (d), an individual must complete at least sixty (60) semester hours at a postsecondary educational institution. The individual must:

(1) complete at least nine (9) semester hours in driver education courses; and

(2) be at least twenty-one (21) years of age upon completion of the driver education courses required by subdivision (1).

(b) The driver education courses required under subsection (a)(1) must include a combination of theoretical and behind-the-wheel instruction that is consistent with nationally accepted standards in traffic safety.

(c) The driver education semester hours completed under subsection (a)(1) do not satisfy the requirements of subsection (d) unless the driver education curriculum is approved by the commission for higher education.

(d) The institute shall issue an instructor's license to an individual:

(1) who:

(A) meets the requirements of subsection (a);

(B) does not have more than the maximum number of points for violating traffic laws specified by the bureau by rules adopted under IC 4-22-2; and

(C) has a good moral character, physical condition, knowledge of the rules of the road, and work history; or

(2) who holds a driver and traffic safety education endorsement issued by the department of education established by IC 20-19-3-1 and meets the requirements of subdivision (1)(B) and (1)(C).

The institute shall adopt rules under IC 4-22-2 that specify the requirements, including requirements about criminal convictions, necessary to satisfy the conditions of subdivision (1)(C). Only an individual who holds an instructor's license issued by the institute under this subsection may act as an instructor.

Sec. 11. (a) A license issued under section 9 or 10 of this chapter expires on the last day of the fiscal year and may be renewed upon application to the institute as prescribed by rule.

(b) Each application for an original or a renewal license must be accompanied by a:

(1) certified check;

(2) corporate check; or

(3) United States postal money order.

(c) The fee for:

(1) an original or a renewal commercial driver training school license is one hundred dollars ($100); and

(2) an original or a renewal instructor's license is ten dollars ($10).

(d) A license fee may not be refunded if the license application is rejected or the license is suspended or revoked.

(e) A license fee collected under this section shall be deposited in the motor vehicle highway account fund established under IC 8-14-1.

Sec. 12. (a) The institute shall adopt rules under IC 4-22-2 that are necessary to administer and enforce this chapter and to protect the public.

(b) The institute shall do the following:

(1) Inspect the following:

(A) Commercial driver training school facilities.

(B) Equipment of applicants for licenses and licensees under this chapter.

(2) Examine applicants for instructor's licenses.

(c) The institute shall administer and enforce this chapter and may request assistance from the state superintendent of public instruction in developing and formulating appropriate rules.

Sec. 13. (a) The institute may:

(1) cancel;

(2) suspend;

(3) revoke;

(4) refuse to issue; or

(5) refuse to renew;

a commercial driver training school license or an instructor's license if the institute finds that a licensee or an applicant has not complied with or has violated this chapter or a rule adopted by the institute under this chapter.

(b) A person who holds a license that has been canceled, suspended, or revoked under this section shall return the license to the institute.

Sec. 14. The institute, after notice and opportunity for a hearing, may cancel, suspend, revoke, or refuse to renew a license issued under this chapter if it is shown that the person

who holds the license:

(1) no longer meets the requirements necessary to obtain the license; or

(2) has willfully violated this chapter or a rule adopted by the institute.

Sec. 15. A person who violates this chapter commits a Class C infraction.

SECTION 3. IC 6-6-5-9, AS AMENDED BY P.L.184-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The bureau, in the administration and collection of the annual license excise tax imposed by this chapter, may utilize the services and facilities of license branches operated under IC 9-16 in its administration of the motor vehicle registration laws of the state of Indiana. The license branches may be so utilized in accordance with such procedures, in such manner, and to such extent as the bureau shall deem necessary and proper to implement and effectuate the administration and collection of the excise tax imposed by this chapter. However, in the event the bureau shall utilize such license branches in the collection of excise tax, the following apply:

(1) The excise taxes so collected by each license branch, less any refunds made by the license branch, shall be deposited daily by the license branch ~~in a separate account~~ in a depository duly designated by the state board of finance. The county treasurer of the county for which the collections are due may withdraw funds from the account at least two (2) times each week. The county treasurer is responsible for the safekeeping and investment of money withdrawn by the county treasurer under this subsection. Before the eleventh day of the month following the month in which the collections are made, the bureau of motor vehicles shall report the excise taxes collected and refunds made outside the county to the county treasurer of the county to which the collections are due and the refunds apply. The bureau shall forward a copy of this excise tax report to the county auditor of the county.

(2) A license branch shall each week forward a report to the county auditor of the county to whom the collections are due, showing the excise tax collected on each vehicle, each refund on a vehicle, and a copy of each registration certificate for all collections and refunds within the county.

(3) Each license branch shall also report to the bureau all excise taxes collected and refunds made under this chapter in the same manner and at the same time as registration fees are reported.

(4) Premiums for insurance to protect the funds collected by license branches against theft shall be paid by the bureau, except that the bureau may issue blanket coverage for all branches at its discretion. At the discretion of the bureau, the bureau may:

(A) self-insure to cover the activities of the license branches; or

(B) rather than purchase a bond or crime policy for each branch, purchase a single blanket bond or crime insurance policy endorsed to include faithful performance to cover all branches.

(5) If the services of a license branch are used by the bureau in the collection of the excise tax imposed by this chapter, the license branch shall collect the service charge prescribed under IC 9-29 for each vehicle registered upon which an excise tax is collected by that branch.

(6) If the excise tax imposed by this chapter is collected by the department of state revenue, the money collected shall be deposited in the state general fund to the credit of the appropriate county and reported to the bureau of motor vehicles on the first working day following the week of collection. Except as provided in subdivision (7), any amount collected by the department which represents interest or a penalty shall be retained by the department and used to pay its costs of enforcing this chapter.

(7) This subdivision applies only to interest or a penalty collected by the department of state revenue from a person who:

(A) fails to properly register a vehicle as required by IC 9-18 and pay the tax due under this chapter; and

(B) during any time after the date by which the vehicle was required to be registered under IC 9-18 displays on the vehicle a license plate issued by another state.

The total amount collected by the department that represents interest or a penalty, minus a reasonable amount determined by the department to represent its administrative expenses, shall be deposited in the state general fund for the credit of the county in which the person resides. The amount shall be reported to the bureau of motor vehicles on the first working day following the week of collection.

The bureau may contract with a bank card or credit card vendor for acceptance of bank or credit cards.

(b) On or before April 1 of each year the bureau shall provide to the auditor of state the amount of motor vehicle excise taxes collected for each county for the preceding year.

(c) On or before May 10 and November 10 of each year the auditor of state shall distribute to each county one-half (1/2) of:

(1) the amount of delinquent taxes; and

(2) any penalty or interest described in subsection (a)(7);

that have been credited to the county under subsection (a). There is appropriated from the state general fund the amount necessary to make the distributions required by this subsection. The county auditor shall apportion and distribute the delinquent tax distributions to the taxing units in the county at the same time and in the same manner as excise taxes are apportioned and distributed under section 10 of this chapter.

(d) The commissioner of insurance shall prescribe the form of the bonds or crime policies required by this section.

SECTION 4. IC 9-13-2-27.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27.5. **This section expires January 1, 2009.** "College", for purposes of IC 9-27-4, has the meaning set forth in IC 9-27-4-1.5.

SECTION 5. IC 9-13-2-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 28. **(a) This subsection expires January 1, 2009.** "Commercial driver training school", for purposes of IC 9-24-10-4 and IC 9-27-4, has the meaning set forth in IC 9-27-4-2.

(b) This subsection applies after December 31, 2008. "Commercial driver training school", for purposes of IC 9-24-10-4, has the meaning set forth in IC 5-2-6.5-5.

SECTION 6. IC 9-13-2-42, AS AMENDED BY P.L.41-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 42. (a) "Dealer" means, except as otherwise provided in this section, a person who sells to the general public, including a person who sells directly by the Internet or other computer network, at least twelve (12) vehicles each year for delivery in Indiana. **The term includes a person who sells off-road vehicles.** A dealer must have an established place of business that meets the minimum standards prescribed by the bureau under rules adopted under IC 4-22-2.

(b) The term does not include the following:

(1) A receiver, trustee, or other person appointed by or acting under the judgment or order of a court.

(2) A public officer while performing official duties.

(3) A person who is a dealer solely because of activities as a transfer dealer.

~~(4) A person who sells off-road vehicles.~~

(c) "Dealer", for purposes of IC 9-31, means a person that sells to the general public for delivery in Indiana at least six (6):

(1) boats; or

(2) trailers:

(A) designed and used exclusively for the transportation of watercraft; and

(B) sold in general association with the sale of watercraft;

per year.

SECTION 7. IC 9-13-2-80 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 80. **This section expires January 1, 2009.** "Instructor" (of commercial driver training school), for purposes of IC 9-27-4, has the meaning set forth in IC 9-27-4-3.

SECTION 8. 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 9. 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 that is:**

(1) registered as an importer with the National Highway Traffic Safety Administration;

(2) a licensed dealer currently in good standing with the state; and

(3) 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 10. IC 9-17-2-12 AS AMENDED BY SEA 307-2008, SECTION 3, 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 calendar 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 the name of a financial institution, lending institution, or insurance company in Canada 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, or an insurance company, if:

(A) the financial institution, lending institution, or insurance 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 secretary of state 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 11. 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 the name of a financial institution, a lending institution, or an insurance company in Canada 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, or an insurance company if the financial institution, lending institution, or insurance company presents to the bureau 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, a lending institution, or an insurance 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, or insurance company;

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

SECTION 12. IC 9-18-2-8, AS AMENDED BY P.L.79-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) The bureau shall ~~register vehicles under~~ **determine** the schedule ~~in this section.~~ **for registration for the following categories of vehicles:**

(1) Passenger motor vehicles.

(2) Recreational vehicles.

(3) Motorcycles.

(4) Trucks that:

(A) are regularly rented to others for not more than twenty-nine (29) days in the regular course of the corporation's business; and

(B) have a declared gross weight of not more than eleven thousand (11,000) pounds.

(b) Except as provided in IC 9-18-12-2.5, a person ~~who~~ **that** owns a vehicle shall receive a license plate, renewal tag, or other indicia upon registration of the vehicle. The bureau may determine the device required to be displayed.

~~(c) A corporation shall register, before February 1 of each year, the following vehicles that are owned by the corporation:~~

~~(1) A passenger motor vehicle that is not regularly rented to others for not more than twenty-nine (29) days in the regular course of the corporation's business.~~

~~(2) A recreational vehicle.~~

~~(3) A motorcycle.~~

~~(4) A truck that:~~

~~(A) is not regularly rented to others for not more than twenty-nine (29) days in the regular course of the corporation's business; and~~

~~(B) has a declared gross weight of not more than eleven thousand (11,000) pounds.~~

~~(d)~~ **(c)** A corporation that owns a

~~(1) passenger motor vehicle; or~~

~~(2)~~ truck that has a declared gross weight of not more than eleven thousand (11,000) pounds

that is regularly rented to others for periods of not more than twenty-nine (29) days in the regular course of the corporation's business must register the ~~passenger motor vehicle or~~ truck before March 1 of each year.

~~(e) For registrations for 2005, a person who owns a:~~

~~(1) passenger motor vehicle;~~

~~(2) recreational vehicle;~~

~~(3) motorcycle; or~~

~~(4) truck that has a declared gross weight of not more than eleven thousand (11,000) pounds,~~

~~that is not subject to the registration requirements under subsection (d) shall register the passenger motor vehicle, recreational vehicle, motorcycle, or truck in conformance with the schedule set forth in subsection (f) or (g).~~

~~(f) After December 31, 2005, a person who owns a vehicle subject to registration under this subsection shall register the vehicle in accordance with subsection (g). The following schedule applies to persons who own vehicles that are required to be registered under subsection (e):~~

~~(1) Persons whose last names begin with the letters A through BE shall register before February 16 of each year.~~

~~(2) Persons whose last names begin with the letters BF through BZ shall register before March 1 of each year.~~

~~(3) Persons whose last names begin with the letter C shall register before March 16 of each year.~~

~~(4) Persons whose last names begin with the letter D shall register before April 1 of each year.~~

~~(5) Persons whose last names begin with the letters E through F shall register before April 16 of each year.~~

~~(6) Persons whose last names begin with the letter G shall register before May 1 of each year.~~

~~(7) Persons whose last names begin with the letters HA through HN shall register before May 16 of each year.~~

~~(8) Persons whose last names begin with the letters HO through I shall register before June 1 of each year.~~

~~(9) Persons whose last names begin with the letters J~~

~~through KM shall register before June 16 of each year.~~

~~(10) Persons whose last names begin with the letters KN through L shall register before July 1 of each year.~~

~~(11) Persons whose last names begin with the letters MA through ME shall register before July 16 of each year.~~

~~(12) Persons whose last names begin with the letters MF through O shall register before August 1 of each year.~~

~~(13) Persons whose last names begin with the letters P through Q shall register before August 16 of each year.~~

~~(14) Persons whose last names begin with the letter R shall register before September 1 of each year.~~

~~(15) Persons whose last names begin with the letters SA through SN shall register before September 16 of each year.~~

~~(16) Persons whose last names begin with the letters SO through T shall register before October 1 of each year.~~

~~(17) Persons whose last names begin with the letters U through WK shall register before October 16 of each year.~~

~~(18) Persons whose last names begin with the letters WL through Z shall register before November 1 of each year.~~

~~(g) The bureau shall determine the schedule for registration for the categories of vehicles set forth in subsection (e) for registrations required after December 31, 2005.~~

~~(h)~~ **(d)** A person ~~who~~ **that** owns a vehicle in a category required to be registered under ~~subsection (c), (d), or (e),~~ **this section** and ~~who~~ desires to register the vehicle for the first time must apply to the bureau for a registration application form. The bureau shall do the following:

(1) Administer the registration application form.

(2) Issue the license plate.

(3) Collect the proper registration and service fees in accordance with the procedure established by the bureau.

~~(i)~~ **(e)** Except as provided in IC 9-18-12-2.5, the bureau shall issue a semipermanent plate under section 30 of this chapter, or:

(1) an annual renewal tag; or

(2) other indicia;

to be affixed on the semipermanent plate.

SECTION 13. IC 9-23-2-7, AS AMENDED BY P.L.184-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) Except as provided in subsections (b) through (g), the secretary of state shall issue an offsite sales license to a dealer licensed under this chapter who submits an application for the license not later than ten (10) business days or two (2) calendar weeks before the offsite sale date. License applications under this section shall be made public upon the request of any person.

(b) The secretary of state may not issue an offsite sales license to a dealer who does not have an established place of business within Indiana.

(c) The secretary of state may not issue an offsite sales license to a licensed dealer proposing to conduct the sale outside a radius of twenty (20) miles from its established place of business. This subsection does not apply to:

(1) new manufactured housing dealers;

(2) recreational vehicle dealers; ~~or~~

(3) a rental company that is a dealer conducting a sale at a site within twenty (20) miles of any of its company owned affiliates; **or**

(4) off-road vehicle dealers.

(d) A vehicle display is not considered an offsite sale if it is conducted by a new vehicle franchised dealer in an open area where no sales personnel and no sales material are present.

(e) The secretary of state may not issue an offsite sales license to a licensed dealer proposing to conduct the offsite sale for more than ten (10) calendar days.

(f) As used in this subsection, "executive" has the meaning set forth in IC 36-1-2-5. The secretary of state may not issue an offsite sales license to a licensed dealer if the dealer does not have authorization that the offsite sale would be in compliance with local zoning ordinances or other local ordinances. Authorization under this subsection may only be obtained from the following:

(1) If the offsite sale would be located within the corporate boundaries of a city or town, the executive of the city or town.

(2) If the offsite sale would be located outside the corporate boundaries of a city or town:

(A) except as provided in clause (B), the executive of the county; or

(B) if the city or town exercises zoning jurisdiction under IC 36-7-4-205(b) over the area where the offsite sale would be located, the executive of the city or town.

(g) The secretary of state may not issue an offsite sales license to a licensed dealer who has held more than three (3) nonconsecutive offsite sales in the year ending on the date of the offsite sale for which the current license application is being submitted.

(h) The requirements of section 2(c) of this chapter do not apply to the application or issuance of an offsite sales license under this section.

SECTION 14. IC 9-27-4-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. This chapter expires January 1, 2009.**

SECTION 15. IC 9-29-5-42, AS AMENDED BY P.L.31-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 42. (a) Except as provided in subsection (c), vehicles not subject to IC 9-18-2-8 or IC 9-18-2-8.5 shall be registered at one-half (1/2) of the regular rate, subject to IC 9-18-2-7, if the vehicle is registered after July 31 of any year. This subsection does not apply to the following:

(1) Special machinery.

(2) Semitrailers registered on a five (5) year or permanent basis under IC 9-18-10-2.

(3) An implement of agriculture designed to be operated primarily on a highway.

(b) Except as provided in subsection (c), subsection (a) and IC 9-18-2-7 determine the registration fee for the registration of a vehicle subject to registration under IC 9-18-2-8(c) ~~IC 9-18-2-8(d), and IC 9-18-2-8(e)~~ and acquired by an owner

subsequent to the date required for the annual registration of vehicles by an owner set forth in IC 9-18-2-8.

(c) Subject to subsection (d), a vehicle subject to the International Registration Plan that is registered after September 30 shall be registered at a rate determined by the following formula:

STEP ONE: Determine the number of months before April 1 of the following year beginning with the date of registration. A partial month shall be rounded to one (1) month.

STEP TWO: Multiply the STEP ONE result by one-twelfth (1/12).

STEP THREE: Multiply the annual registration fee for the vehicle by the STEP TWO result.

(d) If the department of state revenue adopts rules under IC 9-18-2-7 to implement staggered registration for motor vehicles subject to the International Registration Plan, a motor vehicle subject to the International Registration Plan that is registered after the date designated for registration of the motor vehicle in rules adopted under IC 9-18-2-7 shall be registered at a rate determined by the following formula:

STEP ONE: Determine the number of months before the motor vehicle must be re-registered. A partial month shall be rounded to one (1) month.

STEP TWO: Multiply the STEP ONE result by one-twelfth (1/12).

STEP THREE: Multiply the annual registration fee for the vehicle by the STEP TWO result.

(e) A school bus subject to registration under IC 9-18-2-8.5 that is registered after January 31 for the prior calendar year shall be registered at one-half (½) the regular rate.

SECTION 16. IC 9-29-12-1, AS AMENDED BY P.L.156-2006, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. **This section expires January 1, 2009.** Each application for an original or a renewal school license fee under IC 9-27-4-6 must be accompanied by a:

(1) certified check;

(2) corporate check; or

(3) United States postal money order;

in the amount of one hundred dollars ($100).

SECTION 17. IC 9-29-12-2, AS AMENDED BY P.L.156-2006, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. **This section expires January 1, 2009.** Each application for an original or a renewal instructor's license under IC 9-27-4-6 must be accompanied by a:

(1) certified check;

(2) corporate check; or

(3) United States postal money order;

in the amount of ten dollars ($10).

SECTION 18. [EFFECTIVE JANUARY 1, 2009] **The rules adopted under IC 4-22-2 by the bureau of motor vehicles before January 1, 2009, concerning commercial driver training schools and instructors of commercial driver training schools are considered, on and after January 1, 2009, rules of the Indiana criminal justice institute.**

SECTION 19. [EFFECTIVE JULY 1, 2008] **(a) For the period beginning January 1, 2009, and ending June 30, 2009, there is transferred to the Indiana criminal justice institute from money appropriated to the bureau of motor vehicles an amount that is necessary to give full effect to the transfer of responsibilities concerning the licensing of commercial driver training schools and instructors from the bureau of motor vehicles to the Indiana criminal justice institute under this act.**

(b) The source and amount of money transferred under subsection (a) shall be:

(1) determined jointly by the bureau of motor vehicles and the Indiana criminal justice institute; and

(2) memorialized not later than January 1, 2009, in a writing that is subject to approval by the budget agency.

SECTION 20. [EFFECTIVE JULY 1, 2008] **(a) Notwithstanding IC 9-13-2-42, as amended by this act, a person who engages in the business of selling at least twelve (12) off-road vehicles to the general public each year for delivery in Indiana whose business name begins with the letters A through L, inclusive, is not required to apply for a dealer's license under IC 9-23-2 with the bureau of motor vehicles until the month in 2009 required by IC 9-23-2-8.**

(b) This SECTION expires December 31, 2009.

SECTION 21. IC 9-23-0.5-1 IS REPEALED [EFFECTIVE JULY 1, 2008].

SECTION 22. **An emergency is declared for this act.**

(Reference is to ESB 339 as reprinted February 27, 2008.)

Merritt, Chair	Austin
Rogers	Saunders
Senate Conferees	House Conferees

Roll Call 353: yeas 43, nays 4. Report adopted.

CONFERENCE COMMITTEE REPORT

ESJR–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Joint Resolution 1 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the resolving clause and insert the following:

SECTION 1. The following amendment to the Constitution of the State of Indiana is proposed and agreed to by this, the One Hundred Fifteenth General Assembly of the State of Indiana, and is referred to the next General Assembly for reconsideration and agreement.

SECTION 2. ARTICLE 10, SECTION 1 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 1. (a) **Subject to this section,** the General Assembly shall provide, by law, for a uniform and equal rate of property assessment and taxation and shall prescribe regulations to secure a just valuation for taxation of all property, both real and personal.

(b) A provision of this section permitting the General Assembly to exempt property from taxation also permits the General Assembly to exercise its legislative power to enact property tax deductions and credits for the property. The General Assembly may impose reasonable filing requirements for an exemption, deduction, or credit.

(c) The General Assembly may exempt from property taxation any property in any of the following classes:

(1) Property being used for municipal, educational, literary, scientific, religious, or charitable purposes.

(2) Tangible personal property other than property being held as an investment.

(3) Intangible personal property.

(4) Tangible ~~real~~ property, including curtilage, used as a principal place of residence by an:

(A) owner of the property;

(B) individual who is buying the tangible ~~real~~ property under a contract; or

(C) individual who has a beneficial interest in the owner of the tangible ~~real~~ property.

~~(b)~~ **(d)** The General Assembly may exempt any motor vehicles, mobile homes **(not otherwise exempt under this section),** airplanes, boats, trailers, or similar property, provided that an excise tax in lieu of the property tax is substituted therefor.

(e) This subsection applies to property taxes first due and payable in 2012 and thereafter. The following definitions apply to subsection (f):

(1) "Other residential property" means tangible property (other than tangible property described in subsection (c)(4)) that is used for residential purposes.

(2) "Agricultural land" means land devoted to agricultural use.

(3) "Other real property" means real property that is not tangible property described in subsection (c)(4), is not other residential property, and is not agricultural land.

(f) This subsection applies to property taxes first due and payable in 2012 and thereafter. The General Assembly shall, by law, limit a taxpayer's property tax liability as follows:

(1) A taxpayer's property tax liability on tangible property described in subsection (c)(4) may not exceed one percent (1%) of the gross assessed value of the property that is the basis for the determination of property taxes.

(2) A taxpayer's property tax liability on other residential property may not exceed two percent (2%) of the gross assessed value of the property that is the basis for the determination of property taxes.

(3) A taxpayer's property tax liability on agricultural land may not exceed two percent (2%) of the gross assessed value of the land that is the basis for the determination of property taxes.

(4) A taxpayer's property tax liability on other real property may not exceed three percent (3%) of the gross assessed value of the property that is the basis for the determination of property taxes.

(5) A taxpayer's property tax liability on personal property (other than personal property that is tangible property described in subsection (c)(4) or personal property that is other residential property) within a particular taxing district may not exceed three percent (3%) of the gross assessed value of the taxpayer's personal property that is the basis for the determination of property taxes within the taxing district.

(g) This subsection applies to property taxes first due and payable in 2012 and thereafter. Property taxes imposed after being approved by the voters in a referendum shall not be considered for purposes of calculating the limits to property tax liability under subsection (f).

(h) As used in this subsection, "eligible county" means only a county for which the General Assembly determines in 2008 that limits to property tax liability as described in subsection (f) are expected to reduce in 2010 the aggregate property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%). The General Assembly may, by law, provide that property taxes imposed in an eligible county to pay debt service or make lease payments for bonds or leases issued or entered into before July 1, 2008, shall not be considered for purposes of calculating the limits to property tax liability under subsection (f). Such a law may not apply after December 31, 2019.

(Reference is to ESJR 1 as printed February 22, 2008.)

Kenley, Chair	Crawford
Mrvan	Espich
Senate Conferees	House Conferees

Roll Call 354: yeas 40, nays 7. Report adopted.

CONFERENCE COMMITTEE REPORT

EHB 1052–2

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1052 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the

following:

SECTION 1. IC 9-13-2-49.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 49.7. "Entrapment" means a confining circumstance from which escape or relief is difficult or impossible.**

SECTION 2. IC 9-24-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) Except as provided in subsection (c), an examination for a learner's permit must consist of a test of the applicant's eyesight **and knowledge of IC 9-26-1-1.5.** All other examinations must include the following:

(1) A test of the following of the applicant:

(A) Eyesight.

(B) Ability to read and understand highway signs regulating, warning, and directing traffic.

(C) Knowledge of Indiana traffic laws, **including IC 9-26-1-1.5.**

(2) An actual demonstration of the applicant's ability to exercise ordinary and reasonable control in the operation of a motor vehicle under the type of permit or license applied for.

(b) The examination may include further physical and mental examination that the bureau finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon Indiana highways. The applicant must provide the motor vehicle used in the examination.

(c) The bureau shall waive the actual demonstration required under subsection (a)(2) for a person who has passed a driver's education class and a road test given by a commercial driver training school or a high school driver education program.

(d) The bureau shall adopt rules under IC 4-22-2 specifying requirements for a road test given under subsection (c) by a commercial driver training school or a high school driver education program.

SECTION 3. IC 9-26-1-1, AS AMENDED BY P.L.210-2005, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. The driver of a vehicle involved in an accident that results in the injury or death of a person **or the entrapment of a person in a vehicle** shall do the following:

(1) Immediately stop the **driver's** vehicle at the scene of the accident or as close to the accident as possible in a manner that does not obstruct traffic more than is necessary.

(2) Immediately return to and remain at the scene of the accident until the driver does the following:

(A) Gives the driver's name and address and the registration number of the vehicle the driver was driving.

(B) Upon request, exhibits the driver's license of the driver to the following:

(i) The person struck.

(ii) The driver or occupant of or person attending each vehicle involved in the accident.

(C) **Subject to section 1.5(a) of this chapter,** determines the need for and renders reasonable assistance to each person injured **or entrapped** in the accident, including the removal or the making of arrangements for:

(i) the removal of each injured person **from the scene of the accident** to a physician or hospital for medical treatment; **and**

(ii) the removal of each entrapped person from the vehicle in which the person is entrapped.

(3) **Subject to section 1.5(b) of this chapter,** immediately give notice of the accident by the quickest means of communication to one (1) of the following:

(A) The local police department if the accident occurs within a municipality.

(B) The office of the county sheriff or the nearest state police post if the accident occurs outside a municipality.

(4) Within ten (10) days after the accident, forward a written report of the accident to the:

(A) state police department, if the accident occurs before January 1, 2006; or

(B) bureau, if the accident occurs after December 31, 2005.

SECTION 4. IC 9-26-1-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1.5. (a) If:**

(1) the driver of a vehicle is physically incapable of determining the need for or rendering assistance to any injured or entrapped person as required under section 1(2)(C) of this chapter;

(2) there is another occupant in the vehicle at the time of the accident who is:

(A) at least:

(i) fifteen (15) years of age and holds a learner's permit issued under IC 9-24-7-1 or a driver's license issued under IC 9-24-11; or

(ii) eighteen (18) years of age; and

(B) capable of determining the need for and rendering reasonable assistance to injured or entrapped persons as provided in section 1(2)(C) of this chapter; and

(3) the other occupant in the vehicle knows that the driver of the vehicle is physically incapable of determining the need for or rendering assistance to any injured or entrapped person;

the vehicle occupant referred to in subdivisions (2) and (3) shall immediately determine the need for and render reasonable assistance to each person injured or entrapped in the accident as provided in section 1(2)(C) of this chapter.

(b) If:

(1) the driver of a vehicle is physically incapable of giving immediate notice of an accident as required under section 1(3) of this chapter;

(2) there is another occupant in the vehicle at the time of the accident who is:

(A) at least:

(i) fifteen (15) years of age and holds a learner's permit issued under IC 9-24-7-1 or a driver's license issued under IC 9-24-11; or

(ii) eighteen (18) years of age; and

(B) capable of giving notice as provided in section 1(3) of this chapter; and

(3) the other occupant in the vehicle knows that the driver of the vehicle is physically incapable of giving immediate notice of an accident;

the vehicle occupant referred to in subdivisions (2) and (3) shall immediately give notice of the accident by the quickest means of communication as provided in section 1(3) of this chapter.

(c) If there is more than one (1) vehicle occupant to whom subsection (a) applies, it is a defense to a prosecution of one (1) vehicle occupant under subsection (a) that the defendant reasonably believed that another occupant of the vehicle determined the need for and rendered reasonable assistance as required under subsection (a).

(d) If there is more than one (1) vehicle occupant to whom subsection (b) applies, it is a defense to a prosecution of one (1) vehicle occupant under subsection (b) that the defendant reasonably believed that another occupant of the vehicle gave the notice required under subsection (b).

SECTION 5. IC 9-26-1-2, AS AMENDED BY P.L.210-2005, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. The driver of a vehicle involved in an accident that does not result in injury or death of a person **or the entrapment of a person in a vehicle** but that does result in damage to a vehicle that is driven or attended by a person shall do the following:

(1) Immediately stop the vehicle at the scene of the accident or as close to the accident as possible in a manner that does not obstruct traffic more than is necessary.

(2) Immediately return to and remain at the scene of the accident until the driver does the following:

(A) Gives the driver's name and address and the registration number of the vehicle the driver was driving.

(B) Upon request, exhibits the driver's license of the driver to the driver or occupant of or person attending each vehicle involved in the accident.

(3) If the accident results in total property damage to an apparent extent of at least one thousand dollars ($1,000), forward a written report of the accident to the:

(A) state police department, if the accident occurs before January 1, 2006; or

(B) bureau, if the accident occurs after December 31, 2005;

within ten (10) days after the accident.

SECTION 6. IC 9-26-1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) If:

(1) the driver of a vehicle is physically incapable of making ~~an immediate or~~ a written report of an accident as required by this chapter; and

(2) there was another occupant in the vehicle at the time of the accident capable of making ~~an immediate or~~ a written report;

the occupant shall make or cause to be made the report not made by the driver.

(b) If:

(1) the driver of a vehicle is physically incapable of making an immediate or a written report of an accident as required by this chapter;

(2) there was no other occupant; and

(3) the driver is not the owner of the vehicle;

the owner of the vehicle involved in the accident shall, within five (5) days after the accident, make the report not made by the driver.

SECTION 7. IC 9-26-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) A person who **knowingly or intentionally** fails to stop or comply with section 1(1) or 1(2) of this chapter after causing injury to a person commits a Class A misdemeanor. However, the offense is:

(1) a Class D felony if:

(A) the accident involves serious bodily injury to a person; or

(B) within the five (5) years preceding the commission of the offense, the person had a previous conviction of any of the offenses listed in IC 9-30-10-4(a); ~~and~~

(2) a Class C felony if the accident involves the death of a person; **and**

(3) a Class B felony if the person knowingly or intentionally fails to stop or comply with section 1(1) or 1(2) of this chapter after committing operating while intoxicated causing serious bodily injury (IC 9-30-5-4).

(b) A person who **knowingly or intentionally** fails to stop or comply with section 3 or 4 of this chapter after causing damage to the property of another person commits a Class B misdemeanor.

SECTION 8. IC 9-26-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. A person who **intentionally, knowingly, or recklessly** violates section 1(3), **1.5,** 2(1), or 2(2) of this chapter commits a Class C misdemeanor.

SECTION 9. IC 9-30-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. **(a) Except as provided in subsection (b),** a person who violates section 1 or 2 of this chapter commits a Class D felony if:

(1) the person has a previous conviction of operating while intoxicated that occurred within the five (5) years immediately preceding the occurrence of the violation of section 1 or 2 of this chapter; or

(2) the person:

(A) is at least twenty-one (21) years of age;

(B) violates section 1(b) or 2(b) of this chapter; and

(C) operated a vehicle in which at least one (1) passenger was less than eighteen (18) years of age.

(b) A person who violates section 1 or 2 of this chapter, or

subsection (a)(2) of this section, commits a Class C felony if:

(1) the person has a previous conviction of operating while intoxicated causing death (IC 9-30-5-5); or

(2) the person has a previous conviction of operating while intoxicated causing serious bodily injury (IC 9-30-5-4).

SECTION 10. IC 9-30-5-10, AS AMENDED BY P.L.172-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) In addition to a criminal penalty imposed for an offense under this chapter or IC 14-15-8, the court shall, after reviewing the person's bureau driving record and other relevant evidence, recommend the suspension of the person's driving privileges for the fixed period of time specified under this section. **The court may require that a period of suspension recommended under this section be imposed, if applicable, before a period of incarceration or after a period of incarceration, or both before and after a period of incarceration, as long as the suspension otherwise complies with the periods established in this section.**

(b) If the court finds that the person:

(1) does not have a previous conviction of operating a vehicle or a motorboat while intoxicated; or

(2) has a previous conviction of operating a vehicle or a motorboat while intoxicated that occurred at least ten (10) years before the conviction under consideration by the court;

the court shall recommend the suspension of the person's driving privileges for at least ninety (90) days but not more than two (2) years.

(c) If the court finds that the person has a previous conviction of operating a vehicle or a motorboat while intoxicated and the previous conviction occurred more than five (5) years but less than ten (10) years before the conviction under consideration by the court, the court shall recommend the suspension of the person's driving privileges for at least one hundred eighty (180) days but not more than two (2) years. The court may stay the execution of that part of the suspension that exceeds the minimum period of suspension and grant the person probationary driving privileges for a period of time equal to the length of the stay.

(d) If the court finds that the person has a previous conviction of operating a vehicle or a motorboat while intoxicated and the previous conviction occurred less than five (5) years before the conviction under consideration by the court, the court shall recommend the suspension of the person's driving privileges for at least one (1) year but not more than two (2) years. The court may stay the execution of that part of the suspension that exceeds the minimum period of suspension and grant the person probationary driving privileges for a period of time equal to the length of the stay. If the court grants probationary driving privileges under this subsection, the court shall order that the probationary driving privileges include the requirement that the person may not operate a motor vehicle unless the motor vehicle is equipped with a functioning certified ignition interlock device under IC 9-30-8. However, the court may grant probationary driving privileges under this subsection without requiring the installation of an ignition interlock device if the person is successfully participating in a court supervised alcohol treatment program in which the person is taking disulfiram or a similar substance that the court determines is effective in treating alcohol abuse. The person granted probationary driving privileges under this subsection shall pay all costs associated with the installation of an ignition interlock device unless the sentencing court determines that the person is indigent.

(e) If the conviction under consideration by the court is for an offense under:

(1) section 4 of this chapter;

(2) section 5 of this chapter;

(3) IC 14-15-8-8(b); or

(4) IC 14-15-8-8(c);

the court shall recommend the suspension of the person's driving privileges for at least two (2) years but not more than five (5) years.

(f) If the conviction under consideration by the court is for an offense involving the use of a controlled substance listed in schedule I, II, III, IV, or V of IC 35-48-2, in which a vehicle was used in the offense, the court shall recommend the suspension or revocation of the person's driving privileges for at least six (6) months.

SECTION 11. IC 34-30-12-1, AS AMENDED BY P.L.74-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) This section does not apply to services rendered by a health care provider (as defined in IC 34-18-2-14 or IC 27-12-2-14 before its repeal) to a patient in a health care facility (as defined in IC 27-8-10-1).

(b) Except as provided in subsection (c), a person who comes upon the scene of an emergency or accident, **complies with IC 9-26-1-1.5,** or is summoned to the scene of an emergency or accident and, in good faith, gratuitously renders emergency care at the scene of the emergency or accident is immune from civil liability for any personal injury that results from:

(1) any act or omission by the person in rendering the emergency care; or

(2) any act or failure to act to provide or arrange for further medical treatment or care for the injured person;

except for acts or omissions amounting to gross negligence or willful or wanton misconduct.

(c) This subsection applies to a person to whom IC 16-31-6.5 applies. A person who gratuitously renders emergency care involving the use of an automatic external defibrillator is immune from liability for any act or omission not amounting to gross negligence or willful or wanton misconduct if the person fulfills the requirements set forth in IC 16-31-6.5.

(d) This subsection applies to an individual, business, or organization to which IC 16-31-6.5 applies. An individual, business, or organization that allows a person who is an expected user to use an automatic external defibrillator of the individual, business, or organization to in good faith gratuitously render

emergency care is immune from civil liability for any damages resulting from an act or omission not amounting to gross negligence or willful or wanton misconduct by the user or for acquiring or providing the automatic external defibrillator to the user for the purpose of rendering the emergency care if the individual, business, or organization and the user fulfill the requirements set forth in IC 16-31-6.5.

(e) A licensed physician who gives medical direction in the use of a defibrillator or a national or state approved defibrillator instructor of a person who gratuitously renders emergency care involving the use of an automatic external defibrillator is immune from civil liability for any act or omission of the licensed physician or instructor if the act or omission of the licensed physician or instructor:

(1) involves the training for or use of an automatic external defibrillator; and

(2) does not amount to gross negligence or willful or wanton misconduct.

SECTION 12. IC 35-50-1-2, AS AMENDED BY P.L.1-2006, SECTION 549, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) As used in this section, "crime of violence" means **the following:**

(1) Murder (IC 35-42-1-1).

(2) Attempted murder (IC 35-41-5-1).

(3) Voluntary manslaughter (IC 35-42-1-3).

(4) Involuntary manslaughter (IC 35-42-1-4).

(5) Reckless homicide (IC 35-42-1-5).

(6) Aggravated battery (IC 35-42-2-1.5).

(7) Kidnapping (IC 35-42-3-2).

(8) Rape (IC 35-42-4-1).

(9) Criminal deviate conduct (IC 35-42-4-2).

(10) Child molesting (IC 35-42-4-3).

(11) Sexual misconduct with a minor as a Class A felony under IC 35-42-4-9(a)(2) or a Class B felony under IC 35-42-4-9(b)(2).

(12) Robbery as a Class A felony or a Class B felony (IC 35-42-5-1).

(13) Burglary as a Class A felony or a Class B felony (IC 35-43-2-1). ~~or~~

(14) **Operating a motor vehicle while intoxicated** causing death ~~when operating a motor vehicle~~ (IC 9-30-5-5).

(15) Operating a motor vehicle while intoxicated causing serious bodily injury to another person (IC 9-30-5-4).

(16) Resisting law enforcement as a felony (IC 35-44-3-3).

(b) As used in this section, "episode of criminal conduct" means offenses or a connected series of offenses that are closely related in time, place, and circumstance.

(c) Except as provided in subsection (d) or (e), the court shall determine whether terms of imprisonment shall be served concurrently or consecutively. The court may consider the:

(1) aggravating circumstances in IC 35-38-1-7.1(a); and

(2) mitigating circumstances in IC 35-38-1-7.1(b);

in making a determination under this subsection. The court may order terms of imprisonment to be served consecutively even if the sentences are not imposed at the same time. However, except for crimes of violence, the total of the consecutive terms of imprisonment, exclusive of terms of imprisonment under IC 35-50-2-8 and IC 35-50-2-10, to which the defendant is sentenced for felony convictions arising out of an episode of criminal conduct shall not exceed the advisory sentence for a felony which is one (1) class of felony higher than the most serious of the felonies for which the person has been convicted.

(d) If, after being arrested for one (1) crime, a person commits another crime:

(1) before the date the person is discharged from probation, parole, or a term of imprisonment imposed for the first crime; or

(2) while the person is released:

(A) upon the person's own recognizance; or

(B) on bond;

the terms of imprisonment for the crimes shall be served consecutively, regardless of the order in which the crimes are tried and sentences are imposed.

(e) If the factfinder determines under IC 35-50-2-11 that a person used a firearm in the commission of the offense for which the person was convicted, the term of imprisonment for the underlying offense and the additional term of imprisonment imposed under IC 35-50-2-11 must be served consecutively.

SECTION 13. [EFFECTIVE JULY 1, 2008] **IC 9-26-1-1, IC 9-26-1-2, IC 9-26-1-6, IC 9-26-1-8, IC 9-26-1-9, IC 9-30-5-3, IC 9-30-5-10, and IC 35-50-1-2, all as amended by this act, apply only to crimes committed after June 30, 2008.**

SECTION 14. [EFFECTIVE JULY 1, 2008] **IC 9-26-1-1.5, as added by this act, applies only to crimes committed after June 30, 2008**.

(Reference is to EHB 1052 as reprinted February 27, 2008.)

Hoy, Chair	Riegsecker
Neese	Lanane
House Conferees	Senate Conferees

Roll Call 355: yeas 42, nays 5. Report adopted.

CONFERENCE COMMITTEE REPORT

EHB 1071–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1071 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 3-5-2-49.9, AS ADDED BY P.L.164-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE UPON PASSAGE]: Sec. 49.9. (a) "Vote center" means a polling place where a voter who resides in the county in which the vote center is located may vote without regard to the precinct in which the voter resides.

(b) This section expires December 31, ~~2009.~~ **2010.**

SECTION 2. IC 3-11-6.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) To receive reimbursement for the purchase of voting systems under this chapter, a county must file an application with the election division, in the form required by the election division. The secretary of state with the consent of the co-directors of the election division shall review the application and make a recommendation to the budget committee regarding the application. If a county filed an application under section 3 of this chapter (repealed) not later than January 31, 2003, the application may be amended to comply with this chapter or the county may file a new application under this subsection.

(b) The budget agency, after review by the budget committee, shall approve a county's application for reimbursement under this chapter if the budget agency determines ~~either~~ **any** of the following:

(1) The county has purchased or will purchase a new voting system or an upgrade or expansion of an existing voting system to comply with HAVA that would be eligible for reimbursement under HAVA and this chapter from any fund account.

(2) The county purchased a new voting system or an upgrade or expansion of the county's existing voting system after January 1, 1998, and before July 1, 2001, that would not qualify for reimbursement from federal funds received under HAVA, and the new voting system or upgrade or expansion of the county's existing voting system enhanced all of the following:

(A) Reliability of the county's voting system.

(B) Efficiency of the county's voting system.

(C) Ease of use of the county's voting system by voters.

(D) Public confidence in the county's voting system.

(3) The county has purchased or will purchase a new voting system to replace a voting system that the county cannot use because the county is unable to obtain technical or other operating support for its current voting system. This subdivision applies only if the purchase of a new voting system is eligible for reimbursement under HAVA.

SECTION 3. IC 3-11-18-20, AS ADDED BY P.L.164-2006, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. This chapter expires December 31, ~~2009.~~ **2010.**

SECTION 4. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) The definitions set forth in IC 3-5-2 apply throughout this SECTION.**

(b) The secretary of state may designate one (1) county as a vote center pilot county under IC 3-11-18, as amended by this act.

(c) A county must file with the secretary of state an application to be designated a vote center pilot county under IC 3-11-18, as amended by this act, not later than March 17, 2008.

(d) The secretary of state shall act in accordance with IC 3-11-18, as amended by this act, and this SECTION to designate a county as a vote center pilot county not later than April 1, 2008.

(e) The designation of a county as a vote center pilot county under this SECTION is effective June 1, 2008.

(f) A county designated as a vote center pilot county under:

(1) P.L.164-2006, SECTION 148 (before its expiration); or

(2) this SECTION;

is automatically redesignated as a vote center pilot county under IC 3-11-18, as amended by this act, on July 1, 2008.

(g) This SECTION expires December 31, 2010.

SECTION 5. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "HAVA money" refers to money received by the state under the Help America Vote Act of 2002 (42 U.S.C. 15301 through 42 U.S.C. 15545).**

(b) The definitions in IC 3-5-2 apply throughout this SECTION.

(c) HAVA money received after December 31, 2007, shall be allocated to reimburse the following counties for the purchase of new voting systems:

(1) Boone County.

(2) Cass County.

(3) Parke County.

(4) Randolph County.

(d) The secretary of state, as the state's chief election official under IC 3-6-3.7-1, shall petition the federal Election Assistance Commission for authority to use HAVA money to reimburse counties as provided in subsection (c). In addition to other arguments that the secretary of state may make in the petition, the secretary of state shall inform the Election Assistance Commission that the general assembly considers the circumstances of the counties described in subsection (c) as different from other jurisdictions that have requested to use HAVA money to purchase new voting systems to replace voting systems purchased from HAVA money. Other states have sought to replace functioning voting systems that the state has chosen to abandon for public policy reasons. The state of Indiana is petitioning to use HAVA money to replace voting systems that cannot be used because of the lack of technical and other operating support for the voting systems due to the dissolution of the companies that sold the voting systems.

(e) This SECTION expires July 1, 2013.

SECTION 6. [EFFECTIVE UPON PASSAGE] **(a) There is appropriated to the election administration assistance fund one hundred twenty-five thousand two hundred dollars ($125,200) from the state general fund to match any money granted to the state by the federal government after December 31, 2007, under the Help America Vote Act of**

2002 (42 U.S.C. 15301 through 42 U.S.C. 15545), beginning July 1, 2008, and ending June 30, 2010.

(b) This SECTION expires July 1, 2010.

SECTION 7. **An emergency is declared for this act.**

(Reference is to EHB 1071 as reprinted February 19, 2008.)

Grubb, Chair	Lawson
Richardson	Skinner
House Conferees	Senate Conferees

Roll Call 356: yeas 47, nays 0. Report adopted.

CONFERENCE COMMITTEE REPORT

EHB 1105–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1105 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-2-1-9, AS AMENDED BY P.L.230-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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),~~ **(r),** and ~~(r),~~

(s), 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)~~ **(2)** has not been employed as a law enforcement officer for at least two (2) years and less than six (6) years before the officer is hired under subdivision (1) due to the officer's resignation or retirement; and

~~(4)~~ **(3)** completed **at any time** a basic training course certified by the board before the officer is hired under subdivision (1).

(o) 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) has not been employed as a law enforcement officer for at least six (6) years and less than ten (10) years before the officer is hired under subdivision (1) due to the officer's resignation or retirement;

(3) is hired under subdivision (1) in an upper level policymaking position; and

(4) completed at any time a basic training course certified by the board before the officer is hired under subdivision (1).

A refresher course established under this subsection may not exceed one hundred twenty (120) hours of course work. All credit hours received for successfully completing the police chief executive training program under subsection (i) shall be applied toward the refresher course credit hour requirements.

~~(o)~~ **(p) Subject to subsection (q),** an officer to whom subsection (n) **or (o)** applies must successfully complete the refresher course described in subsection (n) **or (o)** 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)~~ **(q)** 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) years before the officer is hired as a law enforcement officer;~~

has worked as a law enforcement officer for less than twenty-five (25) years before being hired under subsection (n)(1) or (o)(1) is not eligible to attend the refresher course described in subsection (n) **or (o)** and must repeat the full basic training course to regain law enforcement powers. **However, a law enforcement officer who has worked as a law enforcement officer for at least twenty-five (25) years before being hired under subsection (n)(1) or (o)(1) and who otherwise satisfies the requirements of subsection (n) or (o) 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) or (o) and the pre-basic training course established under subsection (f).**

~~(q)~~ **(r)** 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)~~ **(s)** 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.

(t) As used in this section, "upper level policymaking position" refers to the following:

(1) If the authorized size of the department or town marshal system is not more than ten (10) members, the term refers to the position held by the police chief or town marshal.

(2) If the authorized size of the department or town marshal system is more than ten (10) members but less than fifty-one (51) members, the term refers to:

(A) the position held by the police chief or town

marshal; and

(B) each position held by the members of the police department or town marshal system in the next rank and pay grade immediately below the police chief or town marshal.

(3) If the authorized size of the department or town marshal system is more than fifty (50) members, the term refers to:

(A) the position held by the police chief or town marshal; and

(B) each position held by the members of the police department or town marshal system in the next two (2) ranks and pay grades immediately below the police chief or town marshal.

SECTION 2. IC 5-10-5.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in subsection (b), every participant is required to retire on the first day of the month following the participant's ~~sixtieth~~ **sixty-fifth** birthday.

(b) 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)~~ **fifteen (15)** years of service.

SECTION 3. IC 5-10-5.5-10, AS AMENDED BY P.L.180-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Benefits provided under this section are subject to section 2.5 of this chapter.

(b) The annual retirement allowance of a participant, payable in equal monthly installments beginning on the participant's normal retirement date, shall be a percentage of the participant's average annual salary, such percentage to be twenty-five percent (25%) increased by one and two-thirds percent (1 2/3%) of the participant's average annual salary for each completed year of creditable service more than ten (10) years. **However, the annual retirement allowance computed under this subsection may not exceed seventy-five percent (75%) of the participant's average annual salary.**

(c) The annual retirement allowance shall cease with the last monthly payment prior to the death of the participant.

SECTION 4. IC 5-10-5.5-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 22. (a) As used in this section, "DROP" refers to a deferred retirement option plan established under this section.**

(b) As used in this section, "DROP entry date" means the date that a participant's election to enter a DROP becomes effective.

(c) As used in this section, "DROP frozen benefit" refers to an annual retirement allowance computed under section 10 of this chapter based on a participant's:

(1) average annual salary; and

(2) years of creditable service;

on the date the participant enters the DROP.

(d) As used in this section, "DROP retirement date" means the future retirement date selected by a participant at the time the participant elects to enter the DROP.

(e) Only a participant who is eligible to receive an unreduced annual retirement allowance immediately upon termination of employment may elect to enter a DROP. A participant who elects to enter the DROP must agree to the following:

(1) The participant shall execute an irrevocable election to retire on the DROP retirement date and must remain in active service until that date.

(2) While in the DROP, the participant shall continue to make contributions under section 8 of this chapter.

(3) The participant shall select a DROP retirement date not less than twelve (12) months and not more than thirty-six (36) months after the participant's DROP entry date.

(4) The participant may not remain in the DROP after the date the participant reaches the mandatory retirement age under section 9 of this chapter.

(5) The participant may make an election to enter the DROP only once in the participant's lifetime.

(f) Contributions or payments provided by the general assembly under section 4(b)(4) of this chapter continue for a participant while the participant is in the DROP.

(g) A participant shall exit the DROP on the earliest of the following:

(1) The participant's DROP retirement date.

(2) Thirty-six (36) months after the participant's DROP entry date.

(3) The participant's mandatory retirement age.

(4) The date the participant retires because of a disability as provided by subsection (k).

(h) A participant who retires on the participant's DROP retirement date or on the date the participant retires because of a disability as provided by subsection (k) may elect to receive an annual retirement allowance:

(1) computed under section 10 of this chapter as if the participant had never entered the DROP; or

(2) consisting of:

(A) the DROP frozen benefit; plus

(B) an additional amount, paid as the participant elects under subsection (i), determined by multiplying:

(i) the DROP frozen benefit; by

(ii) the number of months the participant was in the DROP.

(i) The participant shall elect, at the participant's retirement, to receive the additional amount calculated under subsection (h)(2)(B) in one (1) of the following ways:

(1) A lump sum paid on:

(A) the participant's DROP retirement date; or

(B) the date the participant retires because of a disability as provided by subsection (k).

(2) Three (3) equal annual payments:

(A) commencing on:

(i) the participant's DROP retirement date; or

(ii) the date the participant retires because of a disability as provided by subsection (k); and

(B) thereafter paid on:

(i) the anniversary of the participant's DROP retirement date; or

(ii) the date the participant retires because of a disability as provided by subsection (k).

(j) A cost of living increase determined under section 21(c) of this chapter does not apply to the additional amount calculated under subsection (h)(2)(B) at the participant's DROP retirement date or the date the participant retires because of a disability as provided by subsection (k). No cost of living increase is applied to a DROP frozen benefit while the participant is in the DROP. After the participant's DROP retirement date or the date the participant retires because of a disability as provided by subsection (k), cost of living increases determined under section 21(c) of this chapter apply to the participant's annual retirement allowance computed under this section.

(k) If a participant becomes disabled, in the line of duty or other than in the line of duty while in the DROP, the participant's annual retirement allowance is computed as follows:

(1) If the participant retires because of a disability less than twelve (12) months after the date the participant enters the DROP, the participant's annual retirement allowance is calculated as if the participant had never entered the DROP.

(2) If the participant retires because of a disability at least twelve (12) months after the date the participant enters the DROP, the participant's annual retirement allowance is calculated under this section, and the participant's retirement date is the date the member retires because of a disability rather than the participant's DROP retirement date.

(l) If, before payment of the participant's annual retirement allowance begins, the participant dies in the line of duty or other than in the line of duty, death benefits are payable as follows:

(1) The benefit calculated under subsection (h)(2)(B) is paid in a lump sum to the participant's surviving spouse. If there is no surviving spouse, the lump sum must be divided equally among the participant's surviving children. If there are no surviving children, the lump sum is paid to the participant's parents. If there are no surviving parents, the lump sum is paid to the participant's estate.

(2) A benefit is paid on the DROP frozen benefit under the terms of the retirement plan created by this chapter.

(m) Except as provided under subsections (k) and (l), the annual retirement allowance for a participant who exits the DROP for any reason other than retirement on the participant's DROP retirement date is calculated as if the participant had never entered the DROP.

SECTION 5. IC 5-22-22-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) This section applies to the following surplus property:

(1) Fire trucks.

(2) Emergency service vehicles.

(3) Firefighting or emergency services equipment.

(b) As used in this section, **"fire department" refers to any of the following:**

(1) A volunteer fire department ~~has the meaning set forth~~ **(as defined** in IC 36-8-12-2).

(2) The board of fire trustees of a fire protection district established under IC 36-8-11.

(3) The provider unit of a fire protection territory established under IC 36-8-19.

(c) Notwithstanding section 4, 4.5, or 5 of this chapter, a governmental body may transfer title of surplus property to a ~~volunteer~~ fire department for the ~~volunteer~~ fire department's use in providing fire protection or emergency services.

(d) A ~~volunteer~~ fire department located in the same county as the governmental body offering the surplus property for transfer has the right of first refusal for all surplus property offered. Surplus property that is refused by the ~~volunteer~~ fire departments located in the same county as the governmental body may be transferred to any ~~volunteer~~ fire department in Indiana.

(e) A governmental body may transfer title of surplus property to a ~~volunteer~~ fire department under this section by:

(1) sale;

(2) gift; or

(3) another arrangement acceptable to the governmental body and the ~~volunteer~~ fire department.

SECTION 6. IC 36-1-11-5.7, AS ADDED BY P.L.188-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5.7. ~~(a) As used in this section, "political subdivision":~~

~~(1) before July 1, 2008, does not include a township in a county having a consolidated city; and~~

~~(2) after June 30, 2008, refers to all political subdivisions.~~

~~(b)~~ **(a)** As used in this section, **"fire department" refers to any of the following:**

(1) A volunteer fire department ~~has the meaning set forth~~ **(as defined** in IC 36-8-12-2).

(2) The board of fire trustees of a fire protection district established under IC 36-8-11.

(3) The provider unit of a fire protection territory established under IC 36-8-19.

~~(c)~~ **(b)** Notwithstanding IC 5-22-22 and sections 4, 4.1, 4.2, and 5 of this chapter, a disposing agent of a political subdivision may sell or transfer:

(1) real property; or

(2) tangible or intangible personal property, licenses, or any interest in the tangible or intangible personal property or licenses;

without consideration or for a nominal consideration to a ~~volunteer~~ fire department for construction of a fire station or other purposes related to firefighting.

SECTION 7. IC 36-8-19-8, AS AMENDED BY P.L.47-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) Upon the adoption of identical ordinances or resolutions, or both, by the participating units under section 6 of this chapter, the designated provider unit must establish a fire protection territory fund from which all expenses of operating and maintaining the fire protection services within the territory, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, and all other expenses lawfully incurred within the territory shall be paid. The purposes described in this subsection are the sole purposes of the fund, and money in the fund may not be used for any other expenses. Except as allowed in subsections (d) and (e) and section 8.5 of this chapter, the provider unit is not authorized to transfer money out of the fund at any time.

(b) The fund consists of the following:

(1) All receipts from the tax imposed under this section.

(2) Any money transferred to the fund by the provider unit as authorized under subsection (d).

(3) Any receipts from a false alarm fee or service charge imposed by the participating units under IC 36-8-13-4.

(4) Any money transferred to the fund by a participating unit under section 8.6 of this chapter.

(c) The provider unit, with the assistance of each of the other participating units, shall annually budget the necessary money to meet the expenses of operation and maintenance of the fire protection services within the territory, plus a reasonable operating balance, not to exceed twenty percent (20%) of the budgeted expenses. After estimating expenses and receipts of money, the provider unit shall establish the tax levy required to fund the estimated budget. The amount budgeted under this subsection shall be considered a part of each of the participating unit's budget.

(d) If the amount levied in a particular year is insufficient to cover the costs incurred in providing fire protection services within the territory, the provider unit may transfer from available sources to the fire protection territory fund the money needed to cover those costs. In this case:

(1) the levy in the following year shall be increased by the amount required to be transferred; and

(2) the provider unit is entitled to transfer the amount described in subdivision (1) from the fund as reimbursement to the provider unit.

(e) If the amount levied in a particular year exceeds the amount necessary to cover the costs incurred in providing fire protection services within the territory, the levy in the following year shall be reduced by the amount of surplus money that is not transferred to the equipment replacement fund established under section 8.5 of this chapter. The amount that may be transferred to the equipment replacement fund may not exceed five percent (5%) of the levy for that fund for that year. Each participating unit must agree to the amount to be transferred by adopting an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that specifies an identical amount to be transferred.

(f) The tax under this section is not subject to the tax levy limitations imposed on civil taxing units under IC 6-1.1-18.5 for any unit that is a participating unit in a fire protection territory that was established before August 1, 2001.

(g) This subsection applies to a participating unit in a fire protection territory established under IC 36-8-19 after July 31, 2001. For purposes of calculating a participating unit's maximum permissible ad valorem property tax levy for the three (3) calendar years in which the participating unit levies a tax to support the territory, the unit's maximum permissible ad valorem property tax levy for the preceding calendar year under IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP ONE is increased each year by an amount equal to the difference between the:

(1) amount the unit will have to levy for the ensuing calendar year in order to fund the unit's share of the fire protection territory budget for the operating costs as provided in the ordinance or resolution making the unit a participating unit in the fire protection territory; and

(2) unit's levy for fire protection services for the calendar year that immediately precedes the ensuing calendar year in which the participating unit levies a tax to support the territory.

SECTION 8. IC 36-8-19-8.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 8.6. (a) A participating unit may adopt an ordinance or a resolution to transfer any money belonging to the participating unit to:**

(1) the fire protection territory fund established under section 8 of this chapter;

(2) the fire protection territory equipment replacement fund established under section 8.5 of this chapter; or

(3) both funds described in subdivisions (1) and (2).

(b) An ordinance or a resolution adopted under this section must state both of the following:

(1) The amount of money transferred to either fund.

(2) The source of the money.

(c) The transfer of money from a participating unit to a fire protection territory before July 1, 2008, is legalized.

SECTION 9. IC 36-8-19-15 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 15. (a) For purposes of this section, a fire protection territory is dissolved if all participating units withdraw from the fire protection territory as provided in section 13 of this chapter.**

(b) When a fire protection territory dissolves, title to any real property transferred to the provider unit reverts to the participating unit that transferred the real property to the provider unit.

SECTION 10. [EFFECTIVE UPON PASSAGE] **IC 5-10-5.5-9 and IC 5-10-5.5-10, both as amended by this**

act, and IC 5-10-5.5-22, as added by this act, apply only to a participant in the state excise police, gaming agent, and conservation enforcement officers' retirement fund who is in active service after June 30, 2008.

SECTION 11. [EFFECTIVE JANUARY 1, 2009] **(a) As used in this SECTION, "bureau" means the bureau of motor vehicles created by IC 9-14-1-1.**

(b) As used in this SECTION, "council" means the prosecuting attorneys council of Indiana established by IC 33-39-8-2(a).

(c) As used in this SECTION, "e-citation" means an electronic traffic ticket (as defined in IC 9-30-3-2.5).

(d) As used in this SECTION, "institute" means the Indiana criminal justice institute established by IC 5-2-6-3.

(e) As used in this SECTION, "license" means a commercial driver's license issued according to rules adopted under IC 9-24-6-2.

(f) The institute shall prepare an annual report that studies the following:

(1) Implementation of P.L.219-2003 (incorporating federal law regarding probationary and restricted driving privileges for persons holding a license).

(2) Implementation of P.L.176-2005, SECTIONS 19 through 25 (prosecuting attorney diversion and deferral limitations and the computer system established by the council).

(3) Implementation of P.L.206-2007 (e-citations).

(4) Use in Indiana of:

(A) ignition interlock programs and other alcohol monitoring systems such as SCRAM (Secure Continuous Remote Alcohol Monitor); and

(B) other alcohol abuse deterrent programs.

(5) Procedures and practices regarding license suspensions or granting of restricted or probationary licenses for:

(A) persons holding a license; or

(B) the:

(i) arrest of a person alleged to have; or

(ii) conviction of a person who has;

committed a violation of IC 9-30-5.

(g) To the extent available and permissible, the institute may consult with and use records of the bureau, the council, and the judicial technology and automation committee of the supreme court.

(h) The institute shall transmit the compiled report to the legislative council in an electronic format under IC 5-14-6 not later than November 1 of each year.

(i) This SECTION expires January 1, 2014.

SECTION 12. **An emergency is declared for this act**.

(Reference is to EHB 1105 as reprinted February 20, 2008.)

Tincher, Chair	Bray
Summers	Skinner
House Conferees	Senate Conferees

Roll Call 357: yeas 47, nays 0. Report adopted.

CONFERENCE COMMITTEE REPORT

EHB 1140–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1140 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-10-8-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 14. (a) As used in this section, "covered individual" means an individual who is entitled to coverage under a state employee health plan.**

(b) As used in this section, "orthotic device" means a medically necessary custom fabricated brace or support that is designed as a component of a prosthetic device.

(c) As used in this section, "prosthetic device" means an artificial leg or arm.

(d) As used in this section, "state employee health plan" means a:

(1) self-insurance program established under section 7(b) of this chapter; or

(2) contract with a prepaid health care delivery plan that is entered into or renewed under section 7(c) of this chapter;

to provide group health coverage. The term does not include a dental or vision plan.

(e) A state employee health plan must provide coverage for orthotic devices and prosthetic devices, including repairs or replacements, that:

(1) are provided or performed by a person that is:

(A) accredited as required under 42 U.S.C. 1395m(a)(20); or

(B) a qualified practitioner (as defined in 42 U.S.C. 1395m(h)(1)(F)(iii));

(2) are determined by the covered individual's physician to be medically necessary to restore or maintain the covered individual's ability to perform activities of daily living or essential job related activities; and

(3) are not solely for comfort or convenience.

(f) The:

(1) coverage required under subsection (e) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare program (42 U.S.C. 1395 et seq.); and

(2) reimbursement under the coverage required under subsection (e) must be equal to the reimbursement that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule,

unless a different reimbursement rate is negotiated.

This subsection does not require a deductible under a state employee health plan to be equal to a deductible under the federal Medicare program.

(g) Except as provided in subsections (h) and (i), the coverage required under subsection (e):

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the state employee health plan.

(h) The coverage required under subsection (e) may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit.

(i) Any lifetime maximum coverage limitation that applies to prosthetic devices and orthotic devices:

(1) must not be included in; and

(2) must be equal to;

the lifetime maximum coverage limitation that applies to all other items and services generally under the state employee health plan.

(j) For purposes of this subsection, "items and services" does not include preventive services for which coverage is provided under a high deductible health plan (as defined in 26 U.S.C. 220(c)(2) or 26 U.S.C. 223(c)(2)). The coverage required under subsection (e) may not be subject to a deductible, copayment, or coinsurance provision that is less favorable to a covered individual than the deductible, copayment, or coinsurance provisions that apply to other items and services generally under the state employee health plan.

SECTION 2. IC 27-8-24.2 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 24.2. Coverage for Prosthetic Devices

Sec. 1. As used in this chapter, "insured" means an individual who is entitled to coverage under a policy of accident and sickness insurance.

Sec. 2. As used in this chapter, "orthotic device" means a medically necessary custom fabricated brace or support that is designed as a component of a prosthetic device.

Sec. 3. (a) As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

(b) The term does not include the following:

(1) Accident only, credit, dental, vision, Medicare, Medicare supplement, long term care, or disability income insurance.

(2) Coverage issued as a supplement to liability insurance.

(3) Automobile medical payment insurance.

(4) A specified disease policy.

(5) A limited benefit health insurance policy.

(6) A short term insurance plan that:

(A) may not be renewed; and

(B) has a duration of not more than six (6) months.

(7) A policy that provides a stipulated daily, weekly, or monthly payment to an insured during hospital confinement, without regard to the actual expense of the confinement.

(8) Worker's compensation or similar insurance.

(9) A student health insurance policy.

Sec. 4. As used in this chapter, "prosthetic device" means an artificial leg or arm.

Sec. 5. A policy of accident and sickness insurance must provide coverage for orthotic devices and prosthetic devices, including repairs or replacements, that:

(1) are provided or performed by a person that is:

(A) accredited as required under 42 U.S.C. 1395m(a)(20); or

(B) a qualified practitioner (as defined in 42 U.S.C. 1395m(h)(1)(F)(iii));

(2) are determined by the insured's physician to be medically necessary to restore or maintain the insured's ability to perform activities of daily living or essential job related activities; and

(3) are not solely for comfort or convenience.

Sec. 6. The:

(1) coverage required under section 5 of this chapter must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare program (42 U.S.C. 1395 et seq.); and

(2) reimbursement under the coverage required under section 5 of this chapter must be equal to the reimbursement that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless a different reimbursement rate is negotiated.

This section does not require a deductible under a policy of accident and sickness insurance to be equal to a deductible under the federal Medicare program.

Sec. 7. Except as provided in sections 8 and 9 of this chapter, the coverage required under section 5 of this chapter:

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the policy of accident and sickness insurance.

Sec. 8. The coverage required under section 5 of this chapter may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit.

Sec. 9. Any lifetime maximum coverage limitation that applies to prosthetic devices and orthotic devices:

(1) must not be included in; and

(2) must be equal to;

the lifetime maximum coverage limitation that applies to all other items and services generally under the policy of accident and sickness insurance.

Sec. 10. For purposes of this section, "items and services" does not include preventive services for which coverage is provided under a high deductible health plan (as defined in

26 U.S.C. 220(c)(2) or 26 U.S.C. 223(c)(2)). The coverage required under section 5 of this chapter may not be subject to a deductible, copayment, or coinsurance provision that is less favorable to an insured than the deductible, copayment, or coinsurance provisions that apply to other items and services generally under the policy of accident and sickness insurance.

SECTION 3. IC 27-13-7-19 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 19. (a) As used in this section, "orthotic device" means a medically necessary custom fabricated brace or support that is designed as a component of a prosthetic device.**

(b) As used in this section, "prosthetic device" means an artificial leg or arm.

(c) An individual contract or a group contract that provides coverage for basic health care services must provide coverage for orthotic devices and prosthetic devices, including repairs or replacements, that:

(1) are provided or performed by a person that is:

(A) accredited as required under 42 U.S.C. 1395m(a)(20); or

(B) a qualified practitioner (as defined in 42 U.S.C. 1395m(h)(1)(F)(iii));

(2) are determined by the enrollee's physician to be medically necessary to restore or maintain the enrollee's ability to perform activities of daily living or essential job related activities; and

(3) are not solely for comfort or convenience.

(d) The:

(1) coverage required under subsection (c) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare program (42 U.S.C. 1395 et seq.); and

(2) reimbursement under the coverage required under subsection (c) must be equal to the reimbursement that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless a different reimbursement rate is negotiated.

This subsection does not require a deductible under an individual contract or a group contract to be equal to a deductible under the federal Medicare program.

(e) Except as provided in subsections (f) and (g), the coverage required under subsection (c):

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the individual contract or group contract.

(f) The coverage required under subsection (c) may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit.

(g) Any lifetime maximum coverage limitation that applies to prosthetic devices and orthotic devices:

(1) must not be included in; and

(2) must be equal to;

the lifetime maximum coverage limitation that applies to all other items and services generally under the individual contract or group contract.

(h) For purposes of this subsection, "items and services" does not include preventive services for which coverage is provided under a high deductible health plan (as defined in 26 U.S.C. 220(c)(2) or 26 U.S.C. 223(c)(2)). The coverage required under subsection (c) may not be subject to a deductible, copayment, or coinsurance provision that is less favorable to an enrollee than the deductible, copayment, or coinsurance provisions that apply to other items and services generally under the individual contract or group contract.

SECTION 4. [EFFECTIVE JULY 1, 2008] **(a) IC 5-10-8-14, as added by this act, applies to a state employee health plan that is established, entered into, delivered, amended, or renewed after June 30, 2008.**

(b) IC 27-8-24.2, as added by this act, applies to a policy of accident and sickness insurance that is issued, delivered, amended, or renewed after June 30, 2008.

(c) IC 27-13-7-19, as added by this act, applies to an individual contract or a group contract that is entered into, delivered, amended, or renewed after June 30, 2008.

(Reference is to EHB 1140 as reprinted February 27, 2008.)

Fry, Chair	Dillon
GiaQuinta	Simpson
House Conferees	Senate Conferees

Roll Call 358: yeas 44, nays 3. Report adopted.

CONFERENCE COMMITTEE REPORT

EHB 1204–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1204 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 10-13-7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 7. Emergency Alert System Advisory Committee

Sec. 1. As used in this chapter, "committee" refers to the emergency alert system advisory committee established by section 3 of this chapter.

Sec. 2. As used in this chapter, "emergency alert system" refers to the system described in 47 CFR 11.

Sec. 3. The emergency alert system advisory committee is established.

Sec. 4. (a) The committee consists of the following members:

(1) The superintendent or the superintendent's designee. The superintendent or the superintendent's designee is the committee's chair.

(2) The executive director of the department of homeland security or the executive director's designee.

(3) The state health commissioner or the commissioner's designee.

(4) An individual representing the National Weather Service, appointed by the governor.

(5) Two (2) individuals representing television broadcasters in Indiana, appointed by the governor.

(6) Two (2) individuals representing radio broadcasters in Indiana, appointed by the governor.

(7) An individual representing an Indiana newspaper that maintains a twenty-four (24) hour web site, appointed by the governor.

(8) An individual representing a video service provider that provides video service to Indiana consumers, appointed by the governor.

(b) The following apply to a committee member appointed under subsection (a)(4), (a)(5), (a)(6), (a)(7), or (a)(8):

(1) The term of a member begins on one (1) of the following dates, whichever applies, during the year in which the member is appointed:

(A) July 1, if the member is appointed on or before July 1.

(B) The day the member accepts the member's appointment, if the member is appointed after July 1.

(2) The term of a member expires on July 1 of the fourth year after the year the member's term begins.

(3) A member may be reappointed to serve a new term.

Sec. 5. The committee shall do the following:

(1) Develop, update, and monitor the effectiveness of the state emergency alert system plan.

(2) Make recommendations concerning the acquisition of appropriate technology and equipment to make the emergency notification system effective on a timely basis in all parts of Indiana.

(3) Through the department, purchase appropriate technology and equipment to equip local primary relaying stations with monitoring equipment.

(4) Make applications for private, local, state, or federal grants to be used to enhance or improve the emergency alert system.

Sec. 6. The department shall provide administrative and staff support for the committee.

Sec. 7. (a) The committee's expenses shall be paid from appropriations made by the general assembly.

(b) Money received by the committee as a grant or a gift is appropriated for purposes of the grant or the gift.

Sec. 8. (a) Each member of the committee 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, however, entitled to reimbursement for travel expenses as provided in 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.

(b) Each member of the committee who is a state employee is entitled to reimbursement for travel 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.

Sec. 9. The affirmative votes of a majority of the members on the committee are required for the committee to take action on any measure.

SECTION 2. IC 36-8-16-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) As used in this chapter, "exchange access facility" means the access from a particular service user's premises to a telephone system.

(b) The term includes:

(1) an access line;

(2) a private branch exchange (PBX) trunk; and

(3) a centrex line trunk equivalent;

that is provided by the service supplier. The term also includes a mobile telephone system access trunk, whether the trunk is provided by a telephone company or a radio common carrier. **In the case of a service user receiving interconnected VoIP service, the term refers to the Internet protocol compatible customer premises equipment that enables the service user to access the interconnected VoIP service.**

(c) The term does not include:

(1) a service supplier owned and operated telephone pay station line;

(2) a wide area telecommunications service (WATS) line;

(3) a foreign exchange (FX) line; or

(4) an incoming only line.

SECTION 3. IC 36-8-16-3.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.3. As used in this chapter, "interconnected VoIP service" has the meaning set forth in 47 CFR 9.3.**

SECTION 4. IC 36-8-16-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. As used in this chapter, "PSAP" has the meaning set forth in IC 36-8-16.5-13.**

SECTION 5. IC 36-8-16-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) As used in this chapter, "service supplier" means a person who provides ~~exchange~~ telephone **exchange** service to a service user **in Indiana. The term includes a person who offers interconnected VoIP service to a service user whose registered location (as defined in 47 CFR 9.3) is in Indiana.**

(b) As used in this chapter, "service user" means a person to whom ~~exchange~~ telephone **exchange** service is provided.

SECTION 6. IC 36-8-16-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) An enhanced emergency telephone system fee must be uniform and may not vary according to the type of exchange access facilities used in the unit.

(b) The ordinance imposing a fee under section 5 of this chapter may not impose a fee that exceeds the following:

(1) In a county that has a consolidated city or a county that has at least one (1) second class city, three percent (3%) of the average monthly telephone access line charge in the unit.

(2) In a county that does not have a consolidated city or a second class city, ten percent (10%) of the average monthly telephone access line charge in the unit.

(c) In calculating the average monthly telephone access line charge for purposes of this section, the unit imposing the fee shall include the average monthly charge that:

(1) is imposed by providers of interconnected VoIP service to service users whose registered location (as defined in 47 CFR 9.3) is in the unit; and

(2) represents the charge for the service user's access to the interconnected VoIP service.

SECTION 7. IC 36-8-16-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. **Except as provided in section 7.5 of this chapter,** the fiscal body of a unit may adopt an ordinance to change the amount of the enhanced emergency telephone system fee that it imposed under section 5 of this chapter. However, the new fee must comply with the limitations provided in section 6 of this chapter. In addition, the fiscal body of a unit may not adopt more than one (1) ordinance in any calendar year to change the unit's fee.

SECTION 8. IC 36-8-16-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7.5. (a) This section applies to a unit that imposes an enhanced emergency telephone system fee under section 5 of this chapter on March 15, 2008.**

(b) During the period beginning March 15, 2008, and ending on the date on which:

(1) the unit, if the unit is a county; or

(2) the county in which the unit is located, if the unit is a municipality;

complies with IC 36-8-16.5-51(c), the unit may not adopt an ordinance under section 7 of this chapter to increase the amount of the enhanced emergency telephone system fee imposed by the unit under section 5 of this chapter. Upon compliance with IC 36-8-16.5-51(c), the unit that, under the terms of the interlocal agreement required by IC 36-8-16.5-51(e), has the authority to impose a fee under this chapter may adopt an ordinance under section 7 of this chapter to increase the amount of the enhanced emergency telephone system fee as necessary to sufficiently fund any PSAP authorized under IC 36-8-16.5-51(c), subject to the limits set forth in section 6 of this chapter.

SECTION 9. IC 36-8-16-14, AS AMENDED BY P.L.104-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The emergency telephone system fees shall be used only to pay for:

(1) **except as provided in subsection (c),** the lease, purchase, or maintenance of enhanced emergency telephone equipment, including necessary computer hardware, software, and data base provisioning;

(2) the rates associated with the service suppliers' enhanced emergency telephone system network services;

(3) the personnel expenses of the emergency telephone system;

(4) the lease, purchase, construction, or maintenance of voice and data communications equipment, communications infrastructure, or other information technology necessary to provide emergency response services under authority of the unit imposing the fee; and

(5) an emergency telephone notification system under IC 36-8-21.

The legislative body of the unit may appropriate money in the fund only for such an expenditure.

(b) This subsection applies to a county that:

(1) imposes a fee under section 5 of this chapter; and

(2) contains a municipality that operates a PSAP (as defined in IC 36-8-16.5-13).

Not later than January 31 of each year, the county fiscal body shall submit to each municipality described in subdivision (2) a report of all expenditures described in subsection (a) paid during the immediately preceding calendar year.

(c) The state board of accounts shall audit the expenditures of emergency telephone system fees made during each of the following calendar years by each unit that imposed a fee under section 5 of this chapter during the following calendar years:

(1) The calendar year ending December 31, 2005.

(2) The calendar year ending December 31, 2006.

(3) The calendar year ending December 31, 2007.

Not later than November 1, 2008, the state board of accounts shall report to the regulatory flexibility committee established by IC 8-1-2.6-4 on the audits conducted under this subsection.

(d) The state board of accounts annually shall audit the expenditures of emergency telephone system fees made during the immediately preceding calendar year by each unit that imposes a fee under section 5 of this chapter. The state board of accounts shall conduct the first audits required by this subsection with respect to expenditures of emergency telephone system fees made during the calendar year ending December 31, 2008.

(e) In conducting the audits required under subsections (c) and (d), the state board of accounts shall determine whether the expenditures made by each unit are in compliance with:

(1) subsection (a); and

(2) section 15 of this chapter, as appropriate.

SECTION 10. IC 36-8-16.5-41 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 41. (a) A PSAP shall use its distribution made under section 39 of this chapter for the lease, purchase, or maintenance of wireless enhanced emergency telephone equipment, including:

(1) necessary computer hardware, software, and data base equipment;

(2) personnel expense and training;

(3) the provision of wireless enhanced emergency service; or

(4) educating consumers about the operations, limitations, role, and responsible use of enhanced 911 service.

(b) If:

(1) the board receives a written complaint alleging that a PSAP has used money received under this chapter in a manner that is inconsistent with this chapter; and

(2) a majority of the board votes to conduct an audit of the PSAP;

the board may contract with a third party auditor to audit the PSAP to determine whether the PSAP has used money received under this chapter in a manner consistent with this chapter.

(c) The state board of accounts shall audit the expenditures of wireless emergency enhanced 911 fees made during each of the following calendar years by each PSAP that received distributions under section 39 of this chapter during the following calendar years:

(1) The calendar year ending December 31, 2005.

(2) The calendar year ending December 31, 2006.

(3) The calendar year ending December 31, 2007.

Not later than November 1, 2008, the state board of accounts shall report to the regulatory flexibility committee established by IC 8-1-2.6-4 on the audits conducted under this subsection.

(d) The state board of accounts annually shall audit the expenditures of wireless emergency enhanced 911 fees made during the immediately preceding calendar year by each PSAP that received distributions under section 39 of this chapter during the immediately preceding calendar year. The state board of accounts shall conduct the first audits required by this subsection with respect to expenditures of wireless emergency enhanced 911 fees made during the calendar year ending December 31, 2008.

(e) In conducting the audits required under subsections (c) and (d), the state board of accounts shall determine whether the expenditures made by each PSAP are in compliance with subsection (a).

SECTION 11. IC 36-8-16.5-51 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 51. (a) For purposes of this section, a PSAP includes a public safety communications system operated and maintained under IC 36-8-15.**

(b) As used in this section, "PSAP operator" means:

(1) a political subdivision; or

(2) an agency;

that operates a PSAP. The term does not include a state educational institution that operates a PSAP or an airport authority established for a county having a consolidated city.

(c) Subject to subsection (d), after December 31, 2014, a county may not contain more than two (2) PSAPs. However, a county may contain one (1) or more PSAPs in addition to the number of PSAPs authorized by this section, as long as any additional PSAPs are operated by:

(1) a state educational institution; or

(2) an airport authority established for a county having a consolidated city.

(d) If, on March 15, 2008, a county does not contain more than one (1) PSAP, not including any PSAP operated by an entity described in subsection (c)(1) or (c)(2), an additional PSAP may not be established or operated in the county on or after March 15, 2008, unless the additional PSAP is established and operated by:

(1) a state educational institution;

(2) in the case of a county having a consolidated city, an airport authority established for the county; or

(3) the municipality having the largest population in the county or an agency of that municipality.

(e) Before January 1, 2015, each PSAP operator in a county that contains more than the number of PSAPs authorized by subsection (c) shall enter into an interlocal agreement under IC 36-1-7 with every other PSAP operator in the county to ensure that the county does not contain more than the number of PSAPs authorized by subsection (c) after December 31, 2014.

(f) An interlocal agreement required under subsection (e) may include as parties, in addition to the PSAP operators required to enter into the interlocal agreement under subsection (e), any of the following that seek to be served by a county's authorized PSAPs after December 31, 2014:

(1) Other counties contiguous to the county.

(2) Other political subdivisions in a county contiguous to the county.

(3) Other PSAP operators in a county contiguous to the county.

(g) An interlocal agreement required under subsection (e) must provide for the following:

(1) A plan for the:

(A) consolidation;

(B) reorganization; or

(C) elimination;

of one (1) or more of the county's PSAPs, as necessary to ensure that the county does not contain more than the number of PSAPs authorized by subsection (c) after December 31, 2014.

(2) A plan for funding and staffing the PSAP or PSAPs that will serve:

(A) the county; and

(B) any areas contiguous to the county, if additional parties described in subsection (f) participate in the interlocal agreement;

after December 31, 2014.

(3) Subject to any applicable state or federal requirements, protocol to be followed by the county's PSAP or PSAPs in:

(A) receiving incoming 911 calls; and

(B) dispatching appropriate public safety agencies to respond to the calls;

after December 31, 2014.

(4) Any other matters that the participating PSAP operators or parties described in subsection (f), if any, determine are necessary to ensure that the county does not contain more than the number of PSAPs authorized by subsection (c) after December 31, 2014.

(h) This section may not be construed to require a county to contain a PSAP.

SECTION 12. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "committee" refers to the regulatory flexibility committee established by IC 8-1-2.6-4.**

(b) As used in this SECTION, "PSAP" has the meaning set forth in IC 36-8-16.5-13.

(c) The committee shall study the appropriate mechanisms for funding both wireline and wireless enhanced emergency telephone systems in Indiana.

(d) In conducting the study required by this SECTION, the committee shall consider the following:

(1) The appropriateness of replacing:

(A) the wireline enhanced emergency telephone system fee that may be imposed under IC 36-8-16; and

(B) the wireless emergency enhanced 911 fee imposed under IC 36-8-16.5;

with a single fee that would apply to all voice communications service, regardless of the technology or protocol used to provide the service.

(2) The appropriate means for collecting and distributing any fees determined to be appropriate under subdivision (1).

(3) The appropriate uses by:

(A) PSAPs;

(B) counties;

(C) municipalities; or

(D) other political subdivisions or agencies;

of any fees determined to be appropriate under subdivision (1).

(4) The appropriate agency, board, commission, or other body to administer the collection, distribution, and investment of any fees determined to be appropriate under subdivision (1).

(5) The audits conducted by the state board of accounts under:

(A) IC 36-8-16-14(e); and

(B) IC 36-8-16.5-41(c);

both as added by this act.

(6) The three (3) most recent audits of the wireless emergency telephone system fund conducted under IC 36-8-16.5-24. The wireless enhanced 911 advisory board established by IC 36-8-16.5-18 shall make the audits described in this subdivision available to the committee not later than September 1, 2008.

(7) Any other issues the committee determines to be appropriate in considering the mechanisms for funding wireline and wireless enhanced emergency telephone systems in Indiana.

(e) The committee shall prepare a report on the committee's recommendations, if any, concerning the issues described in subsection (d) and shall submit the report to the legislative council in an electronic format under IC 5-14-6 not later than December 1, 2008.

(f) This SECTION expires January 1, 2009.

SECTION 13. **An emergency is declared for this act.**

(Reference is to EHB 1204 as reprinted February 19, 2008.)

Crooks, Chair	Kruse
Soliday	Tallian
House Conferees	Senate Conferees

Roll Call 359: yeas 47, nays 0. Report adopted.

CONFERENCE COMMITTEE REPORT

EHB 1219–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1219 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-8.1-8-8.7, AS ADDED BY P.L.226-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2008 (RETROACTIVE)]: Sec. 8.7. (a) The department shall operate a data match system with each financial institution doing business in Indiana.

(b) Each financial institution doing business in Indiana shall provide information to the department on all individuals:

(1) who hold one (1) or more accounts with the financial institution; and

(2) upon whom a levy may be issued by the department or a county treasurer.

(c) To provide the information required under subsection (b), a financial institution shall do one (1) of the following:

(1) Identify individuals by comparing records maintained by the financial institution with records provided by the department by:

(A) name; and

(B) either:

(i) Social Security number; or

(ii) tax identification number.

(2) Comply with IC 31-25-4-31(c)(2). The child support bureau established by IC 31-25-3-1 shall regularly make reports submitted under IC 31-25-4-31(c)(2) ~~available~~ **accessible** to the department or its agents for use only in tax judgment and levy administration.

(d) The information required under subsection (b) must:

(1) be provided on a quarterly basis; and

(2) include the:

(A) name;

(B) address of record; and

(C) either:

(i) the Social Security number; or

(ii) tax identification number;

of individuals identified under subsection (b).

(e) When the department determines that the information required under subsection (d)(2) is identical for an individual who holds an account with a financial institution and an individual against whom a levy may be issued by the department or a county treasurer, the department or its agents shall provide a notice of the match, in compliance with section 4 of this chapter, if action is to be initiated to levy or encumber the account.

(f) This section does not preclude a financial institution from exercising its right to:

(1) charge back or recoup a deposit to an account; or

(2) set off from an account held by the financial institution in which the individual has an interest in any debts owed to the financial institution that existed before:

(A) the state's levy; and

(B) notification to the financial institution of the levy.

(g) A financial institution ordered to block or encumber an account under this section is entitled to collect its normally scheduled account activity fees to maintain the account during the period the account is blocked or encumbered.

(h) All information provided by a financial institution under this section is confidential and is available only to the department or its agents for use only in levy collection activities.

(i) A financial institution providing information required under this section is not liable for:

(1) disclosing the required information to the department or the child support bureau established by IC 31-25-3-1;

(2) blocking or surrendering an individual's assets in response to a levy imposed under this section by:

(A) the department; or

(B) a person or an entity acting on behalf of the department; or

(3) any other action taken in good faith to comply with this section.

(j) A person or an entity that is acting on behalf of the department is not liable for any action taken in good faith to collect the state's levy under this section unless:

(1) the action is contrary to the department's direction to the person or entity; or

(2) for information provided under this section, the person or entity acts with:

(A) deliberate ignorance of the truth or falsity of the information; or

(B) reckless disregard for the truth or falsity of the information.

~~(j)~~ **(k)** The department or its agents shall pay a financial institution performing the data match required by this section a reasonable fee, as determined by the department, of at least five dollars ($5) for each levy issued to the financial institution.

~~(k)~~ **(l)** This section does not prevent the department or its agents from encumbering an obligor's account with a financial institution by any other remedy available under the law.

SECTION 2. IC 22-4-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2008 (RETROACTIVE)]: Sec. 1. (a) "Deductible income" wherever used in this article, means income deductible from the weekly benefit amount of an individual in any week, and shall include, but shall not be limited to:

(1) remuneration for services from employing units, whether or not such remuneration is subject to contribution under this article, except as provided in subsection (c);

(2) dismissal pay;

(3) vacation pay;

(4) pay for idle time;

(5) holiday pay;

(6) sick pay;

(7) traveling expenses granted to an individual by an employing unit and not fully accounted for by such individual;

(8) net earnings from self-employment;

(9) payments in lieu of compensation for services;

(10) awards by the national labor relations board of additional pay, back pay, or for loss of employment, or any such payments made under an agreement entered into by an employer, a union, and the National Labor Relations Board; ~~or~~

(11) payments made to an individual by an employing unit pursuant to the terms of the Fair Labor Standards Act (Federal Wage and Hour Law, 29 U.S.C. 201 et seq.);

(12) for a week in which a payment is actually received by an individual, payments made by an employer to an individual who accepts an offer from the employer in connection with a layoff or a plant closure; or

(13) except as provided in subsection (c)(2), the part of a payment made by an employer to an individual who accepts an offer from the employer in connection with a layoff or a plant closure if that part is attributable to a week and the week:

(A) occurs after an individual receives the payment; and

(B) was used under the terms of a written agreement to compute the payment.

(b) Deductible income shall not include the first three dollars ($3), or twenty percent (20%) of the claimant's weekly benefit amount rounded to the next lowest dollar, whichever is the larger, of remuneration paid or payable to an individual with

respect to any week by other than ~~his~~ **the individual's** base period employer or employers.

(c) For the purpose of deductible income only, remuneration for services from employing units does not include:

(1) bonuses, gifts, or prizes awarded to an employee by an employing unit; **or**

(2) compensation made under a valid negotiated contract or agreement in connection with a layoff or plant closure, without regard to how the compensation is characterized by the contract or agreement.

(d) Deductible income does not include a supplemental unemployment insurance benefit made under a valid negotiated contract or agreement.

SECTION 3. IC 22-4-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2008 (RETROACTIVE)]: Sec. 1. **(a) Except as provided in IC 22-4-5-1 or subsection (b) or (c),** an unemployed individual shall be eligible to receive benefits with respect to any week only if ~~He~~ **the individual** has made a claim for benefits in accordance with ~~the provisions of IC 1971, 22-4-17-1 hereof. Provided, however, That~~ **IC 22-4-17.**

(b) A person ~~accepting~~ **who:**

(1) accepts a layoff under an inverse seniority clause of a validly negotiated contract; ~~be~~ **and**

(2) otherwise meets the eligibility requirements established by this article;

is entitled to ~~all~~ **receive** benefits **in the same amounts, under the same terms, and subject to the same conditions** as any other unemployed person. ~~under the terms of this article. Provided, That he meets the other requirements of this article.~~

(c) This subsection does not apply to a person who elects to retire in connection with a layoff or plant closure and receive pension, retirement, or annuity payments. Except as provided in IC 22-4-5-1, a person who:

(1) accepts an offer of payment or other compensation offered by an employer to avert or lessen the effect of a layoff or plant closure; and

(2) otherwise meets the eligibility requirements established by this article;

is entitled to receive benefits in the same amounts, under the same terms, and subject to the same conditions as any other unemployed person.

SECTION 4. IC 22-4-25-1, AS AMENDED BY P.L.2-2007, SECTION 293, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2008 (RETROACTIVE)]: Sec. 1. (a) There is created in the state treasury a special fund to be known as the special employment and training services fund. All interest on delinquent contributions and penalties collected under this article, together with any voluntary contributions tendered as a contribution to this fund, shall be paid into this fund. The money shall not be expended or available for expenditure in any manner which would permit their substitution for (or a corresponding reduction in) federal funds which would in the absence of said money be available to finance expenditures for the administration of this article, but nothing in this section shall prevent said money from being used as a revolving fund to cover expenditures necessary and proper under the law for which federal funds have been duly requested but not yet received, subject to the charging of such expenditures against such funds when received. The money in this fund shall be used by the board for the payment of refunds of interest on delinquent contributions and penalties so collected, for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds received for or in the employment and training services administration fund, on and after July 1, 1945. Such money shall be available either to satisfy the obligations incurred by the board directly, or by transfer by the board of the required amount from the special employment and training services fund to the employment and training services administration fund. ~~No expenditure of this fund shall be made unless and until the board finds that no other funds are available or can properly be used to finance such expenditures, except that expenditures from said fund may be made for the purpose of acquiring lands and buildings or for the erection of buildings on lands so acquired which are deemed necessary by the board for the proper administration of this article.~~ The board shall order the transfer of such funds or the payment of any such obligation or expenditure and such funds shall be paid by the treasurer of state on requisition drawn by the board directing the auditor of state to issue the auditor's warrant therefor. Any such warrant shall be drawn by the state auditor based upon vouchers certified by the board or the commissioner. The money in this fund is hereby specifically made available to replace within a reasonable time any money received by this state pursuant to 42 U.S.C. 502, as amended, which, because of any action or contingency, has been lost or has been expended for purposes other than or in amounts in excess of those approved by the bureau of employment security. The money in this fund shall be continuously available to the board for expenditures in accordance with the provisions of this section and shall not lapse at any time or be transferred to any other fund, except as provided in this article. Nothing in this section shall be construed to limit, alter, or amend the liability of the state assumed and created by IC 22-4-28, or to change the procedure prescribed in IC 22-4-28 for the satisfaction of such liability, except to the extent that such liability may be satisfied by and out of the funds of such special employment and training services fund created by this section.

~~(b) The board, subject to the approval of the budget agency and governor, is authorized and empowered to use all or any part of the funds in the special employment and training services fund for the purpose of acquiring suitable office space for the department by way of purchase, lease, contract, or in any part thereof to purchase land and erect thereon such buildings as the board determines necessary or to assist in financing the construction of any building erected by the state or any of its agencies wherein available space will be provided for the department under lease or contract between the department and the state or such other agency. The commissioner may transfer from the employment and training services administration fund to the special employment and training services fund amounts~~

~~not exceeding funds specifically available to the commissioner for that purpose equivalent to the fair, reasonable rental value of any land and buildings acquired for its use until such time as the full amount of the purchase price of such land and buildings and such cost of repair and maintenance thereof as was expended from the special employment and training services fund has been returned to such fund.~~

~~(c) The board may also transfer from the employment and training services administration fund to the special employment and training services fund amounts not exceeding funds specifically available to the commissioner for that purpose equivalent to the fair, reasonable rental value of space used by the department in any building erected by the state or any of its agencies until such time as the department's proportionate amount of the purchase price of such building and the department's proportionate amount of such cost of repair and maintenance thereof as was expended from the special employment and training services fund has been returned to such fund.~~

~~(d)~~ **(b)** Whenever the balance in the special employment and training services fund is deemed excessive by the board, the board shall order payment into the unemployment insurance benefit fund of the amount of the special employment and training services fund deemed to be excessive.

~~(e)~~ **(c)** Subject to the approval of the board **and the availability of funds, on July 1, 2008, and each subsequent July 1,** the commissioner ~~may use not more than five~~ **shall release:**

(1) one million dollars ~~($5,000,000) during a program year for~~ **($1,000,000)** to **the state educational institution established under IC 21-25-2-1 for** training provided ~~by Ivy Tech Community College~~ to participants in ~~joint labor and management~~ apprenticeship programs approved by the United States Department of ~~Labor's~~ **Labor,** Bureau of Apprenticeship **and** Training; ~~Of the money allocated for training programs under this subsection, fifty percent (50%) is designated for industrial programs, and the remaining fifty (50%) percent is designated for building trade programs.~~

(2) four million dollars ($4,000,000) to the state educational institution instituted and incorporated under IC 21-22-2-1 for training provided to participants in joint labor and management apprenticeship programs approved by the United States Department of Labor, Bureau of Apprenticeship and Training; and

(3) two hundred fifty thousand dollars ($250,000) for journeyman upgrade training to each of the state educational institutions described in subdivisions (1) and (2).

Each state educational institution described in this subsection is entitled to keep ten percent (10%) of the funds released under this subsection for the payment of costs of administering the funds. On each June 30 following the release of the funds, any funds released under this subsection not used by the state educational institutions under this subsection shall be returned to the special employment and training services fund.

SECTION 5. IC 22-4-29-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2008 (RETROACTIVE)]: **Sec. 14. (a) The department may operate a data match system with each financial institution doing business in Indiana.**

(b) If the department operates a data match system, each financial institution doing business in Indiana shall provide information to the department on all employers:

(1) that hold one (1) or more accounts with the financial institution; and

(2) that are subject to a warrant issued by the commissioner for failure to pay a final assessment for contributions, interest, penalties, and any associated collection costs.

(c) To provide the information required under subsection (b), a financial institution shall do one (1) of the following:

(1) Identify employers by comparing records maintained by the financial institution with records provided by the department by:

(A) name; and

(B) either:

(i) Social Security number; or

(ii) federal tax identification number.

(2) Comply with IC 31-25-4-31(c)(2). The child support bureau established by IC 31-25-3-1 shall regularly make reports submitted under IC 31-25-4-31(c)(2) accessible to the department or its agents for use only in the collection of unpaid final assessments described in subsection (b)(2).

(d) The information required under subsection (b) must:

(1) be provided on a quarterly basis; and

(2) include:

(A) the name;

(B) the address of record; and

(C) either:

(i) the Social Security number; or

(ii) the federal tax identification number;

of the employers identified under subsection (b).

(e) When the department determines that the information required under subsection (d)(2) is identical for an employer that holds an account with a financial institution and an employer that is subject to a warrant issued by the commissioner for failure to pay a final assessment for contributions, interest, penalties, and any associated collection costs, the department or its agents shall provide a notice of the match to the financial institution if action is to be initiated to issue a warrant to levy upon or encumber the account.

(f) This section does not preclude a financial institution from exercising its right to:

(1) charge back or recoup a deposit to an account; or

(2) set off from an account held by the financial institution in which the employer has an interest any debts owed to the financial institution that existed before:

(A) the department's warrant; and

(B) notification to the financial institution of the department's warrant.

(g) A financial institution ordered to block or encumber an account under this section is entitled to collect its normally scheduled account activity fees to maintain the account during the period the account is blocked or encumbered.

(h) All information provided by a financial institution under this section is confidential and is available only to the department or its agents for use only in the collection of unpaid final assessments described in subsection (b)(2).

(i) A financial institution providing information required under this section is not liable for:

(1) disclosing the required information to the department or the child support bureau established by IC 31-25-3-1;

(2) blocking or surrendering an individual's assets in response to a levy imposed under this section by:

(A) the department; or

(B) a person or an entity acting on behalf of the department; or

(3) any other action taken in good faith to comply with this section.

(j) A person or an entity that is acting on behalf of the department is not liable for any action taken under this section in good faith to collect unpaid final assessments described in subsection (b)(2) unless:

(1) the action is contrary to the department's direction to the person or entity; or

(2) for information provided under this section, the person or entity acts with:

(A) deliberate ignorance of the truth or falsity of the information; or

(B) reckless disregard for the truth or falsity of the information.

(k) The department or its agents shall pay a financial institution performing the data match under this section a reasonable fee, as determined by the department, of at least five dollars ($5) for each warrant issued to the financial institution.

(l) This section does not prevent the department or its agents from encumbering an employer's account with a financial institution by any other remedy available under the law.

(m) An:

(1) officer or employee of the department; or

(2) officer or employee of a person or entity that is acting on behalf of the department;

who knowingly or intentionally discloses for a purpose other than the collection of unpaid final assessments described in subsection (b)(2) information provided by a financial institution that is confidential under this section commits a Class A misdemeanor.

SECTION 6. IC 22-4-31-6, AS AMENDED BY P.L.108-2006, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2008 (RETROACTIVE)]: Sec. 6. (a) If, after due notice, any employing unit defaults in the payment of any contributions or other money payments required by this article, the amount due may be collected by civil action in the name of the state of Indiana on the relation of the department. Such civil action is not to be considered as the exclusive method for collection of the contributions or money payments but is in addition to the method provided in IC 22-4-29-2 through ~~IC 22-4-29-12~~ **IC 22-4-29-14** and is to be brought only in such cases as the department may deem advisable in the interest of necessity and convenience.

(b) Unless the employing unit prevails in a civil action brought under this chapter, the court may award costs, including reasonable attorney's fees, incurred by the state in bringing the action.

SECTION 7. IC 31-25-4-31, AS AMENDED BY P.L.103-2007, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2008 (RETROACTIVE)]: Sec. 31. (a) The bureau shall operate a data match system with each financial institution doing business in Indiana.

(b) Each financial institution doing business in Indiana shall provide information to the bureau on all noncustodial parents who:

(1) hold one (1) or more accounts with the financial institution; and

(2) are delinquent.

(c) In order to provide the information required under subsection (b), a financial institution shall either:

(1) identify noncustodial parents by comparing records maintained by the financial institution with records provided by the bureau by:

(A) name; and

(B) either Social Security number or tax identification number; or

(2) submit to the bureau a report, in a form satisfactory to the bureau, that includes the Social Security number or tax identification number of each individual maintaining an account at the financial institution. **The reports submitted under this subdivision must be accessible to:**

(A) the department of state revenue established by IC 6-8.1-2-1 or its agents for use only in tax judgment and levy administration described in IC 6-8.1-8-8.7(b)(2); or

(B) the department of workforce development established by IC 22-4.1-2-1 or its agents for use only in the collection of unpaid final assessments described in IC 22-4-29-14(b)(2).

(d) The information required under subsection (b) must:

(1) be provided on a quarterly basis; and

(2) include the:

(A) name;

(B) address of record; and

(C) either the Social Security number or tax identification number;

of an individual identified under subsection (b).

(e) When the bureau has determined that the information required under subsection (d)(2) is identical for an individual who holds an account with a financial institution and an individual whose name appears on the quarterly list prepared by the bureau under section 30 of this chapter, the bureau shall provide a notice of the match if action is to be initiated to block or encumber the account by establishing a lien for child support payment to the:

(1) individual; and

(2) financial institution holding the account.

(f) The notice under section (e) must inform the individual that:

(1) the individual's account in a financial institution is subject to a child support lien; and

(2) the individual may file an appeal with the bureau within twenty (20) days after the date the notice was issued.

(g) The bureau shall hold a hearing under 470 IAC 1-4. The department's final action following a hearing held under this subsection is subject to judicial review as provided in 470 IAC 1-4.

(h) The state's lien on assets under this section is subordinate to any prior lien perfected by:

(1) a financial institution; or

(2) another legitimate lien holder.

(i) A lien issued under this section remains in effect until the earliest of:

(1) one hundred twenty (120) days after issuance;

(2) the date the asset on which the lien is issued is surrendered; or

(3) the date the lien is released by an action of the bureau.

(j) This section does not preclude a financial institution from exercising its right to:

(1) charge back or recoup a deposit to an account; or

(2) set off from an account held by the financial institution in which the noncustodial parent has an interest in any debts owed to the financial institution that existed before:

(A) the state's lien; and

(B) notification to the financial institution of the child support delinquency.

(k) A financial institution ordered to block or encumber an account under this section is entitled to collect its normally scheduled account activity fees to maintain the account during the period the account is blocked or encumbered.

(l) All information provided by a financial institution under this section is confidential and is available only to the bureau or its agents for use only in child support enforcement activities.

(m) A financial institution providing information required under this section is not liable for:

(1) disclosing the required information to the bureau, **the department of state revenue established by IC 6-8.1-2-1, or the department of workforce development established by IC 22-4.1-2-1;**

(2) blocking or surrendering any of an individual's assets in response to a lien imposed by:

(A) the bureau under this section; or

(B) a person or entity acting on behalf of the bureau; or

(3) any other action taken in good faith to comply with this section.

(n) The department shall pay a financial institution performing the data match required by this section a reasonable fee for providing the service that does not exceed the actual cost incurred by the financial institution.

(o) This section does not prevent the bureau or its agents from encumbering an obligor's account with a financial institution by any other remedy available for the enforcement of a child support order.

SECTION 8. IC 34-30-2-16.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2008 (RETROACTIVE)]: **Sec. 16.8. IC 6-8.1-8-8.7 (Concerning actions taken to collect tax judgments and levies).**

SECTION 9. IC 34-30-2-86.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 15, 2008 (RETROACTIVE)]: **Sec. 86.7. IC 22-4-29-14 (Concerning actions taken to collect unemployment insurance assessments).**

SECTION 10. [EFFECTIVE MARCH 15, 2008 (RETROACTIVE)] **IC 22-4-5-1 and IC 22-4-14-1, both as amended by this act, apply to initial claims for unemployment filed for weeks that begin after March 14, 2008.**

SECTION 11. **An emergency is declared for this act.**

(Reference is to EHB 1219 as reprinted February 27, 2008.)

Tyler, Chair	Kruse
Koch	Arnold
House Conferees	Senate Conferees

Roll Call 360: yeas 45, nays 2. Report adopted.

CONFERENCE COMMITTEE REPORT

EHB 1246–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1246 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 20-20-36 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2008]:

Chapter 36. Indiana Concurrent Enrollment Partnership

Sec. 1. As used in this chapter, "concurrent enrollment partnership" refers to the Indiana concurrent enrollment partnership established by section 2 of this chapter.

Sec. 2. (a) The Indiana concurrent enrollment partnership is established to foster innovation and collaboration among state educational institutions and school corporations. The partnership shall:

(1) organize the concurrent enrollment partnership;

(2) establish unified rigorous academic standards and assessment requirements and share best practices that comply with appropriate national accreditation standards for concurrent enrollment programs under IC 21-43-5;

(3) coordinate outreach and recruitment of Indiana students and teachers to participate in concurrent enrollment programs;

(4) develop a plan to expand the dual enrollment program to every high school in Indiana as required under IC 20-30-10-4 by the 2010-2011 school year;

(5) before December 1, 2008, develop a fiscal analysis and make recommendations to the department, the budget committee, and the general assembly to make two (2) dual enrollment courses available without tuition and fees or at reduced tuition and fees to students in grades 11 and 12 beginning with the 2010-2011 school year;

(6) develop and submit an annual report on the programs listed under IC 21-43-5-4(a) to the department of education and the commission for higher education before July 1 of each year; and

(7) offer recommendations on concurrent enrollment matters as requested by the state board and the commission for higher education.

(b) The report required under subsection (a)(6) must include the following information:

(1) An assessment of the academic standards required by the programs.

(2) Student performance under the programs.

(3) College attainment for students enrolled in the programs.

(4) Program costs.

(5) Student demand for the programs.

(6) Demographic information for students in the programs.

(7) The cost of, access to, and ease of transfer of courses in the programs.

Sec. 3. Membership in the concurrent enrollment partnership must include the following:

(1) Concurrent enrollment directors from each state educational institution that participates in the dual enrollment partnership.

(2) An individual appointed by the state superintendent.

(3) An individual appointed by the commission for higher education.

(4) A public school superintendent appointed by the state superintendent.

(5) A representative of the Indiana Non-Public Education Association appointed by the state superintendent.

(6) A school board member appointed by the state superintendent.

(7) A representative of the Independent Colleges of Indiana.

(8) A high school teacher participating in a concurrent enrollment program appointed by the state superintendent.

(9) A high school guidance counselor appointed by the state superintendent.

(10) An individual representing the Center for Excellency in Leadership of Learning appointed by the state superintendent.

Sec. 4. (a) The chair of the concurrent enrollment partnership shall be elected by a majority of all dual enrollment partnership members at the initial meeting of the partnership.

(b) The chair shall call the meetings of the partnership.

Sec. 5. The commission for higher education shall provide support for the concurrent enrollment partnership.

Sec. 6. This chapter expires July 1, 2009.

SECTION 2. IC 20-30-4-1, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. As used in this chapter, "student" refers to a student who is enrolled in a school corporation in at least ~~grade 9.~~ **grade 6.**

SECTION 3. IC 20-30-4-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1.5. (a) In grade 6, a student and the student's parent shall develop an initial graduation plan. The plan must include the following:**

(1) A statement of intent to graduate from high school.

(2) An acknowledgment of the importance of:

(A) good citizenship;

(B) school attendance; and

(C) diligent study habits.

(b) The plan must become part of the student's permanent school record.

SECTION 4. IC 20-30-4-2, AS AMENDED BY P.L.2-2007, SECTION 220, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. In consultation with the student's guidance counselor, after seeking consultation with each student's parents, and not later than the date on which the student completes grade 9, each student shall **further** develop ~~a career~~ **the graduation** plan ~~in which the student does~~ **developed in grade 6 under section 1.5 of this chapter to also include** the following:

(1) ~~Indicates~~ The subject and skill areas of interest to the student.

(2) ~~Designs~~ A program of study under the college/technology preparation curriculum adopted by the state board under IC 20-30-10-2 for grades 10, 11, and 12 that meets the interests and aptitude of the student.

(3) ~~Ensures~~ **Assurances** that, upon satisfactory fulfillment of the plan, the student:

(A) is entitled to graduate; and

(B) will have taken at least the minimum variety and number of courses necessary to gain admittance to a state educational institution.

(4) An indication of assessments (other than ISTEP and the graduation examination) that the student plans to take voluntarily during grade 10 through grade 12, and which may include any of the following:

(A) The SAT Reasoning Test.

(B) The ACT test.

(C) Advanced placement exams.

(D) College readiness exams approved by the department.

(E) Workforce readiness exams approved by the department of workforce development established under IC 22-4.1-2.

SECTION 5. IC 20-30-4-4, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. A ~~career~~ **graduation** plan may be modified after initial development. However, the modifications may not interfere with the assurances described in section 2(3) of this chapter.

SECTION 6. IC 20-30-4-5, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. This chapter may not be construed to prevent a student who chooses a particular curriculum under IC 20-30-12 or IC 20-30-10 from including within the student's ~~career~~ **graduation** plan individual courses or programs that:

(1) are not included within the student's chosen curriculum; and

(2) the student is otherwise eligible to take.

SECTION 7. IC 20-30-4-6, AS ADDED BY P.L.185-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) A student's guidance counselor shall, in consultation with the student and the student's parent, review annually a student's ~~career~~ **graduation** plan **that was developed in grade 9 under section 2 of this chapter** to determine if ~~a~~ **the** student is progressing toward fulfillment of the ~~career~~ **graduation** plan.

(b) If a student is not progressing toward fulfillment of the ~~career~~ **graduation** plan, the school counselor shall provide counseling services for the purpose of advising the student of credit recovery options and services available to help the student progress toward graduation.

SECTION 8. IC 20-33-2-13, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. (a) A school corporation shall record or include the following information in the official high school transcript for a student in high school:

(1) Attendance records.

(2) The student's latest ISTEP program test results under IC 20-32-5.

(3) Any secondary level and postsecondary level certificates of achievement earned by the student.

(4) Immunization information from the immunization record the student's school keeps under IC 20-34-4-1.

(5) Any dual credit courses taken that are included in the core transfer library under IC 21-42-5-4.

(b) A school corporation may include information on a student's high school transcript that is in addition to the requirements of subsection (a).

SECTION 9. IC 21-14-8-1, AS ADDED BY P.L.2-2007, SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. **(a)** A state educational institution shall waive tuition for a student who is:

(1) eligible for free or reduced lunch in high school;

(2) accepted into the double up for college program under IC 21-43-5; and

(3) accepted for admission to the state educational institution.

(b) The high school a student attends shall certify the student's income to a state educational institution to determine the student's eligibility for a tuition and fee waiver under this section.

(c) A high school may certify a student's eligibility for a tuition and fee waiver under this section based upon any of the following types of information:

(1) A free or reduced lunch application form.

(2) A state or federal income tax return.

(3) A certification from the office of the secretary of family and social services.

(4) Any state agency certification based upon income records.

SECTION 10. [EFFECTIVE JULY 1, 2008] **(a) As used in this SECTION, "committee" refers to the interim study committee on education matters.**

(b) There is established the interim study committee on education matters. The committee shall review and make recommendations to the general assembly, the state board of education, and the department of education on the following:

(1) The availability of virtual learning for K-12 students in Indiana.

(2) How virtual learning services are being provided by other states, including through state departments of education.

(3) Standards of quality and alignment with Indiana's content standards recommended for virtual learning.

(4) Accreditation standards and pricing for virtual learning opportunities.

(5) Funding for students enrolled in full-time or part-time virtual learning programs outside their home school corporation.

(6) Other issues that may be determined as necessary to make recommendations by the interim study committee.

(c) The committee shall operate under the policies governing study committees adopted by the legislative council.

(d) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.

(e) This SECTION expires November 1, 2008.

(Reference is to EHB 1246 as printed February 22, 2008.)

Austin, Chair	Lubbers
Behning	Sipes
House Conferees	Senate Conferees

Roll Call 361: yeas 45, nays 2. Report adopted.

CONFERENCE COMMITTEE REPORT

EHB 1284–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1284 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 27-1-3.1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) Upon determining that an examination should be conducted, the commissioner or the commissioner's designee shall issue an examination warrant appointing one **(1)** or more examiners to perform the examination and instructing them as to the scope of the examination. In conducting the examination, the examiner shall observe those guidelines and procedures set forth in the NAIC examiner's handbook. The commissioner may also employ such other guidelines or procedures as the commissioner considers appropriate. **The commissioner is not required to issue an examination warrant for a data call.**

(b) Every company or person from whom information is sought, and the officers, directors, and agents of the company or person, must provide to the examiners appointed under subsection (a) timely, convenient, and free access at all reasonable hours at its offices to all books, records, accounts, papers, documents, and any or all computer or other recordings relating to the property, assets, business, and affairs of the company being examined. The officers, directors, employees, and agents of the company or person must facilitate the examination and aid in the examination so far as it is in their power to do so. The refusal of any company, by its officers, directors, employees, or agents within the company's control, to submit to examination or to comply with any reasonable written request of the examiners, or the failure of any company to make a good faith effort to require compliance with such a request, is grounds for:

(1) suspension;

(2) refusal; or

(3) nonrenewal;

of any license or authority held by the company to engage in an insurance or other business subject to the commissioner's jurisdiction. The commissioner may proceed to suspend or revoke a license or authority upon the grounds set forth in this subsection under IC 27-1-3-10 or IC 27-1-3-19.

(c) The commissioner and the commissioner's examiners may issue subpoenas, administer oaths, and examine under oath any person as to any matter pertinent to an examination conducted under this chapter. Upon the failure or refusal of any person to obey a subpoena, the commissioner may petition a court of competent jurisdiction, and upon proper showing, the court may enter any order compelling the witness to appear and testify or produce documentary evidence. Failure to obey the court order is punishable as contempt of court.

(d) When making an examination under this chapter, the commissioner may retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialists as examiners. The cost of retaining these examiners shall be borne by the company that is the subject of the examination.

(e) This chapter does not limit the commissioner's authority to terminate or suspend any examination in order to pursue other legal or regulatory action pursuant to this title. Findings of fact and conclusions made pursuant to any examination shall be prima facie evidence in any legal or regulatory action.

SECTION 2. IC 27-1-12-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 40. Except for a policy that conforms to the description in section 37(2) of this chapter, a group life insurance policy may be extended to insure the employees or members, or any class or classes of employees or members, against loss due to the death of their spouses and dependent children, subject to the following:

(1) The premium for the insurance must be paid either from funds contributed by the employer, union, association, or other person to whom the policy has been issued, from funds contributed by the covered persons, or from both sources of funds. Except as provided in subdivision (2), a policy on which no part of the premium for the spouse's and dependent child's coverage is to be derived from funds contributed by the covered persons must insure all eligible employees or members, or any class or classes of eligible employees or members, with respect to their spouses and dependent children.

(2) An insurer may exclude or limit the coverage on any spouse or dependent child as to whom evidence of

individual insurability is not satisfactory to the insurer.

~~(3) The amounts of insurance for any covered spouse or dependent child under the policy may not exceed fifty percent (50%) of the amount of insurance for which the employee or member is insured.~~

SECTION 3. IC 27-8-5-1.5, AS ADDED BY P.L.173-2007, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.5. (a) This section applies to a policy of accident and sickness insurance issued on an individual, a group, a franchise, or a blanket basis, including a policy issued by an assessment company or a fraternal benefit society.

(b) As used in this section, "commissioner" refers to the insurance commissioner appointed under IC 27-1-1-2.

(c) As used in this section, "grossly inadequate filing" means a policy form filing:

(1) that fails to provide key information, including state specific information, regarding a product, policy, or rate; or

(2) that demonstrates an insufficient understanding of applicable legal requirements.

(d) As used in this section, "policy form" means a policy, a contract, a certificate, a rider, an endorsement, an evidence of coverage, or any amendment that is required by law to be filed with the commissioner for approval before use in Indiana.

(e) As used in this section, "type of insurance" refers to a type of coverage listed on the National Association of Insurance Commissioners Uniform Life, Accident and Health, Annuity and Credit Product Coding Matrix, or a successor document, under the heading "Continuing Care Retirement Communities", "Health", "Long Term Care", or "Medicare Supplement".

(f) Each person having a role in the filing process described in subsection (i) shall act in good faith and with due diligence in the performance of the person's duties.

(g) A policy form may not be issued or delivered in Indiana unless the policy form has been filed with and approved by the commissioner.

(h) The commissioner shall do the following:

(1) Create a document containing a list of all product filing requirements for each type of insurance, with appropriate citations to the law, administrative rule, or bulletin that specifies the requirement, including the citation for the type of insurance to which the requirement applies.

(2) Make the document described in subdivision (1) available on the department of insurance Internet site.

(3) Update the document described in subdivision (1) at least annually and not more than thirty (30) days following any change in a filing requirement.

(i) The filing process is as follows:

(1) A filer shall submit a policy form filing that:

(A) includes a copy of the document described in subsection (h);

(B) indicates the location within the policy form or supplement that relates to each requirement contained in the document described in subsection (h); and

(C) certifies that the policy form meets all requirements of state law.

(2) The commissioner shall review a policy form filing and, not more than thirty (30) days after the commissioner receives the filing under subdivision (1):

(A) approve the filing; or

(B) provide written notice of a determination:

(i) that deficiencies exist in the filing; or

(ii) that the commissioner disapproves the filing.

A written notice provided by the commissioner under clause (B) must be based only on the requirements set forth in the document described in subsection (h) and must cite the specific requirements not met by the filing. A written notice provided by the commissioner under clause (B)(i) must state the reasons for the commissioner's determination in sufficient detail to enable the filer to bring the policy form into compliance with the requirements not met by the filing.

(3) A filer may resubmit a policy form that:

(A) was determined deficient under subdivision (2) and has been amended to correct the deficiencies; or

(B) was disapproved under subdivision (2) and has been revised.

A policy form resubmitted under this subdivision must meet the requirements set forth as described in subdivision (1) and must be resubmitted not more than thirty (30) days after the filer receives the commissioner's written notice of deficiency or disapproval. If a policy form is not resubmitted within thirty (30) days after receipt of the written notice, the commissioner's determination regarding the policy form is final.

(4) The commissioner shall review a policy form filing resubmitted under subdivision (3) and, not more than thirty (30) days after the commissioner receives the resubmission:

(A) approve the resubmitted policy form; or

(B) provide written notice that the commissioner disapproves the resubmitted policy form.

A written notice of disapproval provided by the commissioner under clause (B) must be based only on the requirements set forth in the document described in subsection (h), must cite the specific requirements not met by the filing, and must state the reasons for the commissioner's determination in detail. The commissioner's approval or disapproval of a resubmitted policy form under this subdivision is final, except that the commissioner may allow the filer to resubmit a further revised policy form if the filer, in the filer's resubmission under subdivision (3), introduced new provisions or materially modified a substantive provision of the policy form. If the commissioner allows a filer to resubmit a further revised policy form under this subdivision, the filer must resubmit the further revised policy form not more than thirty (30) days after the filer receives notice under clause (B), and the commissioner shall issue a final determination on the further revised policy form not more than thirty (30) days

after the commissioner receives the further revised policy form.

(5) If the commissioner disapproves a policy form filing under this subsection, the commissioner shall notify the filer, in writing, of the filer's right to a hearing as described in subsection (m). ~~The~~ **A disapproved** policy form **filing** may not be ~~disapproved~~ **used for a policy of accident and sickness insurance** unless ~~it contains a material error or omission. At any~~ **the disapproval is overturned in a** hearing conducted under this subsection. ~~the commissioner must prove that the policy form contains a material error or omission.~~

(6) If the commissioner does not take any action on a policy form that is filed or resubmitted under this subsection in accordance with any applicable period specified in subdivision (2), (3), or (4), the policy form filing is considered to be approved.

(j) Except as provided in this subsection, the commissioner may not disapprove a policy form resubmitted under subsection (i)(3) or (i)(4) for a reason other than a reason specified in the original notice of determination under subsection (i)(2)(B). The commissioner may disapprove a resubmitted policy form for a reason other than a reason specified in the original notice of determination under subsection (i)(2) if:

(1) the filer has introduced a new provision in the resubmission;

(2) the filer has materially modified a substantive provision of the policy form in the resubmission;

(3) there has been a change in requirements applying to the policy form; or

(4) there has been reviewer error and the written disapproval fails to state a specific requirement with which the policy form does not comply.

(k) The commissioner may return a grossly inadequate filing to the filer without triggering a deadline set forth in this section.

(l) The commissioner may disapprove a policy form if:

(1) the benefits provided under the policy form are not reasonable in relation to the premium charged; or

(2) the policy form contains provisions that are unjust, unfair, inequitable, misleading, or deceptive, or that encourage misrepresentation of the policy.

(m) Upon disapproval of a filing under this section, the commissioner shall provide written notice to the filer or insurer of the right to a hearing within twenty (20) days of a request for a hearing.

(n) Unless a policy form approved under this chapter contains a material error or omission, the commissioner may not:

(1) retroactively disapprove the policy form; or

(2) examine the filer of the policy form during a routine or targeted market conduct examination for compliance with a policy form filing requirement that was not in existence at the time the policy form was filed.

SECTION 4. IC 27-8-11-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10. (a) As used in this section, "dialysis facility" means an outpatient facility in Indiana at which a dialysis treatment provider provides dialysis treatment.**

(b) As used in this section, "contracted dialysis facility" means a dialysis facility that has entered into an agreement with a particular insurer under section 3 of this chapter.

(c) Notwithstanding section 1 of this chapter, as used in this section, "insured" refers only to an insured who requires dialysis treatment.

(d) As used in this section, "insurer" includes the following:

(1) An administrator licensed under IC 27-1-25.

(2) An agent of an insurer.

(e) As used in this section, "non-contracted dialysis facility" means a dialysis facility that has not entered into an agreement with a particular insurer under section 3 of this chapter.

(f) An insurer shall not require an insured, as a condition of coverage or reimbursement, to:

(1) if the nearest dialysis facility is located within thirty (30) miles of the insured's home, travel more than thirty (30) miles from the insured's home to obtain dialysis treatment; or

(2) if the nearest dialysis facility is located more than thirty (30) miles from the insured's home, travel a greater distance than the distance to the nearest dialysis facility to obtain dialysis treatment;

regardless of whether the insured chooses to receive dialysis treatment at a contracted dialysis facility or a non-contracted dialysis facility.

SECTION 5. IC 27-13-1-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11.5. "Dialysis facility" means an outpatient facility in Indiana at which a dialysis treatment provider provides dialysis treatment.**

SECTION 6. IC 27-13-15-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a) Notwithstanding IC 27-13-1-12, as used in this section, "enrollee" refers only to an enrollee who requires dialysis treatment.**

(b) As used in this section, "health maintenance organization" includes the following:

(1) A limited service health maintenance organization.

(2) An agent of a health maintenance organization or a limited service health maintenance organization.

(c) A health maintenance organization shall not require an enrollee, as a condition of coverage or reimbursement, to:

(1) if the nearest dialysis facility is located within thirty (30) miles of the enrollee's home, travel more than thirty (30) miles from the enrollee's home to obtain dialysis treatment; or

(2) if the nearest dialysis facility is located more than thirty (30) miles from the enrollee's home, travel a greater distance than the distance to the nearest dialysis

facility to obtain dialysis treatment;

regardless of whether the enrollee chooses to receive dialysis treatment at a dialysis facility that is a participating provider or a dialysis facility that is not a participating provider.

SECTION 7. [EFFECTIVE JULY 1, 2008] **(a) As used in this SECTION, "committee" refers to the interim study committee on dialysis coverage established by subsection (b).**

(b) There is established the interim study committee on dialysis coverage.

(c) The committee consists of the following members:

(1) Four (4) legislators appointed by the president pro tempore of the senate, not more than two (2) of whom may be members of the same political party.

(2) Four (4) legislators appointed by the speaker of the house of representatives, not more than two (2) of whom may be members of the same political party.

(3) The executive director of the Indiana comprehensive health insurance association established by IC 27-8-10-2.1, who shall serve as chairperson of the committee.

(d) The committee shall study issues related to coverage of dialysis treatment under a policy of accident and sickness insurance and a health maintenance organization contract, including:

(1) requirements, as a condition of coverage or reimbursement, for patients to obtain treatment from particular dialysis treatment providers;

(2) costs related to dialysis treatment;

(3) availability, including changes in availability since 2003, of dialysis treatment throughout Indiana;

(4) payment rates, including changes in payment rates since 2003, for dialysis treatment throughout Indiana;

(5) consideration of the items described in subdivisions (1) through (4) as affected by a dialysis treatment provider's participation in provider networks used by accident and sickness insurers and health maintenance organizations; and

(6) additional issues related to coverage of dialysis treatment, as determined by the committee.

(e) The committee shall operate under the policies governing study committees adopted by the legislative council.

(f) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.

(g) The committee shall submit a final report to the legislative council in an electronic format under IC 5-14-6 before November 1, 2008.

(h) This SECTION expires December 31, 2008.

SECTION 8. **An emergency is declared for this act.**

(Reference is to EHB 1284 as reprinted February 27, 2008.)

Fry, Chair	Paul
Ripley	Smith
House Conferees	Senate Conferees

Roll Call 362: yeas 46, nays 1. Report adopted.

CONFERENCE COMMITTEE REPORT

EHB 1359–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1359 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-6-12-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. (a) As used in this chapter, "residential real estate transaction" includes:**

(1) mortgage lending practices;

(2) real estate appraisals; and

(3) other practices;

performed or undertaken in connection with a single family residential mortgage transaction or the refinancing of a single family residential mortgage transaction.

(b) Not later than July 1, 2008, the unit shall:

(1) establish a new toll free telephone number; or

(2) designate an existing toll free telephone number operated or sponsored by the office of the attorney general;

to receive calls from persons having information about suspected fraudulent residential real estate transactions.

(c) The toll free telephone number required by this section shall be staffed by:

(1) employees or investigators of the unit who have knowledge of the laws concerning residential real estate transactions;

(2) representatives of any of the entities described in section 4(a)(8) through 4(a)(10) of this chapter who have knowledge of the laws concerning residential real estate transactions; or

(3) a combination of persons described in subdivisions (1) and (2).

The attorney general shall designate persons to staff the toll free telephone number as required by this subsection.

(d) Unless otherwise prohibited by law, the unit shall ensure that information received from callers to the toll free telephone number is shared with any entity described in section 4 of this chapter that has jurisdiction over the matter not later than fifteen (15) business days after the date the unit determines the appropriate entity to which the information

should be referred. The unit shall establish uniform procedures for:

(1) responding to calls received;

(2) protecting:

(A) the anonymity of callers who wish to report information anonymously; or

(B) the identity of callers who request that their identity not be disclosed;

(3) documenting and verifying information reported by callers; and

(4) transmitting reported information to the appropriate entities described in section 4 of this chapter within the time required by this subsection.

(e) The unit shall publicize the availability of the toll free telephone number established under this section in a manner reasonably designed to reach members of the public.

SECTION 2. IC 4-6-12-8, AS AMENDED BY P.L.181-2006, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. The unit shall cooperate with the Indiana housing and community development authority in the development and implementation of the home ownership education programs established under ~~IC 5-20-1-4(f).~~ **IC 5-20-1-4(d).**

SECTION 3. IC 5-20-1-4, AS AMENDED BY P.L.99-2007, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) The authority has all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter, including the power:

(1) to make or participate in the making of construction loans ~~to sponsors of~~ **for** multiple family residential housing ~~that is federally assisted or assisted by a government sponsored enterprise, such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Agricultural Mortgage Corporation, the Federal Home Loan Bank, and other similar entities~~ **under terms that are** approved by the authority;

(2) to make or participate in the making of mortgage loans ~~to sponsors of~~ **for** multiple family residential housing ~~that is federally assisted or assisted by a government sponsored enterprise, such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Agricultural Mortgage Corporation, the Federal Home Loan Bank, and other similar entities~~ **under terms that are** approved by the authority;

(3) to purchase or participate in the purchase from mortgage lenders of mortgage loans made to persons of low and moderate income for residential housing;

(4) to make loans to mortgage lenders for the purpose of furnishing funds to such mortgage lenders to be used for making mortgage loans for persons and families of low and moderate income. However, the obligation to repay loans to mortgage lenders shall be general obligations of the respective mortgage lenders and shall bear such date or dates, shall mature at such time or times, shall be evidenced by such note, bond, or other certificate of indebtedness, shall be subject to prepayment, and shall contain such other provisions consistent with the purposes of this chapter as the authority shall by rule or resolution determine;

(5) to collect and pay reasonable fees and charges in connection with making, purchasing, and servicing of its loans, notes, bonds, commitments, and other evidences of indebtedness;

(6) to acquire real property, or any interest in real property, by conveyance, including purchase in lieu of foreclosure, or foreclosure, to own, manage, operate, hold, clear, improve, and rehabilitate such real property and sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber such real property where such use of real property is necessary or appropriate to the purposes of the authority;

(7) to sell, at public or private sale, all or any part of any mortgage or other instrument or document securing a construction loan, a land development loan, a mortgage loan, or a loan of any type permitted by this chapter;

(8) to procure insurance against any loss in connection with its operations in such amounts and from such insurers as it may deem necessary or desirable;

(9) to consent, subject to the provisions of any contract with noteholders or bondholders which may then exist, whenever it deems it necessary or desirable in the fulfillment of its purposes to the modification of the rate of interest, time of payment of any installment of principal or interest, or any other terms of any mortgage loan, mortgage loan commitment, construction loan, loan to lender, or contract or agreement of any kind to which the authority is a party;

(10) to enter into agreements or other transactions with any federal, state, or local governmental agency for the purpose of providing adequate living quarters for such persons and families in cities and counties where a need has been found for such housing;

(11) to include in any borrowing such amounts as may be deemed necessary by the authority to pay financing charges, interest on the obligations (for a period not exceeding the period of construction and a reasonable time thereafter or if the housing is completed, two (2) years from the date of issue of the obligations), consultant, advisory, and legal fees and such other expenses as are necessary or incident to such borrowing;

(12) to make and publish rules respecting its lending programs and such other rules as are necessary to effectuate the purposes of this chapter;

(13) to provide technical and advisory services to sponsors, builders, and developers of residential housing and to residents and potential residents, including housing selection and purchase procedures, family budgeting, property use and maintenance, household management, and

utilization of community resources;

(14) to promote research and development in scientific methods of constructing low cost residential housing of high durability;

(15) to encourage community organizations to participate in residential housing development;

(16) to make, execute, and effectuate any and all agreements or other documents with any governmental agency or any person, corporation, association, partnership, limited liability company, or other organization or entity necessary or convenient to accomplish the purposes of this chapter;

(17) to accept gifts, devises, bequests, grants, loans, appropriations, revenue sharing, other financing and assistance and any other aid from any source whatsoever and to agree to, and to comply with, conditions attached thereto;

(18) to sue and be sued in its own name, plead and be impleaded;

(19) to maintain an office in the city of Indianapolis and at such other place or places as it may determine;

(20) to adopt an official seal and alter the same at pleasure;

(21) to adopt and from time to time amend and repeal bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules and policies in connection with the performance of its functions and duties;

(22) to employ fiscal consultants, engineers, attorneys, real estate counselors, appraisers, and such other consultants and employees as may be required in the judgment of the authority and to fix and pay their compensation from funds available to the authority therefor;

(23) notwithstanding IC 5-13, but subject to the requirements of any trust agreement entered into by the authority, to invest:

(A) the authority's money, funds, and accounts;

(B) any money, funds, and accounts in the authority's custody; and

(C) proceeds of bonds or notes;

in the manner provided by an investment policy established by resolution of the authority;

(24) to make or participate in the making of construction loans, mortgage loans, or both, to individuals, partnerships, limited liability companies, corporations, and organizations for the construction of residential facilities for individuals with a developmental disability or for individuals with a mental illness or for the acquisition or renovation, or both, of a facility to make it suitable for use as a new residential facility for individuals with a developmental disability or for individuals with a mental illness;

(25) to make or participate in the making of construction and mortgage loans to individuals, partnerships, corporations, limited liability companies, and organizations for the construction, rehabilitation, or acquisition of residential facilities for children;

(26) to purchase or participate in the purchase of mortgage loans from:

(A) public utilities (as defined in IC 8-1-2-1); or

(B) municipally owned gas utility systems organized under IC 8-1.5;

if those mortgage loans were made for the purpose of insulating and otherwise weatherizing single family residences in order to conserve energy used to heat and cool those residences;

(27) to provide financial assistance to mutual housing associations (IC 5-20-3) in the form of grants, loans, or a combination of grants and loans for the development of housing for low and moderate income families;

(28) to service mortgage loans made or acquired by the authority and to impose and collect reasonable fees and charges in connection with such servicing;

(29) subject to the authority's investment policy, to enter into swap agreements (as defined in IC 8-9.5-9-4) in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7;

(30) to promote and foster community revitalization through community services and real estate development;

(31) to coordinate and establish linkages between governmental and other social services programs to ensure the effective delivery of services to low income individuals;

(32) to cooperate with local housing officials and plan commissions in the development of projects that the officials or commissions have under consideration;

(33) to take actions necessary to implement its powers that the authority determines to be appropriate and necessary to ensure the availability of state or federal financial assistance; and

(34) to administer any program or money designated by the state or available from the federal government or other sources that is consistent with the authority's powers and duties.

The omission of a power from the list in this subsection does not imply that the authority lacks that power. The authority may exercise any power that is not listed in this subsection but is consistent with the powers listed in this subsection to the extent that the power is not expressly denied by the Constitution of the State of Indiana or by another statute.

(b) The authority shall ~~structure and administer any program conducted~~ **ensure that a mortgage loan acquired by the authority** under subsection (a)(3) or **made by a mortgage lender with funds provided by the authority under subsection** (a)(4) ~~in order to assure that no mortgage loan shall~~ **is not** knowingly ~~be~~ made to a person whose adjusted family income, ~~shall exceed~~ **as determined by the authority, exceeds** one hundred twenty-five percent (125%) of the median income for the geographic area ~~within which the person resides and at least forty percent (40%) of the mortgage loans so financed shall be for persons whose adjusted family income shall be below eighty percent (80%) of the median income for such area.~~ **involved. However, if the authority determines that additional**

encouragement is needed for the development of the geographic area involved, a mortgage loan acquired or made under subsection (a)(3) or (a)(4) may be made to a person whose adjusted family income, as determined by the authority, does not exceed one hundred forty percent (140%) of the median income for the geographic area involved. The authority shall establish procedures that the authority determines are appropriate to structure and administer any program conducted under subsection (a)(3) or (a)(4) for the purpose of acquiring or making mortgage loans to persons of low or moderate income. In determining what constitutes low income, moderate income, or median income for purposes of any program conducted under subsection (a)(3) or (a)(4), the authority shall consider:

(1) the appropriate geographic area in which to measure income levels; and

(2) the appropriate method of calculating low income, moderate income, or median income levels including:

(A) sources of;

(B) exclusions from; and

(C) adjustments to;

income.

~~(c) In addition to the powers set forth in subsection (a), the authority may, with the proceeds of bonds and notes sold to retirement plans covered by IC 5-10-1.7, structure and administer a program of purchasing or participating in the purchasing from mortgage lenders of mortgage loans made to qualified members of retirement plans and other individuals. The authority shall structure and administer any program conducted under this subsection to assure that:~~

~~(1) each mortgage loan is made as a first mortgage loan for real property:~~

~~(A) that is a single family dwelling, including a condominium or townhouse, located in Indiana;~~

~~(B) for a purchase price of not more than ninety-five thousand dollars ($95,000);~~

~~(C) to be used as the purchaser's principal residence; and~~

~~(D) for which the purchaser has made a down payment in an amount determined by the authority;~~

~~(2) no mortgage loan exceeds seventy-five thousand dollars ($75,000);~~

~~(3) any bonds or notes issued which are backed by mortgage loans purchased by the authority under this subsection shall be offered for sale to the retirement plans covered by IC 5-10-1.7; and~~

~~(4) qualified members of a retirement plan shall be given preference with respect to the mortgage loans that in the aggregate do not exceed the amount invested by their retirement plan in bonds and notes issued by the authority that are backed by mortgage loans purchased by the authority under this subsection.~~

~~(d) As used in this section, "a qualified member of a retirement plan" means an active or retired member:~~

~~(1) of a retirement plan covered by IC 5-10-1.7 that has invested in bonds and notes issued by the authority that are backed by mortgage loans purchased by the authority under subsection (c); and~~

~~(2) who for a minimum of two (2) years preceding the member's application for a mortgage loan has:~~

~~(A) been a full-time state employee, teacher, judge, police officer, or firefighter;~~

~~(B) been a full-time employee of a political subdivision participating in the public employees' retirement fund;~~

~~(C) been receiving retirement benefits from the retirement plan; or~~

~~(D) a combination of employment and receipt of retirement benefits equaling at least two (2) years.~~

~~(e)~~ **(c)** The authority, when directed by the governor, shall administer programs and funds under 42 U.S.C. 1437 et seq.

~~(f)~~ **(d)** The authority shall identify, promote, assist, and fund home ownership education programs conducted throughout Indiana by nonprofit counseling agencies certified by the authority using funds appropriated under section 27 of this chapter. The attorney general and the entities listed in IC 4-6-12-4(a)(1) through IC 4-6-12-4(a)(10) shall cooperate with the authority in implementing this subsection.

SECTION 4. IC 5-20-1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.5. (a) As used in this section, ~~"person with a disability" means a person who, by reason of physical, mental, or emotional defect or infirmity, whether congenital or acquired by accident, injury, or disease, is totally or partially prevented from achieving the fullest attainable physical, social, economic, mental, and vocational participation in the normal process of living.~~ **"special needs populations" includes the following:**

(1) Persons with physical or developmental disabilities.

(2) Persons with mental impairments.

(3) Single parent households.

(4) Victims of domestic violence.

(5) Abused children.

(6) Persons with chemical addictions.

(7) Homeless persons.

(8) The elderly.

(b) As used in this section, "qualified building" means a building:

(1) that is used or will be used to provide residential housing for ~~persons with disabilities,~~ **special needs populations;** and

(2) for which a taxpayer is eligible to claim a low income housing credit under 26 U.S.C. 42.

(c) Subject to subsection (d), the authority shall allocate to qualified buildings at least ten percent (10%) of the total dollar amount of federal low income housing credits allocated to the authority under 26 U.S.C. 42. The authority shall allocate credits under this section based on the proportionate amount of a qualified building that is used to provide residential housing for ~~persons with disabilities,~~ **special needs populations,** as determined by the authority.

(d) The authority shall hold available the allocation made under subsection (c) for qualified buildings through October 31

of each calendar year. Beginning November 1 of each calendar year, any part of the allocation that remains unassigned shall be available for any appropriate use under 26 U.S.C. 42.

SECTION 5. IC 5-20-1-8, AS AMENDED BY P.L.235-2005, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) Subject to the approval of the ~~governor,~~ **public finance director appointed under IC 4-4-11-9,** the authority is hereby authorized to issue bonds or notes, or a combination thereof, to carry out and effectuate its purposes and powers. The principal of, and the interest on, such bonds or notes shall be payable solely from the funds provided for such payment in this chapter. The authority may secure the repayment of such bonds and notes by the pledge of mortgages and notes of others, revenues derived from operations and loan repayments, the proceeds of its bonds, and any available revenues or assets of the authority. The bonds or notes of each issue shall be dated and may be made redeemable before maturity at the option of the authority, at such price or prices and under such terms and conditions as may be determined by the authority. Any such bonds or notes shall bear interest at such rate or rates as may be determined by the authority. Notes shall mature at such time or times not exceeding ten (10) years from their date or dates, and bonds shall mature at such time or times not exceeding forty-five (45) years from their date or dates, as may be determined by the authority. The authority shall determine the form and manner of execution of the bonds or notes, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or outside the state. In case any officer whose signature, or a facsimile of whose signature, shall appear on any bonds or notes or coupons attached thereto shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if ~~he~~ **the person** had remained in office until such delivery. The authority may also provide for the authentication of the bonds or notes by a trustee or fiscal agent. The bonds or notes may be issued in coupon or registered form, or both, as the authority may determine, and provision may be made for the registration of any coupon bonds or notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds or notes of any bonds or notes registered as to both principal and interest, and for the interchange of registered and coupon bonds or notes. Upon the approval of a resolution of the authority authorizing the sale of its bonds or notes, such bonds or notes may be sold in such manner, either at public or private sale, and for such price as the authority shall determine to be for the best interest of the authority and to best effectuate the purposes of this chapter.

(b) The proceeds of any bonds or notes shall be used solely for the purposes for which they are issued. The proceeds shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the resolution authorizing the issuance of such bonds or notes or in the trust agreement securing the same.

(c) Prior to the preparation of definitive bonds, the authority may, under like restrictions and subject to the approval of the ~~governor,~~ **public finance director appointed under IC 4-4-11-9,** issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The authority may also provide for the replacement of any bonds or notes which shall become mutilated or shall be destroyed or lost.

(d) The authority shall cooperate with and use the assistance of the Indiana finance authority established under IC 4-4-11 in the issuance of the bonds or notes.

SECTION 6. IC 5-20-1-18, AS AMENDED BY P.L.235-2005, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. The authority shall, promptly following the close of each fiscal year, submit an annual report of its activities for the preceding year to the ~~governor,~~ **public finance director appointed under IC 4-4-11-9,** the budget committee, and the general assembly. An annual report submitted under this section to the general assembly must be in an electronic format under IC 5-14-6. The report shall set forth a complete operating and financial statement of the authority during such year, and a copy of such report shall be available to inspection by the public at the Indianapolis office of the authority. The authority shall cause an audit of its books and accounts to be made at least once in each year by an independent certified public accountant and the cost thereof may be paid from any available money of the authority.

SECTION 7. IC 5-20-1-27, AS AMENDED BY P.L.181-2006, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27. (a) The home ownership education account within the state general fund is established to support the home ownership education programs established under section ~~4(f)~~ **4(d)** of this chapter. The account is administered by the authority.

(b) The home ownership education account consists of:

(1) fees collected under IC 24-9-9; **and**

(2) civil penalties imposed and collected under:

(A) IC 6-1.1-12-43(g)(2)(B); or

(B) IC 27-7-3-15.5(e).

(c) The expenses of administering the home ownership education account shall be paid from money in the ~~fund.~~ **account.**

(d) The treasurer of state shall invest the money in the home ownership education account not currently needed to meet the obligations of the account in the same manner as other public money may be invested.

SECTION 8. IC 5-20-3-4, AS AMENDED BY P.L.181-2006, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) A mutual housing association may be established as a nonprofit corporation incorporated under IC 23-7-1.1 (before its repeal on August 1, 1991) or IC 23-17 to prevent and eliminate neighborhood deterioration and to preserve neighborhood stability by:

(1) providing high quality, long term housing for families of low and moderate income; and

(2) affording community and residential involvement in the provision of that housing.

(b) The articles of incorporation of a mutual housing association ~~must meet the requirements of the Indiana housing and community development authority under IC 5-20-1-6 and~~ must be approved by the authority.

(c) The articles of incorporation of a mutual housing association must include a provision that provides that if the mutual housing association dissolves, is involved in a bankruptcy proceeding, or otherwise disposes of its physical properties, the association may only transfer the assets to another entity that provides high quality long term housing for families of low and moderate income.

SECTION 9. IC 6-1.1-12-43 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 43. (a) For purposes of this section:

(1) "benefit" refers to:

(A) a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29, 31, 33, or 34 of this chapter; or

(B) the homestead credit under IC 6-1.1-20.9-2;

(2) "closing agent" means a person that closes a transaction;

(3) "customer" means an individual who obtains a loan in a transaction; and

(4) "transaction" means a single family residential:

(A) first lien purchase money mortgage transaction; or

(B) refinancing transaction.

(b) Before closing a transaction after December 31, 2004, a closing agent must provide to the customer the form referred to in subsection (c).

(c) Before June 1, 2004, the department of local government finance shall prescribe the form to be provided by closing agents to customers under subsection (b). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

(1) on one (1) side:

(A) list each benefit;

(B) list the eligibility criteria for each benefit; and

(C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real property is refinanced;

(2) on the other side indicate:

(A) each action by; and

(B) each type of documentation from;

the customer required to file for each benefit; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

(1) may reproduce the form referred to in subsection (c);

(2) in reproducing the form, must use a print color prescribed by the department of local government finance; and

(3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

(e) This subsection applies to a transaction that is closed after December 31, 2009. In addition to providing the customer the form described in subsection (c) before closing the transaction, a closing agent shall do the following as soon as possible after the closing, and within the time prescribed by the department of insurance under IC 27-7-3-15.5:

(1) To the extent determinable, input the information described in IC 27-7-3-15.5(c)(2) into the system maintained by the department of insurance under IC 27-7-3-15.5.

(2) Submit the form described in IC 27-7-3-15.5(c) to the data base described in IC 27-7-3-15.5(c)(2)(D).

~~(e)~~ **(f)** A closing agent to which this section applies shall document ~~its~~ **the closing agent's** compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

~~(f)~~ **(g) Subject to IC 27-7-3-15.5(d),** a closing agent is subject to a civil penalty of twenty-five dollars ($25) for each instance in which the closing agent fails to comply with this section with respect to a customer. The penalty:

(1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and

(2) shall be paid into:

(A) the property tax replacement fund, **if the closing agent fails to comply with subsection (b); or**

(B) the home ownership education account established by IC 5-20-1-27, if the closing agent fails to comply with subsection (e) in a transaction that is closed after December 31, 2009.

(h) A closing agent is not liable for any other damages claimed by a customer because of:

(1) the closing agent's mere failure to provide the appropriate document to the customer **under subsection (b); or**

(2) with respect to a transaction that is closed after December 31, 2009, the closing agent's failure to input the information or submit the form described in subsection (e).

~~(g)~~ **(i)** The state agency that has administrative jurisdiction over a closing agent shall:

(1) examine the closing agent to determine compliance with this section; and

(2) impose and collect penalties under subsection ~~(f).~~ **(g).**

SECTION 10. IC 23-2-5-3, AS AMENDED BY P.L.230-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) As used in

this chapter, "certificate of registration" means a certificate issued by the commissioner authorizing an individual to:

(1) engage in origination activities on behalf of a licensee; **or**

(2) act as a principal manager on behalf of a licensee.

~~(b) As used in this chapter, "creditor" means a person:~~

~~(1) that loans funds of the person in connection with a loan; and~~

~~(2) to whom the loan is initially payable on the face of the note or contract evidencing the loan.~~

~~(c)~~ **(b)** As used in this chapter, "license" means a license issued by the commissioner authorizing a person to engage in the loan brokerage business.

~~(d)~~ **(c)** As used in this chapter, "licensee" means a person that is issued a license under this chapter.

~~(e)~~ **(d)** As used in this chapter, "loan broker" means any person who, in return for any consideration from any source procures, attempts to procure, or assists in procuring, a loan from a third party or any other person, whether or not the person seeking the loan actually obtains the loan. "Loan broker" does not include:

(1) any supervised financial organization (as defined in IC 24-4.5-1-301(20)), including a bank, savings bank, trust company, savings association, or credit union;

(2) any other financial institution that is:

(A) regulated by any agency of the United States or any state; and

(B) regularly actively engaged in the business of making consumer loans that are not secured by real estate or taking assignment of consumer sales contracts that are not secured by real estate;

(3) any insurance company; ~~or~~

(4) any person arranging financing for the sale of the person's product; **or**

(5) a creditor that is licensed under IC 24-4.4-2-402.

~~(f)~~ **(e)** As used in this chapter, "loan brokerage business" means a person acting as a loan broker.

~~(g)~~ **(f)** As used in this chapter, "origination activities" means communication with or assistance of a borrower or prospective borrower in the selection of loan products or terms.

~~(h)~~ **(g)** As used in this chapter, "originator" means a person engaged in origination activities. The term "originator" does not include a person who performs origination activities for any entity that is not a loan broker under subsection ~~(c).~~ **(d).**

~~(i)~~ **(h)** As used in this chapter, "person" means an individual, a partnership, a trust, a corporation, a limited liability company, a limited liability partnership, a sole proprietorship, a joint venture, a joint stock company, or another group or entity, however organized.

~~(j)~~ **(i)** As used in this chapter, "registrant" means an individual who is registered:

(1) to engage in origination activities under this chapter; or

(2) as a principal manager.

~~(k)~~ **(j)** As used in this chapter, "ultimate equitable owner" means a person who, directly or indirectly, owns or controls ten percent (10%) or more of the equity interest in a loan broker licensed or required to be licensed under this chapter, regardless of whether the person owns or controls the equity interest through one (1) or more other persons or one (1) or more proxies, powers of attorney, or variances.

~~(l)~~ **(k)** As used in this chapter, "principal manager" means an individual who:

(1) has at least three (3) years of experience:

(A) as a loan broker; or

(B) in financial services;

that is acceptable to the commissioner; and

(2) is principally responsible for the supervision and management of the employees and business affairs of a licensee.

(l) As used in this chapter, "personal information" includes any of the following:

(1) An individual's first and last names or first initial and last name.

(2) Any of the following data elements:

(A) A Social Security number.

(B) A driver's license number.

(C) A state identification card number.

(D) A credit card number.

(E) A financial account number or debit card number in combination with a security code, password, or access code that would permit access to the person's account.

(3) With respect to an individual, any of the following:

(A) Address.

(B) Telephone number.

(C) Information concerning the individual's:

(i) income or other compensation;

(ii) credit history;

(iii) credit score;

(iv) assets;

(v) liabilities; or

(vi) employment history.

(m) As used in this chapter, personal information is "encrypted" if the personal information:

(1) has been transformed through the use of an algorithmic process into a form in which there is a low probability of assigning meaning without use of a confidential process or key; or

(2) is secured by another method that renders the personal information unreadable or unusable.

(n) As used in this chapter, personal information is "redacted" if the personal information has been altered or truncated so that not more than the last four (4) digits of:

(1) a Social Security number;

(2) a driver's license number;

(3) a state identification number; or

(4) an account number;

are accessible as part of the personal information.

SECTION 11. IC 23-2-5-4, AS AMENDED BY P.L.230-2007, SECTION 7, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) **A person may not engage in the loan brokerage business in Indiana unless the person first obtains a license from the commissioner.** Any person desiring to engage or continue in the loan brokerage business shall apply to the commissioner for a license under this chapter.

(b) **An individual may not perform origination activities in Indiana on behalf of a person licensed or required to be licensed under this chapter unless the individual first obtains a certificate of registration from the commissioner.** An individual desiring ~~to be employed by a licensee~~ to engage in origination activities **on behalf of a person licensed or required to be licensed under this chapter** shall apply to the commissioner for registration under this chapter.

(c) **An individual may not act as a principal manager on behalf of a person licensed or required to be licensed under this chapter unless the individual first obtains a certificate of registration from the commissioner.** Any individual desiring to ~~be employed by a licensee~~ **act** as a principal manager **on behalf of a person licensed or required to be licensed under this chapter** shall apply to the commissioner for registration under this chapter.

(d) The commissioner may request evidence of compliance with this section at any of the following times:

(1) The time of application for an initial:

(A) license; or

(B) certificate of registration.

(2) The time of renewal of a license or certificate of registration.

(3) Any other time considered necessary by the commissioner.

(e) For purposes of subsection (d), evidence of compliance with this section must include a criminal background check, including a national criminal history background check (as defined in IC 10-13-3-12) by the Federal Bureau of Investigation.

SECTION 12. IC 23-2-5-5, AS AMENDED BY P.L.230-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) An application for license or renewal of a license must contain:

(1) consent to service of process under subsection (h);

(2) evidence of the bond required in subsection (e);

(3) an application fee of four hundred dollars ($400), plus two hundred dollars ($200) for each ultimate equitable owner;

(4) an affidavit affirming that none of the applicant's ultimate equitable owners, directors, managers, or officers have been convicted, in any jurisdiction, of an offense involving fraud or deception that is punishable by at least one (1) year of imprisonment, unless waived by the commissioner under subsection ~~(f),~~ **(i);**

(5) evidence that the applicant, if the applicant is an individual, has completed the education requirements under section 21 of this chapter;

(6) the name and registration number for each originator to be employed by the licensee;

(7) the name and registration number for each principal manager; and

(8) for each ultimate equitable owner, the following information:

~~(1)~~ **(A)** The name of the ultimate equitable owner.

~~(2)~~ **(B)** The address of the ultimate equitable owner, including the home address of the ultimate equitable owner if the ultimate equitable owner is an individual.

~~(3)~~ **(C)** The telephone number of the ultimate equitable owner, including the home telephone number if the ultimate equitable owner is an individual.

~~(4)~~ **(D)** The ultimate equitable owner's Social Security number and date of birth, if the ultimate equitable owner is an individual.

(b) An application for registration as an originator shall be made on a registration form prescribed by the commissioner. The application must include the following information for the individual that seeks to be registered as an originator:

(1) The name of the individual.

(2) The home address of the individual.

(3) The home telephone number of the individual.

(4) The individual's Social Security number and date of birth.

(5) The name of the:

(A) licensee; or

(B) applicant for licensure;

for whom the individual seeks to be employed as an originator.

(6) Consent to service of process under subsection (h).

(7) Evidence that the individual has completed the education requirements described in section 21 of this chapter.

(8) An application fee of one hundred dollars ($100).

(9) All registration numbers previously issued to the individual under this chapter, if applicable.

(c) An application for registration as a principal manager shall be made on a registration form prescribed by the commissioner. The application must include the following information for the individual who seeks to be registered as a principal manager:

(1) The name of the individual.

(2) The home address of the individual.

(3) The home telephone number of the individual.

(4) The individual's Social Security number and date of birth.

(5) The name of the:

(A) licensee; or

(B) applicant for licensure;

for whom the individual seeks to be employed as a principal manager.

(6) Consent to service of process under subsection (h).

(7) Evidence that the individual has completed the education requirements described in section 21 of this chapter.

(8) Evidence that the individual has at least three (3) years of experience in the:

(A) loan brokerage; or

(B) financial services;

business.

(9) An application fee of two hundred dollars ($200).

(10) All registration numbers previously issued to the individual, if applicable.

(d) The commissioner shall require an applicant for registration as:

(1) an originator under subsection (b); or

(2) a principal manager under subsection (c);

to pass a written examination prepared and administered by the commissioner or an agent appointed by the commissioner.

(e) A licensee must maintain a bond satisfactory to the commissioner in the amount of fifty thousand dollars ($50,000), which shall be in favor of the state and shall secure payment of damages to any person aggrieved by any violation of this chapter by the licensee.

(f) The commissioner shall issue a license and license number to an applicant that meets the licensure requirements of this chapter. Whenever the registration provisions of this chapter have been complied with, the commissioner shall issue a certificate of registration and registration number authorizing the registrant to:

(1) engage in origination activities; or

(2) act as a principal manager;

whichever applies.

(g) Licenses and initial certificates of registration issued by the commissioner are valid until January 1 of the second year after issuance.

(h) Every applicant for licensure or registration or for renewal of a license or a registration shall file with the commissioner, in such form as the commissioner by rule or order prescribes, an irrevocable consent appointing the secretary of state to be the applicant's agent to receive service of any lawful process in any noncriminal suit, action, or proceeding against the applicant arising from the violation of any provision of this chapter. Service shall be made in accordance with the Indiana Rules of Trial Procedure.

(i) Upon good cause shown, the commissioner may waive the requirements of subsection (a)(4) for one (1) or more of an applicant's ultimate equitable owners, directors, managers, or officers.

(j) Whenever an initial or a renewal application for a license or registration is denied or withdrawn, the commissioner shall retain the initial or renewal application fee paid.

(k) The commissioner shall require each:

(1) equitable owner; ~~and~~

(2) individual described in subsection (a)(4); and

~~(2)~~ **(3)** applicant for registration as:

(A) an originator; or

(B) a principal manager;

to ~~undergo~~ **submit fingerprints for** a **national** criminal **history** background check ~~at the expense of the~~ **(as defined in IC 10-13-3-12) by the Federal Bureau of Investigation, for use by the commissioner in determining whether the equitable owner, the individual described in subsection (a)(4), or the applicant should be denied licensure or registration under this chapter for any reason set forth in section 10(c) of this chapter. The** equitable owner, **individual described in subsection (a)(4),** or applicant **shall pay any fees or costs associated with the fingerprints and background check required under this subsection. The commissioner may not release the results of a background check described in this subsection to any private entity.**

~~(l) The commissioner may check the qualifications, background, licensing status, and service history of each:~~

~~(1) equitable owner; and~~

~~(2) applicant for registration as:~~

~~(A) an originator; or~~

~~(B) a principal manager;~~

~~by accessing, upon availability, a multistate automated licensing system for mortgage brokers and originators, including the National Mortgage Licensing Database proposed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators. The equitable owner or the applicant shall pay any fees or costs associated with a check conducted under this subsection.~~

SECTION 13. IC 23-2-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. A licensee may not continue engaging in the loan brokerage business unless the licensee's license is renewed biennially. A registrant may not continue:

(1) engaging in origination activities; **or**

(2) acting as a principal manager;

unless the registrant's certificate of registration is renewed biennially. A licensee shall renew its license ~~and the certificates of registration of its registrant employees~~ by filing with the commissioner, at least thirty (30) days before the expiration of the ~~registration,~~ **license,** an application containing any information the commissioner may require to indicate any material change from the information contained in the applicant's original application or any previous application. **A registrant may renew the registrant's certificate of registration by filing with the commissioner, at least thirty (30) days before the expiration of the registration, an application containing any information the commissioner may require to indicate any material change from the information contained in the applicant's original application or any previous application.**

SECTION 14. IC 23-2-5-10, AS AMENDED BY P.L.230-2007, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) Whenever it appears to the commissioner that a person has engaged in or is about to engage in an act or a practice constituting a violation of this chapter or a rule or an order under this chapter, the commissioner may investigate and may issue, with a prior hearing if there exists no substantial threat of immediate irreparable harm or without a prior hearing, if there exists a substantial threat of immediate irreparable harm, orders

and notices as the commissioner determines to be in the public interest, including cease and desist orders, orders to show cause, and notices. After notice and hearing, the commissioner may enter an order of rescission, restitution, or disgorgement, including interest at the rate of eight percent (8%) per year, directed to a person who has violated this chapter or a rule or order under this chapter.

(b) Upon the issuance of an order or notice without a prior hearing by the commissioner under subsection (a), the commissioner shall promptly notify the respondent and, if the subject of the order or notice is a registrant, the licensee for whom the registrant is employed:

(1) that the order or notice has been issued;

(2) of the reasons the order or notice has been issued; and

(3) that upon the receipt of a written request the matter will be set down for a hearing to commence within fifteen (15) business days after receipt of the request unless the respondent consents to a later date.

If a hearing is not requested and not ordered by the commissioner, an order remains in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of an opportunity for hearing, may modify or vacate the order or extend it until final determination.

(c) The commissioner may deny **an application for an initial or a renewal license or registration, and may** suspend or revoke the license of a licensee or the registration of a registrant if **the applicant,** the licensee, the registrant, or an ultimate equitable owner of **an applicant or of** a licensee:

(1) fails to maintain the bond required under section 5 of this chapter;

(2) has, within the most recent ten (10) years:

(A) been the subject of an adjudication or a determination by:

(i) a court with jurisdiction; or

(ii) an agency or administrator that regulates securities, commodities, banking, financial services, insurance, real estate, or the real estate appraisal industry;

in Indiana or in any other jurisdiction; and

(B) been found, after notice and opportunity for hearing, to have violated the securities, commodities, banking, financial services, insurance, real estate, or real estate appraisal laws of Indiana or any other jurisdiction;

(3) has:

(A) been denied the right to do business in the securities, commodities, banking, financial services, insurance, real estate, or real estate appraisal industry; or

(B) had the person's authority to do business in the securities, commodities, banking, financial services, insurance, real estate, or real estate appraisal industry revoked or suspended;

by Indiana or by any other state, federal, or foreign governmental agency or self regulatory organization;

(4) is insolvent;

(5) has violated any provision of this chapter;

(6) has knowingly filed with the commissioner any document or statement that:

(A) contains a false representation of a material fact;

(B) fails to state a material fact; or

(C) contains a representation that becomes false after the filing but during the term of a license or certificate of registration as provided in subsection (i);

(7) has:

(A) been convicted, within ten (10) years before the date of the application, renewal, or review, of any crime involving fraud or deceit; or

(B) had a felony conviction (as defined in IC 35-50-2-1(b)) within five (5) years before the date of the application, renewal, or review;

(8) if the person is a licensee or principal manager, has failed to reasonably supervise the person's originators or employees to ensure their compliance with this chapter;

(9) is on the most recent tax warrant list supplied to the commissioner by the department of state revenue; or

(10) has engaged in dishonest or unethical practices in the loan broker business, as determined by the commissioner.

(d) The commissioner may do either of the following:

(1) Censure:

(A) a licensee;

(B) an officer, a director, or an ultimate equitable owner of a licensee;

(C) a registrant; or

(D) any other person;

who violates or causes a violation of this chapter.

(2) Permanently bar any person described in subdivision (1) from being:

(A) licensed or registered under this chapter; or

(B) employed by or affiliated with a person licensed or registered under this chapter;

if the person violates or causes a violation of this chapter.

(e) The commissioner may not enter a final order:

(1) denying, suspending, or revoking the license of a licensee or the registration of a registrant; or

(2) imposing other sanctions;

without prior notice to all interested parties, opportunity for a hearing, and written findings of fact and conclusions of law. However, the commissioner may by summary order deny, suspend, or revoke a license or certificate of registration pending final determination of any proceeding under this section or before any proceeding is initiated under this section. Upon the entry of a summary order, the commissioner shall promptly notify all interested parties that the summary order has been entered, of the reasons for the summary order, and that upon receipt by the commissioner of a written request from a party, the matter will be set for hearing to commence within fifteen (15) business days after receipt of the request. If no hearing is requested and none is ordered by the commissioner, the order remains in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the

commissioner, after notice of the hearing has been given to all interested persons and the hearing has been held, may modify or vacate the order or extend it until final determination.

(f) IC 4-21.5 does not apply to a proceeding under this section.

(g) If a registrant seeks to transfer the registrant's registration to another licensee who desires to have the registrant engage in origination activities or serve as a principal manager, whichever applies, the registrant shall, before the registrant conducts origination activities or serves as a principal manager for the new employer, submit to the commissioner, on a form prescribed by the commissioner, a registration application, as required by section 5 of this chapter.

(h) If the employment of a registrant is terminated, whether:

(1) voluntarily by the registrant; or

(2) by the licensee employing the registrant;

the licensee that employed the registrant shall, not later than five (5) days after the termination, notify the commissioner of the termination and the reasons for the termination.

(i) If a material fact or statement included in an application under this chapter changes after the application has been submitted, the applicant shall provide written notice to the commissioner of the change. The commissioner may revoke or refuse to renew the license or registration of any person who:

(1) is required to submit a written notice under this subsection and fails to provide the required notice within two (2) business days after the person discovers or should have discovered the change; or

(2) would not qualify for licensure or registration under this chapter as a result of the change in a material fact or statement.

SECTION 15. IC 23-2-5-11, AS AMENDED BY P.L.48-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) The commissioner may do the following:

(1) Adopt rules under IC 4-22-2 to implement this chapter.

(2) Make investigations and examinations:

(A) in connection with any application for licensure or for registration of a licensee or registrant or with any license or certificate of registration already granted; or

(B) whenever it appears to the commissioner, upon the basis of a complaint or information, that reasonable grounds exist for the belief that an investigation or examination is necessary or advisable for the more complete protection of the interests of the public.

(3) Charge as costs of investigation or examination all reasonable expenses, including a per diem prorated upon the salary of the commissioner or employee and actual traveling and hotel expenses. All reasonable expenses are to be paid by the party or parties under investigation or examination if the party has violated this chapter.

(4) Issue notices and orders, including cease and desist notices and orders, after making an investigation or examination under subdivision (2). The commissioner may also bring an action on behalf of the state to enjoin a person from violating this chapter. The commissioner shall notify the person that an order or notice has been issued, the reasons for it, and that a hearing will be set within fifteen (15) days after the commissioner receives a written request from the person requesting a hearing.

(5) Sign all orders, official certifications, documents, or papers issued under this chapter or delegate the authority to sign any of those items to a deputy.

(6) Hold and conduct hearings.

(7) Hear evidence.

(8) Conduct inquiries with or without hearings.

(9) Receive reports of investigators or other officers or employees of the state of Indiana or of any municipal corporation or governmental subdivision within the state.

(10) Administer oaths, or cause them to be administered.

(11) Subpoena witnesses, and compel them to attend and testify.

(12) Compel the production of books, records, and other documents.

(13) Order depositions to be taken of any witness residing within or without the state. The depositions shall be taken in the manner prescribed by law for depositions in civil actions and made returnable to the commissioner.

(14) Order that each witness appearing under the commissioner's order to testify before the commissioner shall receive the fees and mileage allowances provided for witnesses in civil cases.

(15) Provide interpretive opinions or issue determinations that the commissioner will not institute a proceeding or an action under this chapter against a specified person for engaging in a specified act, practice, or course of business if the determination is consistent with this chapter. The commissioner may adopt rules to establish fees for individuals requesting an interpretive opinion or a determination under this subdivision. A person may not request an interpretive opinion or a determination concerning an activity that:

(A) occurred before; or

(B) is occurring on;

the date the opinion or determination is requested.

(16) Subject to subsection (f), designate a multistate automated licensing system and repository, established and operated by a third party, to serve as the sole entity responsible for:

(A) processing applications for:

(i) licenses and certificates of registration under this chapter; and

(ii) renewals of licenses and certificates of registration under this chapter; and

(B) performing other services that the commissioner determines are necessary for the orderly administration of the division's licensing and registration system.

A multistate automated licensing system and repository described in this subdivision may include the National

Mortgage Licensing System established by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators. The commissioner may take any action necessary to allow the division to participate in a multistate automated licensing system and repository.

(b) If a witness, in any hearing, inquiry, or investigation conducted under this chapter, refuses to answer any question or produce any item, the commissioner may file a written petition with the circuit or superior court in the county where the hearing, investigation, or inquiry in question is being conducted requesting a hearing on the refusal. The court shall hold a hearing to determine if the witness may refuse to answer the question or produce the item. If the court determines that the witness, based upon the witness's privilege against self-incrimination, may properly refuse to answer or produce an item, the commissioner may make a written request that the court grant use immunity to the witness. Upon written request of the commissioner, the court shall grant use immunity to a witness. The court shall instruct the witness, by written order or in open court, that:

(1) any evidence the witness gives, or evidence derived from that evidence, may not be used in any criminal proceedings against that witness, unless the evidence is volunteered by the witness or is not responsive to a question; and

(2) the witness must answer the questions asked and produce the items requested.

A grant of use immunity does not prohibit evidence that the witness gives in a hearing, investigation, or inquiry from being used in a prosecution for perjury under IC 35-44-2-1. If a witness refuses to give the evidence after the witness has been granted use immunity, the court may find the witness in contempt.

(c) In any prosecution, action, suit, or proceeding based upon or arising out of this chapter, the commissioner may sign a certificate showing compliance or noncompliance with this chapter by any person. This shall constitute prima facie evidence of compliance or noncompliance with this chapter and shall be admissible in evidence in any action at law or in equity to enforce this chapter.

(d) If:

(1) a person disobeys any lawful:

(A) subpoena issued under this chapter; or

(B) order or demand requiring the production of any books, accounts, papers, records, documents, or other evidence or information as provided in this chapter; or

(2) a witness refuses to:

(A) appear when subpoenaed;

(B) testify to any matter about which the witness may be lawfully interrogated; or

(C) take or subscribe to any oath required by this chapter;

the circuit or superior court of the county in which the hearing, inquiry, or investigation in question is held, if demand is made or if, upon written petition, the production is ordered to be made, or the commissioner or a hearing officer appointed by the commissioner, shall compel compliance with the lawful requirements of the subpoena, order, or demand, compel the production of the necessary or required books, papers, records, documents, and other evidence and information, and compel any witness to attend in any Indiana county and to testify to any matter about which the witness may lawfully be interrogated, and to take or subscribe to any oath required.

(e) If a person fails, refuses, or neglects to comply with a court order under this section, the person shall be punished for contempt of court.

(f) The commissioner's authority to designate a multistate automated licensing system and repository under subsection (a)(16) is subject to the following:

(1) The commissioner may not require any person exempt from licensure or registration under this chapter, or any employee or agent of an exempt person, to:

(A) submit information to; or

(B) participate in;

the multistate automated licensing system and repository.

(2) The commissioner may require a person required under this chapter to submit information to the multistate automated licensing system and repository to pay a processing fee considered reasonable by the commissioner.

SECTION 16. IC 23-2-5-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) Each loan broker agreement shall be given an account number. Each ~~licensee~~ **person licensed or required to be licensed under this chapter** shall keep and maintain the following records or their electronic equivalent:

(1) A file for each borrower or proposed borrower that contains the following:

(A) The name and address of the borrower or any proposed borrower.

(B) A copy of the signed loan broker agreement.

(C) A copy of any other papers or instruments used in connection with the loan broker agreement and signed by the borrower or any proposed borrower.

(D) If a loan was obtained for the borrower, the name and address of the creditor.

(E) If a loan is accepted by the borrower, a copy of the loan agreement.

(F) The amount of the loan broker's fee that the borrower has paid. If there is an unpaid balance, the status of any collection efforts.

(2) All receipts from or for the account of borrowers or any proposed borrowers and all disbursements to or for the account of borrowers or any proposed borrowers, recorded so that the transactions are readily identifiable.

(3) A general ledger that shall be posted at least monthly, and a trial balance sheet and profit and loss statement prepared within thirty (30) days of the commissioner's

request for the information.

(4) A sample of:

(A) all advertisements, pamphlets, circulars, letters, articles, or communications published in any newspaper, magazine, or periodical;

(B) scripts of any recording, radio, or television announcement; and

(C) any sales kits or literature;

to be used in solicitation of borrowers.

(b) The records listed in subsection (a) shall be kept for a period of two (2) years in the ~~licensee's~~ **loan broker's** principal office and must be separate or readily identifiable from the records of any other business that is conducted in the office of the loan broker.

(c) If a breach of the security of any records:

(1) maintained by a loan broker under this section; and

(2) containing the unencrypted, unredacted personal information of one (1) or more borrowers or prospective borrowers;

occurs, the loan broker is subject to the disclosure requirements under IC 24-4.9-3, unless the loan broker is exempt from the disclosure requirements under IC 24-4.9-3-4.

(d) A person who is:

(1) licensed or required to be licensed under this chapter; or

(2) registered or required to be registered under this chapter;

may not dispose of the unencrypted, unredacted personal information of one (1) or more borrowers or prospective borrowers without first shredding, incinerating, mutilating, erasing, or otherwise rendering the information illegible or unusable.

SECTION 17. IC 23-2-5-19, AS AMENDED BY P.L.230-2007, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 19. (a) The following persons are exempt from the requirements of sections 4, 5, 6, 9, 17, 18, and 21 of this chapter:

(1) Any attorney while engaging in the practice of law.

(2) Any certified public accountant, public accountant, or accountant practitioner holding a certificate or registered under IC 25-2.1 while performing the practice of accountancy (as defined by IC 25-2.1-1-10).

~~(3) Any person licensed as a real estate broker or salesperson under IC 25-34.1 to the extent that the person is rendering loan related services in the ordinary course of a transaction in which a license as a real estate broker or salesperson is required.~~

~~(4)~~ **(3)** Any broker-dealer, agent, or investment advisor registered under IC 23-19.

~~(5)~~ **(4)** Any person that:

(A) procures;

(B) promises to procure; or

(C) assists in procuring;

a loan that is not subject to the Truth in Lending Act (15 U.S.C. 1601 through 1667e).

~~(6)~~ **(5)** Any community development corporation (as defined in IC 4-4-28-2) acting as a subrecipient of funds from the Indiana housing and community development authority established by IC 5-20-1-3.

~~(7)~~ **(6)** The Indiana housing and community development authority.

~~(8) Subject to subsection (c), and except as provided in subsection (f), any person authorized to:~~

~~(A) sell and service a loan for the Federal National Mortgage Association or the Federal Home Loan Mortgage Association;~~

~~(B) issue securities backed by the Government National Mortgage Association;~~

~~(C) make loans insured by the United States Department of Housing and Urban Development or the United States Department of Agriculture Rural Housing Service;~~

~~(D) act as a supervised lender or nonsupervised automatic lender of the United States Department of Veterans Affairs; or~~

~~(E) act as a correspondent of loans insured by the United States Department of Housing and Urban Development, if the person closes at least twenty-five (25) such insured loans in Indiana during each calendar year.~~

~~(9) Any person who is a creditor, or proposed to be a creditor, for any loan.~~

(b) As used in this chapter, "bona fide third party fee" includes fees for the following:

(1) Credit reports, investigations, and appraisals performed by a person who holds a license or certificate as a real estate appraiser under IC 25-34.1-8.

(2) If the loan is to be secured by real property, title examinations, an abstract of title, title insurance, a property survey, and similar purposes.

(3) The services provided by a loan broker in procuring possible business for a lending institution if the fees are paid by the lending institution.

(c) As used in this section, "successful procurement of a loan" means that a binding commitment from a creditor to advance money has been received and accepted by the borrower.

(d) The burden of proof of any exemption or classification provided in this chapter is on the party claiming the exemption or classification.

~~(e) A person claiming an exemption under subsection (a)(8) shall, as a condition to receiving or maintaining the exemption, file a notice every twenty-four (24) months on a form acceptable to the commissioner. The notice required under this subsection must:~~

~~(1) provide the name and business address of each originator employed by the person to originate loans in Indiana;~~

~~(2) include all other information required by the commissioner; and~~

~~(3) be accompanied by a fee of four hundred dollars ($400);~~

~~If any information included in a notice under this subsection changes after the notice has been submitted, the person shall provide written notice to the commissioner of the change. The commissioner's receipt of a notice under this subsection shall not be considered to be a determination or confirmation by the commissioner of the validity of the claimed exemption.~~

~~(f) An exemption described in subsection (a)(8) does not extend to:~~

~~(1) a subsidiary of the exempt person; or~~

~~(2) an unaffiliated third party.~~

~~An exemption that applies to a person under subsection (a)(8)(D) does not extend to a registered United States Department of Veterans Affairs agent.~~

SECTION 18. IC 23-2-5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 20. **(a)** A person shall not, in connection with a contract for the services of a loan broker, either directly or indirectly, do any of the following:

(1) Employ any device, scheme, or artifice to defraud.

(2) Make any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of circumstances under which they are made, not misleading.

(3) Engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person.

(4) Collect or solicit any consideration, except a bona fide third party fee, in connection with a loan until the loan has been closed.

(5) Receive any funds if the person knows that the funds were generated as a result of a fraudulent act.

(6) File or cause to be filed with a county recorder any document that the person knows:

(A) contains:

(i) a misstatement; or

(ii) an untrue statement;

of a material fact; or

(B) omits a statement of a material fact that is necessary to make the statements that are made, in the light of circumstances under which they are made, not misleading.

(7) Knowingly release or disclose the unencrypted, unredacted personal information of one (1) or more borrowers or prospective borrowers, unless the personal information is used in an activity authorized by the borrower or prospective borrower under one (1) or more of the following circumstances:

(A) The personal information is:

(i) included on an application form or another form; or

(ii) transmitted as part of an application process or an enrollment process.

(B) The personal information is used to obtain a consumer report (as defined in IC 24-5-24-2) for an applicant for credit.

(C) The personal information is used to establish, amend, or terminate an account, a contract, or a policy, or to confirm the accuracy of the personal information.

However, personal information allowed to be disclosed under this subdivision may not be printed in whole or in part on a postcard or other mailer that does not require an envelope, or in a manner that makes the personal information visible on an envelope or a mailer without the envelope or mailer being opened.

(8) Engage in any reckless or negligent activity allowing the release or disclosure of the unencrypted, unredacted personal information of one (1) or more borrowers or prospective borrowers. An activity described in this subdivision includes an action prohibited by section 18(d) of this chapter.

(b) A person who commits an act described in subsection (a) is subject to sections 10, 14, 15, and 16 of this chapter.

SECTION 19. IC 23-2-5-22, AS ADDED BY P.L.48-2006, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. (a) An appeal may be taken by:

(1) any ~~loan broker or principal upon~~ **person** whose application for ~~registration for a loan broker~~ **an initial or a renewal** license **under this chapter** is granted or denied, from any final order of the commissioner concerning the application; ~~or registration,~~

(2) any applicant for **initial or renewed** registration as a ~~loan broker~~ **principal manager** or **an** originator, from any final order of the commissioner affecting the application; ~~or registration as a loan broker or originator;~~

(3) any person against whom a civil penalty is imposed under section 14(a) of this chapter, from the final order of the commissioner imposing the civil penalty; or

(4) any person who is named as a respondent, from any final order issued by the commissioner under section 10 or 11 of this chapter;

to the Marion circuit court or to the circuit or superior court of the county where the person taking the appeal resides or maintains a place of business.

(b) Not later than twenty (20) days after the entry of the order, the commissioner shall be served with:

(1) a written notice of the appeal stating the court to which the appeal will be taken and the grounds upon which a reversal of the final order is sought;

(2) a demand in writing from the appellant for a certified transcript of the record and of all papers on file in the commissioner's office affecting or relating to the order; and

(3) a bond in the penal sum of five hundred dollars ($500) to the state of Indiana with sufficient surety to be approved by the commissioner, conditioned upon the faithful prosecution of the appeal to final judgment and the payment of all costs that are adjudged against the appellant.

(c) Not later than ten (10) days after the commissioner is served with the items listed in subsection (b), the commissioner shall make, certify, and deliver to the appellant the transcript, and

the appellant shall, not later than five (5) days after the date the appellant receives the transcript, file the transcript and a copy of the notice of appeal with the clerk of the court. The notice of appeal serves as the appellant's complaint. The commissioner may appear and file any motion or pleading and form the issue. The cause shall be entered on the trial calendar for trial de novo and given precedence over all matters pending in the court.

(d) The court shall receive and consider any pertinent oral or written evidence concerning the order of the commissioner from which the appeal is taken. If the order of the commissioner is reversed, the court shall in its mandate specifically direct the commissioner as to the commissioner's further action in the matter. The commissioner is not barred from revoking or altering the order for any proper cause that accrues or is discovered after the order is entered. If the order is affirmed, the appellant is not barred after thirty (30) days from the date the order is affirmed from filing a new application if the application is not otherwise barred or limited. During the pendency of the appeal, the order from which the appeal is taken is not suspended but remains in effect unless otherwise ordered by the court. An appeal may be taken from the judgment of the court on the same terms and conditions as an appeal is taken in civil actions.

SECTION 20. IC 24-4.4 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

ARTICLE 4.4. FIRST LIEN MORTGAGE LENDING

Chapter 1. General Provisions and Definitions

Sec. 101. This article shall be known and may be cited as the First Lien Mortgage Lending Act.

Sec. 102. (1) This article shall be liberally construed and applied to promote its underlying purposes and policies.

(2) The underlying purposes and policies of this article are:

(a) to permit and encourage the development of fair and economically sound first lien mortgage lending practices; and

(b) to conform the regulation of first lien mortgage lending practices to applicable state and federal laws, rules, and regulations.

(3) A reference to a requirement imposed by this article includes reference to a related rule of the department adopted under this article.

(4) A reference to a federal law in this article is a reference to the law in effect December 31, 2008.

Sec. 103. This article:

(1) is a general act intended as a unified coverage of its subject matter; and

(2) any part of this article may not be considered to be impliedly repealed by subsequent legislation if such construction can reasonably be avoided.

Sec. 104. The provisions of this article are severable, so that if:

(1) any provisions of this article; or

(2) the application of this article to any person or circumstances;

is held invalid, the invalidity does not affect other provisions or applications of this article that can be given effect without the invalid provision or application.

Sec. 201. (1) Except as provided in subsection (2), this article applies to a first lien mortgage transaction:

(a) that is secured by an interest in land in Indiana; and

(b) the closing for which takes place after December 31, 2008.

(2) This article does not apply to a first lien mortgage transaction if:

(a) the debtor is not a resident of Indiana at the time the transaction is entered into; and

(b) the laws of the debtor's state of residence requires that the transaction be made under the laws of the state of the debtor's residence.

Sec. 202. This article does not apply to the following:

(1) Extensions of credit to government or governmental agencies or instrumentalities.

(2) A first lien mortgage transaction in which the debt is incurred primarily for a purpose other than a personal, family, or household purpose.

(3) An extension of credit primarily for a business, a commercial, or an agricultural purpose.

(4) A first lien mortgage transaction made:

(a) in compliance with the requirements of; and

(b) by a community development corporation (as defined in IC 4-4-28-2) acting as a subrecipient of funds from;

the Indiana housing and community development authority established by IC 5-20-1-3.

(5) A supervised financial organization.

(6) An operating subsidiary that is majority owned, directly or indirectly, by a supervised financial organization to the extent the operating subsidiary is regulated by the chartering authority of the supervised financial organization.

(7) A credit union service organization that is majority owned, directly or indirectly, by one (1) or more credit unions.

(8) Agencies, instrumentalities, and government owned corporations of the United States, including United States government sponsored enterprises.

Sec. 203. Any civil court in Indiana may exercise jurisdiction over any creditor with respect to any conduct in Indiana governed by this article or with respect to any claim arising from a transaction subject to this article. In addition to any other method provided by rule or by statute, personal jurisdiction over a creditor may be acquired in a civil action or proceeding instituted in any civil court by the service of process.

Sec. 301. In addition to definitions appearing in subsequent chapters of this article, the following definitions apply throughout this article:

(1) "Credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and

defer its payment.

(2) "Creditor" means a person:

(a) that regularly engages in the extension of first lien mortgage transactions that are subject to a credit service charge or loan finance charge, as applicable, or are payable by written agreement in more than four (4) installments (not including a down payment); and

(b) to which the obligation is initially payable, either on the face of the note or contract, or by agreement if there is not a note or contract.

The term does not include a person described in subsection (13)(a) in a tablefunded transaction.

(3) "Department" refers to the members of the department of financial institutions.

(4) "Director" refers to the director of the department of financial institutions.

(5) "Dwelling" means a residential structure that contains one (1) to four (4) units, regardless of whether the structure is attached to real property. The term includes an individual:

(a) condominium unit;

(b) cooperative unit;

(c) mobile home; or

(d) trailer;

that is used as a residence.

(6) "First lien mortgage transaction" means a loan in which a first mortgage, or a land contract which constitutes a first lien, is created or retained against land upon which there is a dwelling that is or will be used by the debtor primarily for personal, family, or household purposes.

(7) "Loan" includes:

(a) the creation of debt by:

(i) the creditor's payment of or agreement to pay money to the debtor or to a third party for the account of the debtor; or

(ii) the extension of credit by a person who regularly engages as a seller in credit transactions primarily secured by an interest in land;

(b) the creation of debt by a credit to an account with the creditor upon which the debtor is entitled to draw immediately; and

(c) the forbearance of debt arising from a loan.

(8) "Payable in installments", with respect to a debt or an obligation, means that payment is required or permitted by written agreement to be made in more than four (4) installments not including a down payment.

(9) "Person" includes an individual or an organization.

(10) A person is "regularly engaged"as a creditor in first lien mortgage transactions in Indiana if:

(a) the person acted as a creditor in first lien mortgage transactions in Indiana more than five (5) times in the preceding calendar year; or

(b) the person did not meet the numerical standards set forth in subdivision (a) in the preceding calendar year, but has or will meet the numerical standards set forth in subdivision (a) in the current calendar year.

(11) "Revolving first lien mortgage transaction" means an arrangement between a creditor and a debtor in which:

(a) the creditor permits the debtor to obtain advances from time to time;

(b) the unpaid balances of principal, credit service charges or loan finance charges, and other appropriate charges are debited to an account; and

(c) the debtor has the privilege of paying the balances in installments.

(12) "Supervised financial organization" means a person that is:

(a) organized, chartered, or holding an authorization certificate under the laws of a state or of the United States that authorizes the person to make loans and to receive deposits, including deposits into a savings, share, certificate, or deposit account; and

(b) subject to supervision by an official or agency of a state or of the United States.

(13) "Tablefunded" means a transaction in which:

(a) a person closes a first lien mortgage transaction in the person's own name as a mortgagee with funds provided by one (1) or more other persons; and

(b) the transaction is assigned simultaneously to the mortgage creditor providing the funding not later than one (1) business day after the funding of the transaction.

Chapter 2. Miscellaneous

Sec. 101. This chapter shall be known and may be cited as the First Lien Mortgage Lending Act - Miscellaneous.

Sec. 201. (1) A creditor or mortgage servicer shall provide an accurate payoff amount for a first lien mortgage transaction to the debtor not later than ten (10) calendar days after the creditor or mortgage servicer receives the debtor's written request for the accurate payoff amount. A creditor or mortgage servicer who fails to provide an accurate payoff amount is liable for:

(a) one hundred dollars ($100) if an accurate payoff amount is not provided by the creditor or mortgage servicer not later than ten (10) calendar days after the creditor or mortgage servicer receives the debtor's first written request; and

(b) the greater of:

(i) one hundred dollars ($100); or

(ii) the loan finance charge that accrues on the first lien mortgage transaction from the date the creditor or mortgage servicer receives the first written request until the date on which the accurate payoff amount is provided;

if an accurate payoff amount is not provided by the

creditor or mortgage servicer not later than ten (10) calendar days after the creditor or mortgage servicer receives the debtor's second written request, and the creditor or mortgage servicer fails to comply with subdivision (a).

(2) This subsection applies to a first lien mortgage transaction with respect to which any installment or minimum payment due is delinquent for at least sixty (60) days. The creditor, servicer, or the creditor's agent shall acknowledge a written offer made in connection with a proposed short sale not later than ten (10) business days after the date of the offer if the offer complies with the requirements for a qualified written request set forth in 12 U.S.C. 2605(e)(1)(B). The creditor, servicer, or creditor's agent is required to acknowledge a written offer made in connection with a proposed short sale from a third party acting on behalf of the debtor only if the debtor has provided written authorization for the creditor, servicer, or creditor's agent to do so. Not later than thirty (30) business days after receipt of an offer under this subsection, the creditor, servicer, or creditor's agent shall respond to the offer with an acceptance or a rejection of the offer. As used in this subsection, "short sale" means a transaction in which the property that is the subject of a first lien mortgage transaction is sold for an amount that is less than the amount of the debtor's outstanding obligation under the first lien mortgage transaction. A creditor or mortgage servicer that fails to respond to an offer within the time prescribed by this subsection is liable in accordance with 12 U.S.C. 2605(f) in any action brought under that section.

Sec. 301. (1) A violation of a state or federal law, regulation, or rule applicable to first lien mortgage transactions is a violation of this article.

(2) The department may enforce penalty provisions set forth in 15 U.S.C. 1640 for violations of disclosure requirements applicable to first lien mortgage transactions.

Sec. 401. Unless a person subject to this article has first obtained a license from the department, the person shall not regularly engage in Indiana as a creditor in first lien mortgage transactions. However, this article does not require an employee of a person that is licensed under this article to obtain a license to make a first lien mortgage loan.

Sec. 402. (1) The department shall receive and act on all applications for licenses to engage in first lien mortgage transactions. Applications must be made as prescribed by the director.

(2) A license may not be issued unless the department finds that the financial responsibility, character, and fitness of:

(a) the applicant and any significant affiliate of the applicant;

(b) each executive officer, director, or manager of the applicant, or any other individual having a similar status or performing a similar function for the applicant; and

(c) if known, each person directly or indirectly owning of record or owning beneficially at least ten percent (10%) of the outstanding shares of any class of equity security of the applicant;

are such as to warrant belief that the business will be operated honestly and fairly within the purposes of this article.

(3) The director is entitled to request evidence of compliance with this section at:

(a) the time of application;

(b) the time of renewal of a license; or

(c) any other time considered necessary by the director.

(4) Evidence of compliance with this section may include:

(a) criminal background checks, including a national criminal history background check (as defined in IC 10-13-3-12) by the Federal Bureau of Investigation, for any individual described in subsection (2);

(b) credit histories; and

(c) other background checks considered necessary by the director.

If the director requests a national criminal history background check under subdivision (a) for an individual described in subsection (2), the director shall require the individual to submit fingerprints to the department or to the state police department, as appropriate, at the time evidence of compliance is requested under subsection (3). The individual to whom the request is made shall pay any fees or costs associated with the fingerprints and the national criminal history background check. The national criminal history background check may be used by the director to determine the individual's compliance with this section. The director or the department may not release the results of the national criminal history background check to any private entity.

(5) The department may deny an application under this section if the director of the department determines that the application was submitted for the benefit of, or on behalf of, a person who does not qualify for a license.

(6) Upon written request, the applicant is entitled to a hearing on the question of the qualifications of the applicant for a license in the manner provided in IC 4-21.5.

(7) The applicant shall pay the following fees at the time designated by the department:

(a) An initial license fee as established by the department under IC 28-11-3-5.

(b) An annual renewal fee as established by the department under IC 28-11-3-5.

(c) Examination fees as established by the department under IC 28-11-3-5.

(8) A fee as established by the department under IC 28-11-3-5 may be charged for each day the annual renewal fee under subsection (7)(b) is delinquent.

(9) A license issued under this section is not assignable or transferable.

(10) Subject to subsection (11), the director may designate an automated central licensing system and repository,

operated by a third party, to serve as the sole entity responsible for:

(a) processing applications and renewals for licenses under this section; and

(b) performing other services that the director determines are necessary for the orderly administration of the department's licensing system under this article.

(11) The director's authority to designate an automated central licensing system and repository under subsection (10) is subject to the following:

(a) The director or the director's designee may not require any person exempt from licensure under this article, or any employee or agent of an exempt person, to:

(i) submit information to; or

(ii) participate in;

the automated central licensing system and repository.

(b) Information stored in the automated central licensing system and repository is subject to the confidentiality provisions of IC 28-1-2-30 and IC 5-14-3. A person may not:

(i) obtain information from the automated central licensing system and repository, unless the person is authorized to do so by statute;

(ii) initiate any civil action based on information obtained from the automated central licensing system if the information is not otherwise available to the person under any other state law; or

(iii) initiate any civil action based on information obtained from the automated central licensing system if the person could not have initiated the action based on information otherwise available to the person under any other state law.

(c) Documents, materials, and other forms of information in the control or possession of the automated central licensing system and repository that are confidential under IC 28-1-2-30 and that are:

(i) furnished by the director, the director's designee, or a licensee; or

(ii) otherwise obtained by the automated central licensing system and repository;

are confidential and privileged by law and are not subject to inspection under IC 5-14-3, subject to subpoena, subject to discovery, or admissible in evidence in any civil action. However, the director or the director's designee may use the documents, materials, or other information available to the director or the director's designee in furtherance of any action brought in connection with the director's duties under this article.

(d) Disclosure of documents, materials, and information:

(i) to the director or the director's designee; or

(ii) by the director or the director's designee;

under this subsection does not result in a waiver of any applicable privilege or claim of confidentiality with respect to the documents, materials, or information.

(e) Information provided to the automated central licensing system and repository is subject to IC 4-1-11.

(f) This subsection does not limit or impair a person's right to:

(i) obtain information;

(ii) use information as evidence in a civil action or proceeding; or

(iii) use information to initiate a civil action or proceeding;

if the information may be obtained from the director or the director's designee under any law.

(g) The director may require a licensee required to submit information to the automated central licensing system and repository to pay a processing fee considered reasonable by the director.

Sec. 403. (1) A license issued by the department authorizing a person to engage in first lien mortgage transactions under this article may be revoked by the department if the person fails to:

(a) file any renewal form required by the department; or

(b) pay any license renewal fee described under section 402 of this chapter;

not later than sixty (60) days after the due date.

(2) A person whose license is revoked under this section may do either of the following:

(a) Pay all delinquent fees and apply for a new license.

(b) Appeal the revocation to the department for an administrative review under IC 4-21.5-3. Pending the decision resulting from the hearing under IC 4-21.5-3 concerning the license revocation, the license remains in force.

Sec. 404. (1) The department may issue to a person licensed to engage in first lien mortgage transactions an order to show cause why the person's license should not be revoked or suspended for a period determined by the department. The order must state the place and time for a meeting with the department that is not less than ten (10) days from the date of the order. After the meeting, the department shall revoke or suspend the license if the department finds that:

(a) the licensee has repeatedly and willfully violated:

(i) this article or any rule or order lawfully adopted or issued under this article; or

(ii) any other state or federal law, regulation, or rule applicable to first lien mortgage transactions; or

(b) facts or conditions exist which would clearly have justified the department in refusing to grant a license had the facts or conditions been known to exist at the time the application for the license was made.

(2) Except as provided in section 403 of this chapter, a revocation or suspension of a license is not authorized under this article unless before instituting proceedings to suspend

or revoke the license, the department gives notice to the licensee of the conduct or facts that warrant the intended action, and the licensee is given an opportunity to show compliance with all lawful requirements for retention of the license.

(3) If the department finds that probable cause for revocation of a license exists and that enforcement of this article requires immediate suspension of the license pending investigation, the department may, after a hearing with the licensee upon five (5) days written notice to the licensee, enter an order suspending the license for not more than thirty (30) days.

(4) Whenever the department revokes or suspends a license, the department shall enter an order to that effect and notify the licensee of the revocation or suspension. Not later than five (5) days after the entry of the order the department shall deliver to the licensee a copy of the order and the findings supporting the order.

(5) Any person holding a license to engage in first lien mortgage transactions may relinquish the license by notifying the department in writing of the relinquishment. However, a relinquishment under this paragraph does not affect the person's liability for acts previously committed and coming within the scope of this article.

(6) A revocation, suspension, or relinquishment of a license does not impair or affect the obligation of any preexisting lawful contract between:

(a) the person whose license has been revoked, suspended, or relinquished; and

(b) any debtor.

(7) The department may reinstate a license, terminate a suspension, or grant a new license to a person whose license has been revoked or suspended if the director determines that, at the time the determination is made, there is no fact or condition that exists that clearly would justify the department in refusing to grant a license.

(8) If the director:

(a) has just cause to believe an emergency exists from which it is necessary to protect the interests of the public; or

(b) determines that a license was obtained for the benefit of, or on behalf of, a person who does not qualify for a license;

the director may proceed with the revocation of the license under IC 4-21.5-3-6.

Sec. 405. (1) Every licensee shall maintain records in a manner that will enable the department to determine whether the licensee is complying with this article. The record keeping system of a licensee is sufficient if the licensee makes the required information reasonably available. The department shall determine the sufficiency of the records and whether the licensee has made the required information reasonably available. The department shall be given free access to the records wherever the records are located. Records concerning any first lien mortgage transaction shall be retained for two (2) years after the making of the final entry relating to the transaction, but in the case of a revolving first lien mortgage transaction, the two (2) years required under this subsection is measured from the date of each entry relating to the transaction.

(2) A licensee shall file with the department financial statements relating to all first lien mortgage transactions originated by the licensee. The licensee shall file the financial statements as required by the department, but not more frequently than annually, in the form prescribed by the department.

(3) A licensee shall file notification with the department if the licensee:

(a) has a change in name, address, or any of its principals;

(b) opens a new branch, closes an existing branch, or relocates an existing branch;

(c) files for bankruptcy or reorganization; or

(d) is subject to revocation or suspension proceedings by a state or governmental authority with regard to the licensee's activities;

not later than thirty (30) days after the date of the event described in this subsection.

(4) A licensee shall file notification with the department if a key officer or director of the licensee:

(a) is under indictment for a felony involving fraud, deceit, or misrepresentation under the laws of Indiana or any other jurisdiction; or

(b) has been convicted of or pleaded guilty or nolo contendere to a felony involving fraud, deceit, or misrepresentation under the laws of Indiana or any other jurisdiction;

not later than thirty (30) days after the date of the event described in this subsection.

Sec. 501. A creditor in a first lien mortgage transaction shall comply with IC 6-1.1-12-43, to the extent applicable.

Sec. 502. (1) A violation by a creditor in a first lien mortgage transaction of Section 125 of the Federal Consumer Credit Protection Act (15 U.S.C. 1635) (concerning a debtor's right to rescind a transaction) constitutes a violation of this article. A creditor may not accrue interest during the period when a first lien mortgage transaction may be rescinded under Section 125 of the Federal Consumer Protection Act (15 U.S.C. 1635).

(2) A creditor must make available for disbursement the proceeds of a transaction subject to subsection (1) on the later of:

(a) the date the creditor is reasonably satisfied that the debtor has not rescinded the transaction; or

(b) the first business day after the expiration of the rescission period under subsection (1).

Chapter 3. Administration

Sec. 101. This chapter shall be known and may be cited as the First Lien Mortgage Lending Act - Administration.

Sec. 102. This chapter applies to a person that regularly

engages as a creditor in first lien mortgage transactions in Indiana.

Sec. 103. (1) In addition to other powers granted by this article, the department within the limitations provided by law may:

(a) receive and act on complaints, take action designed to obtain voluntary compliance with this article, or commence proceedings on the department's own initiative;

(b) counsel persons and groups on their rights and duties under this article;

(c) establish programs for the education of consumers with respect to credit practices and problems;

(d) make studies appropriate to effectuate the purposes and policies of this article and make the results available to the public;

(e) adopt, amend, and repeal rules, orders, policies, and forms to carry out the provisions of this article;

(f) maintain more than one (1) office within Indiana; and

(g) appoint any necessary attorneys, hearing examiners, clerks, and other employees and agents and fix their compensation, and authorize attorneys appointed under this section to appear for and represent the department in court.

(2) Liability may not be imposed under this article for an act done or omitted in conformity with a rule, written notice, written opinion, written interpretation, or written directive of the department notwithstanding the fact that after the act is done or omitted the rule, written notice, written opinion, written interpretation, or written directive may be:

(a) amended or repealed; or

(b) determined by judicial or other authority to be invalid;

for any reason.

Sec. 104. (1) In administering this article and in order to determine whether the provisions of this article are being complied with by persons engaging in acts subject to this article, the department may examine the records of persons and may make investigations of persons as may be necessary to determine compliance. Records subject to examination under this section include the following:

(a) Training, operating, and policy manuals.

(b) Minutes of:

(i) management meetings; and

(ii) other meetings.

(c) Financial records, credit files, and data bases.

(d) Other records that the department determines are necessary to perform its investigation or examination.

The department may also administer oaths or affirmations, subpoena witnesses, compel the attendance of witnesses, adduce evidence, and require the production of any matter that is relevant to an investigation. The department shall determine the sufficiency of the records maintained and whether the person has made the required information reasonably available. The records concerning any transaction subject to this article shall be retained for two (2) years after the making of the final entry relating to the first lien mortgage transaction, but in the case of a revolving first lien mortgage transaction the two (2) year period is measured from the date of each entry.

(2) The department's examination and investigatory authority under this article includes the following:

(a) The authority to require a creditor to refund overcharges resulting from the creditor's noncompliance with the terms of a first lien mortgage transaction.

(b) The authority to require a creditor to comply with the penalty provisions set forth in IC 24-4.4-2-201.

(c) The authority to investigate complaints filed with the department by debtors.

(3) The department shall be given free access to the records wherever the records are located. If the person's records are located outside Indiana, the records shall be made available to the department at a convenient location within Indiana, or the person shall pay the reasonable and necessary expenses for the department or the department's representative to examine the records where they are maintained. The department may designate comparable officials of the state in which the records are located to inspect the records on behalf of the department.

(4) Upon a person's failure without lawful excuse to obey a subpoena or to give testimony and upon reasonable notice by the department to all affected persons, the department may apply to any civil court with jurisdiction for an order compelling compliance.

(5) The department shall not make public:

(a) the name or identity of a person whose acts or conduct the department investigates under this section; or

(b) the facts discovered in the investigation.

However, this subsection does not apply to civil actions or enforcement proceedings under this article.

Sec. 105. Except as otherwise provided, IC 4-21.5-3 governs any action taken by the department under this chapter or IC 24-4.4-2-401 through IC 24-4.4-2-405. IC 4-22-2 applies to the adoption of rules by the department under this article. However, if the department determines that an emergency exists, the department may adopt any rules authorized by this article under IC 4-22-2-37.1.

Sec. 106. (1) After notice and hearing, the department may order a creditor or a person acting on the creditor's behalf to cease and desist from engaging in violations of this article. In any civil court with jurisdiction:

(a) a respondent aggrieved by an order of the department may obtain judicial review of the order; and

(b) the department may obtain an order of the court for the enforcement of the department's order.

A proceeding for review or enforcement under this

subsection shall be initiated by the filing of a petition in the court. Copies of the petition shall be served upon all parties of record.

(2) Not later than thirty (30) days after service of a petition for review upon the department under subsection (1), or within such further time as the court may allow, the department shall transmit to the court the original or a certified copy of the entire record upon which the order that is the subject of the review is based, including any transcript of testimony, which need not be printed. By stipulation of all parties to the review proceeding, the record may be shortened. After conducting a hearing on the matter, the court may:

(a) reverse or modify the order if the findings of fact of the department are clearly erroneous in view of the reliable, probative, and substantial evidence in the whole record;

(b) grant any temporary relief or restraining order the court considers just; and

(c) enter an order:

(i) enforcing;

(ii) modifying;

(iii) enforcing as modified; or

(iv) setting aside;

in whole or in part, the order of the department; or

(d) enter an order remanding the case to the department for further proceedings.

(3) An objection not urged at the hearing shall not be considered by the court unless the failure to urge the objection is excused for good cause shown. A party may move the court to remand the case to the department in the interest of justice for the purpose of:

(a) adducing additional specified and material evidence; and

(b) seeking a finding upon such evidence;

upon good cause shown for the failure to previously adduce this evidence before the department.

(4) The jurisdiction of the court is exclusive and the court's final judgment or decree is subject to review on appeal in the same manner and form and with the same effect as in appeals from a final judgment or decree. The department's copy of the testimony shall be available at reasonable times to all parties for examination without cost.

(5) A proceeding for review under this section must be initiated not later than thirty (30) days after a copy of the order of the department is received. If a proceeding is not initiated within the time set forth in this subsection, the department may obtain a decree of a civil court with jurisdiction for enforcement of the department's order upon a showing that:

(a) the order was issued in compliance with this section;

(b) a proceeding for review was not initiated within the thirty (30) day period prescribed by this subsection; and

(c) the respondent is subject to the jurisdiction of the court.

(6) With respect to unconscionable agreements or fraudulent or unconscionable conduct by a respondent, the department may not issue an order under this section but may bring a civil action for an injunction under section 111 of this chapter.

Sec. 107. If it is claimed that a person has engaged in conduct subject to an order by:

(a) the department under section 106(1) of this chapter; or

(b) a court under sections 108 through 110 of this chapter;

the department may accept an assurance in writing that the person will not engage in the conduct in the future. If a person giving an assurance of discontinuance fails to comply with the terms of the assurance, the assurance is evidence that before the assurance was issued the person engaged in the conduct described in the assurance.

Sec. 108. The department may bring a civil action to restrain a person from violating this article and for other appropriate relief.

Sec. 109. (1) As used in this section, "deceptive act" means an act or a practice in which a person knowingly or intentionally:

(a) makes a material misrepresentation concerning; or

(b) conceals material information regarding the terms or conditions of;

a first lien mortgage transaction.

(2) For purposes of this section, "knowingly" means having actual knowledge at the time of the transaction.

(3) The department may bring a civil action to enjoin a deceptive act performed in connection with a first lien mortgage transaction.

Sec. 110. With respect to an action brought under:

(a) section 108 of this chapter to enjoin violations of this article; or

(b) section 109 of this chapter to enjoin deceptive acts;

the department may apply to the court for appropriate temporary relief against a respondent, pending final determination of the proceedings. If the court finds after a hearing held upon notice to the respondent that there is reasonable cause to believe that the respondent is engaging in or is likely to engage in the conduct sought to be restrained, the court may grant any temporary relief or restraining order the court considers appropriate.

Sec. 111. (1) The department may bring a civil action against a creditor or a person acting on the creditor's behalf to recover a civil penalty for willfully violating this article. If the court finds that the defendant has engaged in a course of repeated and willful violations of this article, the court may assess a civil penalty of not more than five thousand dollars ($5,000). A civil penalty may not be imposed under this subsection:

(a) for violations of this article occurring more than two (2) years before the action is brought; or

(b) for making unconscionable agreements or engaging in a course of fraudulent or unconscionable conduct.

(2) If the department determines, after notice and opportunity for hearing, that a person has violated this article, the department may, in addition to or instead of all other remedies available under this section, impose upon the person a civil penalty not greater than ten thousand dollars ($10,000) per violation.

Sec. 112. In an action brought by the department under this article, the defendant does not have a right to trial by a jury.

Sec. 113. The grant of powers to the department under this article does not affect remedies available to debtors under this article or under other principles of law or equity.

Sec. 114. The department may bring an action or a proceeding in a court in a county:

(1) in which an act on which the action or proceeding is based occurred;

(2) in which the respondent resides or transacts business; or

(3) in which the action or proceeding is otherwise authorized by rule or venue laws.

Sec. 115. As used in this article, "civil court" means any court in Indiana having jurisdiction of civil cases.

SECTION 21. IC 24-4.5-1-301, AS AMENDED BY P.L.57-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 301. General Definitions – In addition to definitions appearing in subsequent chapters in this article:

(1) "Agreement" means the bargain of the parties in fact as found in their language or by implication from other circumstances, including course of dealing or usage of trade or course of performance.

(2) "Agricultural purpose" means a purpose related to the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures the agricultural products; "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any and all products raised or produced on farms and any processed or manufactured products thereof.

(3) "Average daily balance" means the sum of each of the daily balances in a billing cycle divided by the number of days in the billing cycle, and if the billing cycle is a month, the creditor may elect to treat the number of days in each billing cycle as thirty (30).

(4) "Closing costs" with respect to a debt secured by an interest in land includes:

(a) fees or premiums for title examination, title insurance, or similar purposes, including surveys;

(b) fees for preparation of a deed, settlement statement, or other documents;

(c) escrows for future payments of taxes and insurance;

(d) fees for notarizing deeds and other documents;

(e) appraisal fees; and

(f) credit reports.

(5) "Conspicuous": A term or clause is conspicuous when it is so written that a reasonable person against whom it is to operate ought to have noticed it.

(6) "Consumer credit" means credit offered or extended to a consumer primarily for a personal, family, or household purpose.

(7) "Credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

(8) "Creditor" means a person:

(a) who regularly engages in the extension of consumer credit that is subject to a credit service charge or loan finance charge, as applicable, or is payable **by written agreement** in **more than four (4)** installments **(not including a down payment);** and

(b) to whom the obligation is initially payable, either on the face of the note or contract, or by agreement when there is not a note or contract.

(9) "Earnings" means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments under a pension or retirement program.

(10) "Lender credit card or similar arrangement" means an arrangement or loan agreement, other than a seller credit card, pursuant to which a lender gives a debtor the privilege of using a credit card, letter of credit, or other credit confirmation or identification in transactions out of which debt arises:

(a) by the lender's honoring a draft or similar order for the payment of money drawn or accepted by the debtor;

(b) by the lender's payment or agreement to pay the debtor's obligations; or

(c) by the lender's purchase from the obligee of the debtor's obligations.

(11) "Official fees" means:

(a) fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, or satisfying a security interest related to a consumer credit sale, consumer lease, or consumer loan; or

(b) premiums payable for insurance in lieu of perfecting a security interest otherwise required by the creditor in connection with the sale, lease, or loan, if the premium does not exceed the fees and charges described in paragraph (a) which would otherwise be payable.

(12) "Organization" means a corporation, a government or governmental subdivision, or an agency, a trust, an estate, a partnership, a limited liability company, a cooperative, or an association.

(13) "Payable in installments" means that payment is required or permitted by written agreement to be made in more than four (4) installments not including a down payment.

(14) "Person" includes a natural person or an individual and an organization.

(15) "Person related to" with respect to an individual means:

(a) the spouse of the individual;

(b) a brother, brother-in-law, sister, **or** sister-in-law of the individual;

(c) an ancestor or lineal descendants of the individual or the individual's spouse; and

(d) any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual.

"Person related to" with respect to an organization means:

(a) a person directly or indirectly controlling, controlled by, or under common control with the organization;

(b) an officer or director of the organization or a person performing similar functions with respect to the organization or to a person related to the organization;

(c) the spouse of a person related to the organization; and

(d) a relative by blood or marriage of a person related to the organization who shares the same home with the person.

(16) "Presumed" or "presumption" means that the trier of fact must find the existence of the fact presumed unless and until evidence is introduced which would support a finding of its nonexistence.

(17) "Mortgage transaction" means a transaction in which a first mortgage or a land contract which constitutes a first lien is created or retained against land.

(18) "Regularly engaged" means a person who extends consumer credit more than:

(a) twenty-five (25) times; or

(b) five (5) times for transactions secured by a dwelling;

in the preceding calendar year. If a person did not meet these numerical standards in the preceding calendar year, the numerical standards shall be applied to the current calendar year.

(19) "Seller credit card" means an arrangement which gives to a buyer or lessee the privilege of using a credit card, letter of credit, or other credit confirmation or identification for the purpose of purchasing or leasing goods or services from that person, a person related to that person, or from that person and any other person. The term includes a card that is issued by a person, that is in the name of the seller, and that can be used by the buyer or lessee only for purchases or leases at locations of the named seller.

(20) "Supervised financial organization" means a person, other than an insurance company or other organization primarily engaged in an insurance business:

(a) organized, chartered, or holding an authorization certificate under the laws of a state or of the United States which authorizes the person to make loans and to receive deposits, including a savings, share, certificate, or deposit account; and

(b) subject to supervision by an official or agency of a state or of the United States.

(21) "Mortgage servicer" means the last person to whom a mortgagor or the mortgagor's successor in interest has been instructed by a mortgagee to send payments on a loan secured by a mortgage.

(22) "Affiliate", with respect to any person subject to this article, means a person that, directly or indirectly, through one (1) or more intermediaries:

(a) controls;

(b) is controlled by; or

(c) is under common control with;

the person subject to this article.

SECTION 22. IC 24-4.5-2-107 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 107. Definition; "Seller" - Except as otherwise provided, "seller" **means a person regularly engaged as a creditor in making consumer credit sales. The term** includes an assignee of the seller's right to payment but use of the term does not in itself impose on an assignee any obligation of the seller with respect to events occurring before the assignment.

SECTION 23. IC 24-4.5-2-201, AS AMENDED BY P.L.57-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 201. Credit Service Charge for Consumer Credit Sales other than Revolving Charge Accounts — (1) With respect to a consumer credit sale, other than a sale pursuant to a revolving charge account, a seller may contract for and receive a credit service charge not exceeding that permitted by this section.

(2) The credit service charge, calculated according to the actuarial method, may not exceed the equivalent of the greater of either of the following:

(a) the total of:

(i) thirty-six percent (36%) per year on that part of the unpaid balances of the amount financed which is three hundred dollars ($300) or less;

(ii) twenty-one percent (21%) per year on that part of the unpaid balances of the amount financed which is more than three hundred dollars ($300) but does not exceed one thousand dollars ($1,000); and

(iii) fifteen percent (15%) per year on that part of the unpaid balances of the amount financed which is more than one thousand dollars ($1,000); or

(b) twenty-one percent (21%) per year on the unpaid balances of the amount financed.

(3) This section does not limit or restrict the manner of contracting for the credit service charge, whether by way of add-on, discount, or otherwise, so long as the rate of the credit service charge does not exceed that permitted by this section. If the sale is precomputed:

(a) the credit service charge may be calculated on the assumption that all scheduled payments will be made when due; and

(b) the effect of prepayment is governed by the provisions on rebate upon prepayment (IC 24-4.5-2-210).

(4) For the purposes of this section, the term of a sale agreement commences with the date the credit is granted or, if goods are delivered or services performed more than thirty (30) days after that date, with the date of commencement of delivery or performance except as set forth below:

(a) Delays attributable to the customer. Where the customer requests delivery after the thirty (30) day period or where

delivery occurs after the thirty (30) day period for a reason attributable to the customer (including but not limited to failure to close on a residence or failure to obtain lease approval), the term of the sale agreement shall commence with the date credit is granted.

(b) Partial Deliveries. Where any portion of the order has been delivered within the thirty (30) day period, the term of the sale agreement shall commence with the date credit is granted.

Differences in the lengths of months are disregarded and a day may be counted as one-thirtieth (1/30) of a month. Subject to classifications and differentiations the seller may reasonably establish, a part of a month in excess of fifteen (15) days may be treated as a full month if periods of fifteen (15) days or less are disregarded and that procedure is not consistently used to obtain a greater yield than would otherwise be permitted.

(5) Subject to classifications and differentiations the seller may reasonably establish, the seller may make the same credit service charge on all amounts financed within a specified range. A credit service charge so made does not violate subsection (2) if:

(a) when applied to the median amount within each range, it does not exceed the maximum permitted by subsection (2); and

(b) when applied to the lowest amount within each range, it does not produce a rate of credit service charge exceeding the rate calculated according to paragraph (a) by more than eight percent (8%) of the rate calculated according to paragraph (a).

(6) Notwithstanding subsection (2), the seller may contract for and receive a minimum credit service charge of not more than thirty dollars ($30). The minimum credit service charge allowed under this subsection may be imposed only if:

(a) the ~~borrower~~ **debtor** prepays in full a consumer credit sale, refinancing, or consolidation, regardless of whether the sale, refinancing, or consolidation is precomputed;

(b) the sale, refinancing, or consolidation prepaid by the ~~borrower~~ **debtor** is subject to a credit service charge that:

(i) is contracted for by the parties; and

(ii) does not exceed the rate prescribed in subsection (2); and

(c) the credit service charge earned at the time of prepayment is less than the minimum credit service charge contracted for under this subsection.

(7) The amounts of three hundred dollars ($300) and one thousand dollars ($1,000) in subsection (2) are subject to change pursuant to the provisions on adjustment of dollar amounts (IC 24-4.5-1-106).

(8) The amount of thirty dollars ($30) in subsection (6) is subject to change under the provisions on adjustment of dollar amounts (IC 24-4.5-1-106). However, notwithstanding IC 24-4.5-1-106(1), the Reference Base Index to be used under this subsection is the Index for October 1992.

SECTION 24. IC 24-4.5-2-209 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 209. Right to Prepay - (1) Subject to the provisions on rebate upon prepayment (IC 24-4.5-2-210), the buyer may prepay in full the unpaid balance of a consumer credit sale, refinancing, or consolidation at any time without penalty.

(2) At the time of prepayment of a credit sale not subject to the provisions of rebate upon prepayment (IC 24-4.5-2-210), the total credit service charge, including the prepaid credit service charge, may not exceed the maximum charge allowed under this chapter for the period the credit sale was in effect.

(3) The creditor or mortgage servicer shall provide an accurate payoff of the consumer credit sale to the debtor within ten (10) calendar days after the creditor or mortgage servicer receives the debtor's written request for the accurate consumer credit sale payoff amount. A creditor or mortgage servicer who fails to provide the accurate consumer credit sale payoff amount is liable for:

(A) one hundred dollars ($100) if an accurate consumer credit sale payoff amount is not provided by the creditor or mortgage servicer within ten (10) calendar days after the creditor or mortgage servicer receives the debtor's first written request; and

(B) the greater of:

(i) one hundred dollars ($100); or

(ii) the credit service charge that accrues on the sale from the date the creditor or mortgage servicer receives the first written request until the date on which the accurate consumer credit sale payoff amount is provided;

if an accurate consumer credit sale payoff amount is not provided by the creditor or mortgage servicer within ten (10) calendar days after the creditor or mortgage servicer receives the debtor's second written request, and the creditor or mortgage servicer failed to comply with clause (A).

A liability under this subsection is an excess charge under IC 24-4.5-5-202.

(4) As used in this subsection, "mortgage transaction" means a consumer credit sale in which a mortgage, deed of trust, or a land contract that constitutes a lien is created or retained against land upon which there is a dwelling that is or will be used by the debtor primarily for personal, family, or household purposes. This subsection applies to a mortgage transaction with respect to which any installment or minimum payment due is delinquent for at least sixty (60) days. The creditor, servicer, or the creditor's agent shall acknowledge a written offer made in connection with a proposed short sale not later than ten (10) business days after the date of the offer if the offer complies with the requirements for a qualified written request set forth in 12 U.S.C. 2605(e)(1)(B). The creditor, servicer, or creditor's agent is required to acknowledge a written offer made in connection with a proposed short sale from a third party acting on behalf of the debtor only if the debtor has provided written authorization for the creditor, servicer, or creditor's agent to do so. Not later than thirty (30) business days after

receipt of an offer under this subsection, the creditor, servicer, or creditor's agent shall respond to the offer with an acceptance or a rejection of the offer. As used in this subsection, "short sale" means a transaction in which the property that is the subject of a mortgage transaction is sold for an amount that is less than the amount of the debtor's outstanding obligation under the mortgage transaction. A creditor or mortgage servicer that fails to respond to an offer within the time prescribed by this subsection is liable in accordance with 12 U.S.C. 2605(f) in any action brought under that section.

SECTION 25. IC 24-4.5-3-107 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 107. Definitions: "Lender"; "Precomputed"; "Principal" – (1) Except as otherwise provided, "lender" **means a person regularly engaged in making consumer loans. The term** includes an assignee of the lender's right to payment but use of the term does not in itself impose on an assignee any obligation of the lender with respect to events occurring before the assignment.

(2) A loan, refinancing, or consolidation is "precomputed" if the debt is expressed as a sum comprising the principal and the amount of the loan finance charge computed in advance.

(3) "Principal" of a loan means the total of:

(a) the net amount paid to, receivable by, or paid or payable for the account of the debtor;

(b) the amount of any discount excluded from the loan finance charge (subsection (2) of **IC** 24-4.5-3-109); and

(c) to the extent that payment is deferred:

(i) amounts actually paid or to be paid by the lender for registration, certificate of title, or license fees if not included in (a); and

(ii) additional charges permitted by this chapter (**IC** 24-4.5-3-202).

SECTION 26. IC 24-4.5-3-201, AS AMENDED BY P.L.57-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 201. Loan Finance Charge for Consumer Loans other than Supervised Loans—(1) Except as provided in subsections (6) and (8), with respect to a consumer loan other than a supervised loan (IC 24-4.5-3-501), a lender may contract for a loan finance charge, calculated according to the actuarial method, not exceeding twenty-one percent (21%) per year on the unpaid balances of the principal.

(2) This section does not limit or restrict the manner of contracting for the loan finance charge, whether by way of add-on, discount, or otherwise, so long as the rate of the loan finance charge does not exceed that permitted by this section. If the loan is precomputed:

(a) the loan finance charge may be calculated on the assumption that all scheduled payments will be made when due; and

(b) the effect of prepayment is governed by the provisions on rebate upon prepayment (IC 24-4.5-3-210).

(3) For the purposes of this section, the term of a loan commences with the date the loan is made. Differences in the lengths of months are disregarded, and a day may be counted as one-thirtieth (1/30) of a month. Subject to classifications and differentiations the lender may reasonably establish, a part of a month in excess of fifteen (15) days may be treated as a full month if periods of fifteen (15) days or less are disregarded and if that procedure is not consistently used to obtain a greater yield than would otherwise be permitted. For purposes of computing average daily balances, the creditor may elect to treat all months as consisting of thirty (30) days.

(4) With respect to a consumer loan made pursuant to a revolving loan account:

(a) the loan finance charge shall be deemed not to exceed the maximum annual percentage rate if the loan finance charge contracted for and received does not exceed a charge in each monthly billing cycle which is one and three-fourths percent (1 3/4%) of an amount no greater than:

(i) the average daily balance of the debt;

(ii) the unpaid balance of the debt on the same day of the billing cycle; or

(iii) subject to subsection (5), the median amount within a specified range within which the average daily balance or the unpaid balance of the debt, on the same day of the billing cycle, is included; for the purposes of this subparagraph and subparagraph (ii), a variation of not more than four (4) days from month to month is "the same day of the billing cycle";

(b) if the billing cycle is not monthly, the loan finance charge shall be deemed not to exceed the maximum annual percentage rate if the loan finance charge contracted for and received does not exceed a percentage which bears the same relation to one-twelfth (1/12) the maximum annual percentage rate as the number of days in the billing cycle bears to thirty (30); and

(c) notwithstanding subsection (1), if there is an unpaid balance on the date as of which the loan finance charge is applied, the lender may contract for and receive a charge not exceeding fifty cents ($0.50) if the billing cycle is monthly or longer, or the pro rata part of fifty cents ($0.50) which bears the same relation to fifty cents ($0.50) as the number of days in the billing cycle bears to thirty (30) if the billing cycle is shorter than monthly, but no charge may be made pursuant to this paragraph if the lender has made an annual charge for the same period as permitted by the provisions on additional charges (paragraph (c) of subsection (1) of IC 24-4.5-3-202).

(5) Subject to classifications and differentiations, the lender may reasonably establish and make the same loan finance charge on all amounts financed within a specified range. A loan finance charge does not violate subsection (1) if:

(a) when applied to the median amount within each range, it does not exceed the maximum permitted by subsection (1); and

(b) when applied to the lowest amount within each range, it does not produce a rate of loan finance charge exceeding

the rate calculated according to paragraph (a) by more than eight percent (8%) of the rate calculated according to paragraph (a).

(6) With respect to a consumer loan not made pursuant to a revolving loan account, the lender may contract for and receive a minimum loan finance charge of not more than thirty dollars ($30). The minimum loan finance charge allowed under this subsection may be imposed only if:

(a) the ~~borrower~~ **debtor** prepays in full a consumer loan, refinancing, or consolidation, regardless of whether the loan, refinancing, or consolidation is precomputed;

(b) the loan, refinancing, or consolidation prepaid by the ~~borrower~~ **debtor** is subject to a loan finance charge that:

(i) is contracted for by the parties; and

(ii) does not exceed the rate prescribed in subsection (1); and

(c) the loan finance charge earned at the time of prepayment is less than the minimum loan finance charge contracted for under this subsection.

(7) The amount of thirty dollars ($30) in subsection (6) is subject to change under the provisions on adjustment of dollar amounts (IC 24-4.5-1-106). However, notwithstanding IC 24-4.5-1-106(1), the Reference Base Index to be used under this subsection is the Index for October 1992.

(8) In addition to the loan finance charge provided for in this section, a lender may contract for the following:

(a) With respect to a consumer loan that is not made under a revolving loan account, a loan origination fee of not more than two percent (2%) of the loan amount.

(b) With respect to a consumer loan that is made under a revolving loan account, a loan origination fee of not more than two percent (2%) of the line of credit that was contracted for.

(9) The charges provided for in subsection (8):

(a) are not subject to refund or rebate;

(b) are not permitted if a lender makes a settlement charge under IC 24-4.5-3-202(d)(ii); and

(c) are limited to two percent (2%) of the part of the loan that does not exceed two thousand dollars ($2,000), if the loan is not primarily secured by an interest in land.

Notwithstanding subdivision (a), if a lender retains any part of a loan origination fee charged on a loan that is paid in full by a new loan from the same lender within three (3) months after the date of the prior loan, the lender may charge a loan origination fee only on that part of the new loan not used to pay the amount due on the prior loan, or in the case of a revolving loan, the lender may charge a loan origination fee only on the difference between the amount of the existing credit line and the increased credit line. This subsection does not prohibit a lender from contracting for and receiving a fee for preparing deeds, mortgages, reconveyance, and similar documents under IC 24-4.5-3-202(d)(ii), in addition to the charges provided for in subsection (8).

SECTION 27. IC 24-4.5-3-209 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 209. Right to Prepay - (1) Subject to the provisions on rebate upon prepayment (IC 24-4.5-3-210), the debtor may prepay in full the unpaid balance of a consumer loan, refinancing, or consolidation at any time without penalty. With respect to a consumer loan that is primarily secured by an interest in land, a lender may contract for a penalty for prepayment of the loan in full, not to exceed two percent (2%) of any amount prepaid within sixty (60) days of the date of the prepayment in full, after deducting all refunds and rebates as of the date of the prepayment. However, the penalty may not be imposed:

(a) if the loan is refinanced or consolidated with the same creditor;

(b) for prepayment by proceeds of any insurance or acceleration after default; or

(c) after three (3) years from the contract date.

(2) At the time of prepayment of a consumer loan not subject to the provisions of rebate upon prepayment (IC 24-4.5-3-210), the total finance charge, including the prepaid finance charge but excluding the loan origination fee allowed under IC 24-4.5-3-201, may not exceed the maximum charge allowed under this chapter for the period the loan was in effect. For the purposes of determining compliance with this subsection, the total finance charge does not include the following:

(a) The loan origination fee allowed under IC 24-4.5-3-201.

(b) The ~~borrower~~ **debtor** paid mortgage broker fee, if any, paid to a person who does not control, is not controlled by, or is not under common control with, the creditor holding the loan at the time a consumer loan is prepaid.

(3) The creditor or mortgage servicer shall provide an accurate payoff of the consumer loan to the debtor within ten (10) calendar days after the creditor or mortgage servicer receives the debtor's written request for the accurate consumer loan payoff amount. A creditor or mortgage servicer who fails to provide the accurate consumer loan payoff amount is liable for:

(a) one hundred dollars ($100) if an accurate consumer loan payoff amount is not provided by the creditor or mortgage servicer within ten (10) calendar days after the creditor or mortgage servicer receives the debtor's first written request; and

(b) the greater of:

(i) one hundred dollars ($100); or

(ii) the loan finance charge that accrues on the loan from the date the creditor or mortgage servicer receives the first written request until the date on which the accurate consumer loan payoff amount is provided;

if an accurate consumer loan payoff amount is not provided by the creditor or mortgage servicer within ten (10) calendar days after the creditor or mortgage servicer receives the debtor's second written request, and the creditor or mortgage servicer failed to comply with subdivision (a).

A liability under this subsection is an excess charge under IC 24-4.5-5-202.

(4) As used in this subsection, "mortgage transaction"

means a consumer credit loan in which a mortgage, deed of trust, or a land contract that constitutes a lien is created or retained against land upon which there is a dwelling that is or will be used by the debtor primarily for personal, family, or household purposes. This subsection applies to a mortgage transaction with respect to which any installment or minimum payment due is delinquent for at least sixty (60) days. The creditor, servicer, or the creditor's agent shall acknowledge a written offer made in connection with a proposed short sale not later than ten (10) business days after the date of the offer if the offer complies with the requirements for a qualified written request set forth in 12 U.S.C. 2605(e)(1)(B). The creditor, servicer, or creditor's agent is required to acknowledge a written offer made in connection with a proposed short sale from a third party acting on behalf of the debtor only if the debtor has provided written authorization for the creditor, servicer, or creditor's agent to do so. Not later than thirty (30) business days after receipt of an offer under this subsection, the creditor, servicer, or creditor's agent shall respond to the offer with an acceptance or a rejection of the offer. As used in this subsection, "short sale" means a transaction in which the property that is the subject of a mortgage transaction is sold for an amount that is less than the amount of the debtor's outstanding obligation under the mortgage transaction. A creditor or mortgage servicer that fails to respond to an offer within the time prescribed by this subsection is liable in accordance with 12 U.S.C. 2605(f) in any action brought under that section.

SECTION 28. IC 24-4.5-3-508, AS AMENDED BY P.L.57-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 508. Loan Finance Charge for Supervised Loans – (1) With respect to a supervised loan, including a loan pursuant to a revolving loan account, a supervised lender may contract for and receive a loan finance charge not exceeding that permitted by this section.

(2) The loan finance charge, calculated according to the actuarial method, may not exceed the equivalent of the greater of either of the following:

(a) the total of:

(i) thirty-six percent (36%) per year on that part of the unpaid balances of the principal which is three hundred dollars ($300) or less;

(ii) twenty-one percent (21%) per year on that part of the unpaid balances of the principal which is more than three hundred dollars ($300) but does not exceed one thousand dollars ($1,000); and

(iii) fifteen percent (15%) per year on that part of the unpaid balances of the principal which is more than one thousand dollars ($1000); or

(b) twenty-one percent (21%) per year on the unpaid balances of the principal.

(3) This section does not limit or restrict the manner of contracting for the loan finance charge, whether by way of add-on, discount, or otherwise, so long as the rate of the loan finance charge does not exceed that permitted by this section. If the loan is precomputed:

(a) the loan finance charge may be calculated on the assumption that all scheduled payments will be made when due; and

(b) the effect of prepayment is governed by the provisions on rebate upon prepayment (IC 24-4.5-3-210).

(4) The term of a loan for the purposes of this section commences on the date the loan is made. Differences in the lengths of months are disregarded, and a day may be counted as one-thirtieth (1/30) of a month. Subject to classifications and differentiations the lender may reasonably establish, a part of a month in excess of fifteen (15) days may be treated as a full month if periods of fifteen (15) days or less are disregarded and that procedure is not consistently used to obtain a greater yield than would otherwise be permitted.

(5) Subject to classifications and differentiations, the lender may reasonably establish and make the same loan finance charge on all principal amounts within a specified range. A loan finance charge does not violate subsection (2) if:

(a) when applied to the median amount within each range, it does not exceed the maximum permitted in subsection (2); and

(b) when applied to the lowest amount within each range, it does not produce a rate of loan finance charge exceeding the rate calculated according to paragraph (a) by more than eight percent (8%) of the rate calculated according to paragraph (a).

(6) The amounts of three hundred dollars ($300) and one thousand dollars ($1,000) in subsection (2) and thirty dollars ($30) in subsection (7) are subject to change pursuant to the provisions on adjustment of dollar amounts (IC 24-4.5-1-106). For the adjustment of the amount of thirty dollars ($30), the Reference Base Index to be used is the Index for October 1992.

(7) With respect to a supervised loan not made pursuant to a revolving loan account, the lender may contract for and receive a minimum loan finance charge of not more than thirty dollars ($30). The minimum loan finance charge allowed under this subsection may be imposed only if:

(a) the ~~borrower~~ **debtor** prepays in full a consumer loan, refinancing, or consolidation, regardless of whether the loan, refinancing, or consolidation is precomputed;

(b) the loan, refinancing, or consolidation prepaid by the ~~borrower~~ **debtor** is subject to a loan finance charge that:

(i) is contracted for by the parties; and

(ii) does not exceed the rate prescribed in subsection (2); and

(c) the loan finance charge earned at the time of prepayment is less than the minimum loan finance charge contracted for under this subsection.

SECTION 29. IC 24-9-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) A creditor may not charge a fee for informing or transmitting to a person the balance due to pay off a home loan or to provide a written release upon prepayment. A creditor must provide a

payoff balance not later than ten (10) ~~business~~ **calendar** days after the request is received by the creditor. ~~(b)~~ For purposes of this ~~section,~~ **subsection,** "fee" does not include actual charges incurred by a creditor for express or priority delivery ~~requested by the borrower~~ of home loan documents to the borrower **if such delivery is requested by the borrower.**

(b) This subsection applies to a home loan with respect to which any installment or minimum payment due is delinquent for at least sixty (60) days. The creditor, servicer, or the creditor's agent shall acknowledge a written offer made in connection with a proposed short sale not later than ten (10) business days after the date of the offer if the offer complies with the requirements for a qualified written request set forth in 12 U.S.C. 2605(e)(1)(B). The creditor, servicer, or creditor's agent is required to acknowledge a written offer made in connection with a proposed short sale from a third party acting on behalf of the debtor only if the debtor has provided written authorization for the creditor, servicer, or creditor's agent to do so. Not later than thirty (30) business days after receipt of an offer under this subsection, the creditor, servicer, or creditor's agent shall respond to the offer with an acceptance or a rejection of the offer. As used in this subsection, "short sale" means a transaction in which the property that is the subject of a home loan is sold for an amount that is less than the amount of the borrower's outstanding obligation on the home loan. A creditor, a servicer, or a creditor's agent that fails to respond to an offer within the time prescribed by this subsection is liable in accordance with 12 U.S.C. 2605(f) in any action brought under that section.

SECTION 30. IC 25-34.1-8-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. **(a)** To be licensed or certified as a real estate appraiser, an individual must meet the following conditions:

(1) Not have a conviction for any of the following:

(A) An act that would constitute a ground for disciplinary sanction under IC 25-1-11.

(B) A crime that has a direct bearing on the individual's ability to practice competently.

(C) Fraud or material deception in the course of professional services or activities.

(D) A crime that indicates the individual has the propensity to endanger the public.

(2) Have satisfied the requirements established under IC 25-34.1-3-8(f).

(b) After December 31, 2008, the board shall require each applicant for initial licensure or certification under this chapter to submit fingerprints for a national criminal history background check (as defined in IC 10-13-3-12) by the Federal Bureau of Investigation, for use by the board in determining whether the applicant should be denied licensure or certification under this chapter for any reason set forth in subsection (a)(1). The applicant shall pay any fees or costs associated with the fingerprints and background check required under this subsection. The board may not release the results of a background check described in this subsection to any private entity.

(c) The board may request evidence of compliance with this section in accordance with subsection (d). Evidence of compliance with this section may include any of the following:

(1) Subject to subsections (b) and (d)(2), criminal background checks, including a national criminal history background check (as defined in IC 10-13-3-12) by the Federal Bureau of Investigation.

(2) Credit histories.

(3) Other background checks considered necessary by the board.

(d) The board may request evidence of compliance with this section at any of the following times:

(1) The time of application for an initial license or certificate.

(2) The time of renewal of a license or certificate.

(3) Any other time considered necessary by the board.

(e) The commission, upon recommendation of the board, shall adopt rules under IC 4-22-2 to implement this section.

SECTION 31. IC 27-7-3-15.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. (a) This section applies to a transaction that:**

(1) is a single family residential:

(A) first lien purchase money mortgage transaction; or

(B) refinancing transaction; and

(2) is closed after December 31, 2009.

(b) Not later than September 1, 2009, the department shall establish and maintain an electronic system for the collection and storage of the following information concerning any of the following persons that have participated in or assisted with a transaction to which this section applies, or that will participate in or assist with a transaction to which this section applies:

(1) The name and license number (under IC 23-2-5) of each loan brokerage business involved in the transaction.

(2) The name and registration number (under IC 23-2-5) of each originator involved in the transaction.

(3) The name and license number (under IC 25-34.1) of each:

(A) principal broker; and

(B) salesperson or broker-salesperson, if any;

involved in the transaction.

(4) The:

(A) name of; and

(B) code assigned by the National Association of Insurance Commissioners (NAIC) to;

each title insurance underwriter involved in the transaction.

(5) The name and license number (under IC 27-1-15.6) of each title insurance agency and agent involved in the transaction as a closing agent (as defined in IC 6-1.1-12-43(a)(2)).

(6) The name and:

(A) license or certificate number (under IC 25-34.1-3-8) of each licensed or certified real estate appraiser; or

(B) license number (under IC 25-34.1) of each broker;

who appraises the property that is the subject of the transaction.

(7) The name of the mortgagee and, if the mortgagee is required to be licensed under:

(A) IC 24-4.4; or

(B) IC 24-4.5-3-502;

the license number of the mortgagee.

(c) The system established by the department under this section must include a form that:

(1) is uniformly accessible in an electronic format to the closing agent (as defined in IC 6-1.1-12-43(a)(2)) in the transaction; and

(2) allows the closing agent to do the following:

(A) Input information identifying the property that is the subject of the transaction by lot or parcel number, street address, or some other means of identification that the department determines:

(i) is sufficient to identify the property; and

(ii) determinable by the closing agent.

(B) Subject to subsection (d) and to the extent determinable, input the information described in subsection (b) with respect to each person described in subsection (b) that participates in or assists with the transaction.

(C) Respond to the following questions:

(i) "On what date did you receive the closing instructions from the creditor in the transaction?".

(ii) "On what date did the transaction close?".

(D) Submit the form electronically to a data base maintained by the department.

(d) Not later than the time of the closing, each person described in subsection (b) shall provide to the closing agent in the transaction the person's:

(1) legal name; and

(2) license number, certificate number, registration number, or NAIC code, as appropriate;

to allow the closing agent to comply with subsection (c)(2)(B). A person described in subsection (b)(7) shall provide the information required by this subsection for any person described in subsection (b)(6) that appraises the property that is the subject of the transaction on behalf of the person described in subsection (b)(7). A person described in subsection (b)(3)(B) who is involved in the transaction may provide the information required by this subsection for a person described in subsection (b)(3)(A) that serves as the principal broker for the person described in subsection (b)(3)(B).

(e) A person described in subsection (b) who fails to comply with subsection (d) is subject to a civil penalty of one hundred dollars ($100) for each closing with respect to which the person fails to comply with subsection (d). The penalty:

(1) may be enforced by the state agency that has administrative jurisdiction over the person in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and

(2) shall be paid into the home ownership education account established by IC 5-20-1-27.

(f) Subject to subsection (g), the department shall make the information stored in the data base described in subsection (c)(2)(D) accessible to:

(1) each entity described in IC 4-6-12-4; and

(2) the homeowner protection unit established under IC 4-6-12-2.

(g) The department, a closing agent who submits a form under subsection (c), each entity described in IC 4-6-12-4, and the homeowner protection unit established under IC 4-6-12-2 shall exercise all necessary caution to avoid disclosure of any information:

(1) concerning a person described in subsection (b), including the person's license, registration, or certificate number; and

(2) contained in the data base described in subsection (c)(2)(D);

except to the extent required or authorized by state or federal law.

(h) The department may adopt rules under IC 4-22-2 to implement this section. Rules adopted by the department under this subsection may establish procedures for the department to:

(1) establish;

(2) collect; and

(3) change as necessary;

an administrative fee to cover the department's expenses in establishing and maintaining the electronic system required by this section.

(i) If the department adopts a rule under IC 4-22-2 to establish an administrative fee to cover the department's expenses in establishing and maintaining the electronic system required by this section, as allowed under subsection (h), the department may:

(1) require the fee to be paid:

(A) to the closing agent responsible for inputting the information and submitting the form described in subsection (c)(2); and

(B) by the borrower in the transaction;

(2) allow the closing agent described in subdivision (1)(A) to retain a part of the fee collected to cover the closing agent's costs in inputting the information and submitting the form described in subsection (c)(2); and

(3) require the closing agent to pay the remainder of the fee collected to the department for deposit in the title insurance enforcement fund established by IC 27-7-3.6-1, for the department's use in establishing and maintaining the electronic system required by this section.

SECTION 32. IC 27-7-3.6-1, AS ADDED BY P.L.171-2006, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The title insurance enforcement fund is established for the following purposes:

(1) To provide supplemental funding for department operations that are related to title insurance, **including any of the following:**

(A) The investigation of any matter concerning title insurance transactions in Indiana, to the extent necessary to determine compliance with this title.

(B) Appropriate administrative and civil actions to redress instances of noncompliance with this title.

(C) Cooperative efforts with federal, state, and local law enforcement agencies in investigating the following:

(i) Deceptive acts in connection with title insurance transactions.

(ii) Criminal violations involving deceptive acts in connection with title insurance transactions.

(iii) Violations of the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) and any other federal laws or regulations concerning title insurance transactions. To the extent authorized by federal law, the department may enforce compliance with the federal statutes or regulations described in this item or refer suspected violations of the statutes or regulations to the appropriate federal regulatory agencies.

(D) Actions to enjoin violations of 12 U.S.C. 2607, as permitted under 12 U.S.C. 2607(d) and 12 U.S.C. 2614.

(2) To pay the costs of hiring and employing staff in the area of enforcement of title insurance law.

(3) To provide funding for educational materials or services designed to provide information to consumers about residential title insurance transactions.

SECTION 33. IC 34-55-10-2, AS AMENDED BY P.L.179-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) This section does not apply to judgments obtained before October 1, 1977.

(b) The amount of each exemption under subsection (c) applies until a rule is adopted by the department of financial institutions under section 2.5 of this chapter.

(c) The following property of a debtor domiciled in Indiana is exempt:

(1) Real estate or personal property constituting the personal or family residence of the debtor or a dependent of the debtor, or estates or rights in that real estate or personal property, of not more than fifteen thousand dollars ($15,000). The exemption under this subdivision is individually available to joint debtors concerning property held by them as tenants by the entireties.

(2) Other real estate or tangible personal property of eight thousand dollars ($8,000).

(3) Intangible personal property, including choses in action, deposit accounts, and cash (but excluding debts owing and income owing), of three hundred dollars ($300).

(4) Professionally prescribed health aids for the debtor or a dependent of the debtor.

(5) Any interest that the debtor has in real estate held as a tenant by the entireties. The exemption under this subdivision does not apply to a debt for which the debtor and the debtor's spouse are jointly liable.

(6) An interest, whether vested or not, that the debtor has in a retirement plan or fund to the extent of:

(A) contributions, or portions of contributions, that were made to the retirement plan or fund by or on behalf of the debtor or the debtor's spouse:

(i) which were not subject to federal income taxation to the debtor at the time of the contribution; or

(ii) which are made to an individual retirement account in the manner prescribed by Section 408A of the Internal Revenue Code of 1986;

(B) earnings on contributions made under clause (A) that are not subject to federal income taxation at the time of the levy; and

(C) roll-overs of contributions made under clause (A) that are not subject to federal income taxation at the time of the levy.

(7) Money that is in a medical care savings account established under IC 6-8-11.

(8) Money that is in a health savings account established under Section 223 of the Internal Revenue Code of 1986.

~~(8)~~ **(9)** Any interest the debtor has in a qualified tuition program, as defined in Section 529(b) of the Internal Revenue Code of 1986, but only to the extent funds in the program are not attributable to:

(A) excess contributions, as described in Section 529(b)(6) of the Internal Revenue Code of 1986, and earnings on the excess contributions;

(B) contributions made by the debtor within one (1) year before the date of the levy or the date a bankruptcy petition is filed by or against the debtor, and earnings on the contributions; or

(C) the excess over five thousand dollars ($5,000) of aggregate contributions made by the debtor for all programs under this subdivision and education savings accounts under subdivision ~~(9)~~ **(10)** having the same designated beneficiary:

(i) not later than one (1) year before; and

(ii) not earlier than two (2) years before;

the date of the levy or the date a bankruptcy petition is

filed by or against the debtor, and earnings on the aggregate contributions.

~~(9)~~ **(10)** Any interest the debtor has in an education savings account, as defined in Section 530(b) of the Internal Revenue Code of 1986, but only to the extent funds in the account are not attributable to:

(A) excess contributions, as described in Section 4973(e) of the Internal Revenue Code of 1986, and earnings on the excess contributions;

(B) contributions made by the debtor within one (1) year before the date of the levy or the date a bankruptcy petition is filed by or against the debtor, and earnings on the contributions; or

(C) the excess over five thousand dollars ($5,000) of aggregate contributions made by the debtor for all accounts under this subdivision and qualified tuition programs under subdivision ~~(8)~~ **(9)** having the same designated beneficiary:

(i) not later than one (1) year before; and

(ii) not earlier than two (2) years before;

the date of the levy or the date a bankruptcy petition is filed by or against the debtor, and earnings on the excess contributions.

~~(10)~~ **(11)** The debtor's interest in a refund or a credit received or to be received under section 32 of the Internal Revenue Code of 1986.

(d) A bankruptcy proceeding that results in the ownership by the bankruptcy estate of a debtor's interest in property held in a tenancy by the entireties does not result in a severance of the tenancy by the entireties.

(e) Real estate or personal property upon which a debtor has voluntarily granted a lien is not, to the extent of the balance due on the debt secured by the lien:

(1) subject to this chapter; or

(2) exempt from levy or sale on execution or any other final process from a court.

SECTION 34. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2008]: IC 5-20-1-5; IC 5-20-1-6.

SECTION 35. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "task force" refers to the mortgage lending and fraud prevention task force created under subsection (b).**

(b) Not later than May 1, 2008, the following agencies shall create the mortgage lending and fraud prevention task force by each appointing an equal number of representatives to serve on the task force:

(1) The securities division of the office of the secretary of state established under IC 23-19-6-1(a).

(2) The homeowner protection unit established by the attorney general under IC 4-6-12-2.

(3) The department of financial institutions established by IC 28-11-1-1.

(4) The department of insurance created by IC 27-1-1-1.

(5) The Indiana real estate commission created by IC 25-34.1-2-1.

(6) The real estate appraiser licensure and certification board created by IC 25-34.1-8-1.

(c) The members of the task force shall annually appoint a chair from among the members of the task force. Each year, the chair shall rotate among the agencies set forth in subsection (b).

(d) Subject to subsection (e), beginning not later than July 2008, the task force shall meet each month to:

(1) coordinate the state's efforts to:

(A) regulate the various participants involved in originating, issuing, and closing home loans;

(B) enforce state laws and rules concerning mortgage lending practices and mortgage fraud; and

(C) prevent fraudulent practices in the home loan industry; and

(2) share information and resources necessary for the efficient administration of the tasks set forth in subdivision (1), unless prohibited by law.

(e) With respect to any meeting of the task force:

(1) one (1) or more members of the task force may participate in the meeting; or

(2) the meeting may be conducted in its entirety;

by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can communicate with each other. Participation by the means described in this subsection constitutes presence in person at the meeting.

(f) Beginning in 2008, not later than November 1 of each year, the task force shall report to the legislative council on the activities of each agency comprising the task force under subsection (b) with respect to the most recent state fiscal year. The report required under this subsection must include:

(1) information on the regulatory activities of each agency described in subsection (b), including a description of any:

(A) disciplinary or enforcement actions taken;

(B) criminal prosecutions pursued;

(C) rules adopted;

(D) policies issued; or

(E) legislative recommendations made;

concerning the professions involved in originating, issuing, and closing home loans;

(2) a description of any challenges:

(A) encountered by the task force during the most recent state fiscal year; or

(B) anticipated by the task force in the current state fiscal year;

in carrying out the duties set forth in subsection (d);

(3) any additional information required by the legislative council; and

(4) any recommendations by the task force for legislation necessary to assist the task force in carrying out the duties set forth in subsection (d).

A report to the legislative council under this subsection must

be in an electronic format under IC 5-14-6.

SECTION 36. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "authority" refers to the Indiana housing and community development authority created by IC 5-20-1-3.**

(b) As used in this SECTION, "mortgage transaction" refers to a first lien mortgage transaction (as defined in IC 24-4.4-1-301(6)).

(c) Not later than November 1, 2008, the authority shall provide a report to the legislative council that includes the following:

(1) An identification of:

(A) new sources of funding that can be used to assist Indiana homeowners in refinancing their existing mortgage transactions; or

(B) existing sources of funding that can be directed or redirected to assist Indiana homeowners in refinancing their existing mortgage transactions;

in order to prevent the foreclosure of the homes secured by homeowners' existing mortgage transactions.

(2) A plan for the rehabilitation of neighborhoods or communities in Indiana that have been adversely or disproportionately affected by mortgage foreclosures. The plan required by this subdivision must include an identification of the following:

(A) The areas in Indiana that have been adversely or disproportionately affected by mortgage foreclosures, including any statistics or data used to identify the areas.

(B) New or existing sources of funding that can be directed or redirected to the proposed rehabilitation efforts.

(3) Any recommendations for legislation that the authority determines is needed to accomplish the objectives described in subdivisions (1) and (2).

(4) Any other recommendations of the authority concerning:

(A) the prevention of mortgage foreclosures; or

(B) the rehabilitation of neighborhoods or communities adversely or disproportionately affected by mortgage foreclosures.

(d) The report to the legislative council required by this SECTION must be in an electronic format under IC 5-14-6.

(e) This SECTION expires January 1, 2010.

SECTION 37. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "commissioner" refers to the securities commissioner appointed under IC 23-19-6-1.**

(b) As used in this SECTION, "director" refers to the director of the department of financial institutions appointed under IC 28-11-2-1.

(c) The commissioner and the director shall cooperate to determine the appropriate state agency or department to oversee the regulation of a person that is, has been, or may be subject to regulation, licensure, or registration under both:

(1) IC 23-2-5; and

(2) IC 24-4.4, as added by this act.

(d) The commissioner and the director shall issue joint guidelines to address the appropriate regulation of a person described in subsection (c) not later than September 1, 2008. The joint guidelines issued under this subsection must include any recommendations for legislation needed to implement the appropriate regulation of a person described in subsection (c), as determined by the commissioner and the director.

(e) This SECTION expires January 1, 2010.

SECTION 38. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "board" refers to the real estate appraiser licensure and certification board created by IC 25-34.1-8-1.**

(b) As used in this SECTION, "commission" refers to the Indiana real estate commission created by IC 25-34.1-2-1.

(c) Notwithstanding IC 25-34.1-8-10(e), as added by this act, the commission shall adopt rules to implement IC 25-34.1-8-10, as amended by this act, in the same manner as emergency rules are adopted under IC 4-22-2-37.1. Not later than July 1, 2008, the board shall make recommendations to the commission concerning the rules needed to implement IC 25-34.1-8-10, as amended by this act. The commission shall adopt any emergency rules under this SECTION not later than December 1, 2008. An emergency rule adopted under this SECTION:

(1) takes effect on January 1, 2009; and

(2) expires on the earlier of:

(A) the date the rule is adopted by the commission under IC 4-22-2-24 through IC 4-22-2-36; or

(B) January 1, 2010.

(d) This SECTION expires January 1, 2010.

SECTION 39. **An emergency is declared for this act.**

(Reference is to EHB 1359 as reprinted February 22, 2008.)

Bardon, Chair	Lawson
Burton	Broden
House Conferees	Senate Conferees

Roll Call 363: yeas 47, nays 0. Report adopted.

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the Speaker of the House has removed Representative Dvorak as a conferee on Engrossed Senate Bill 43 and now appoints Representative Grubb thereon.

CLINTON MCKAY
Principal Clerk of the House

10:47 a.m.

The Chair declared a recess until the fall of the gavel.

RECESS

The Senate reconvened at 1:43 p.m., with the President of the

Senate in the Chair.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Madam President: Pursuant to Senate Rule 83(k) your Committee on Rules and Legislative Procedure to which was referred Conference Committee Reports filed on Engrossed Senate Bills 43 and 258 and Engrossed House Bills 1001 has had the same under consideration and begs leave to report back to the Senate with the recommendation that said Conference Committee Reports are eligible for consideration.

LONG, Chair

Report adopted.

SENATE MOTION

Madam President: I move that Senate Rule 83(a) be suspended with regard to its application to the following Conference Committee Reports: 43–1 and 258–1.

LONG

Motion prevailed.

COMMITTEE REPORT

Madam President: The Senate committee on Rules and Legislative Procedure, to which was referred the motion of Senator Long requesting suspension of Senate Rule 83(a) for Conference Committee Reports filed for Engrossed Senate Bills 43 and 258, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said motion be adopted.

LONG, Chair

Report adopted.

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the Conference Committee Report on Engrossed Senate Joint Resolution 1–1.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the Conference Committee Report on Engrossed House Bill 1001–1.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE PRESIDENT OF THE SENATE

Members of the Senate: I have on the 14th day of March, 2008, signed Senate Enrolled Acts: 28 and 352.

REBECCA S. SKILLMAN
Lieutenant Governor

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT

EHB 1001–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1001 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 3-7-15-2, AS AMENDED BY P.L.161-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The general assembly finds that the following offices in Indiana provide public assistance within the scope of NVRA:

(1) Each ~~county~~ **local** office ~~of family and children~~ established under ~~IC 12-19-1~~ **IC 12-19-1-1** that administers:

(A) the Temporary Assistance for Needy Families program (TANF) under IC 12-14; or

(B) the Medicaid program under IC 12-15.

(2) Each office of the division of family resources that administers the food stamp program under federal law.

(3) Each office of the state department of health that administers the Special Supplemental Nutrition Program for the Women, Infants and Children Program (WIC) under IC 16-35-1.5.

SECTION 2. IC 3-8-1-23, AS AMENDED BY P.L.219-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 23. (a) Subject to subsection (b), a candidate for the office of county assessor must:

(1) have resided in the county for at least one (1) year before the election, as provided in Article 6, Section 4 of the Constitution of the State of Indiana; and

(2) own real property located in the county upon taking office.

(b) A candidate for the office of county assessor who runs in an election after June 30, 2008, must have attained the certification of a level two assessor-appraiser under IC 6-1.1-35.5.

(c) A candidate for the office of county assessor who runs in an election after January 1, 2012, must have attained the certification of a level three assessor-appraiser under IC 6-1.1-35.5.

SECTION 3. IC 3-8-1-23.6 AS ADDED BY HEA 1137-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE UPON PASSAGE]: Sec. 23.6. (a) 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.

~~(b) A person who runs in an election after June 30, 2008, for the office of township trustee and who performs all the duties and has all the rights and powers of a 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 to qualify to perform those duties and to assume those rights and powers.~~

~~(c) A person who runs successfully under subsection (b) but has not attained the certification of a level two assessor-appraiser under IC 6-1.1-35.5 before taking office:~~

~~(1) may perform in office only duties other than the duties of a township assessor under IC 36-6-5-1; and~~

~~(2) has only the rights and powers of the trustee other than the rights and powers of a township assessor under IC 36-6-5-1.~~

~~The restrictions listed in this subsection apply to the entire term for which the person takes office, regardless of whether the person attains the certification of a level two assessor-appraiser under IC 6-1.1-35.5 during the term of office.~~

(b) A person who runs in an election after January 1, 2012, for the office of township assessor under IC 36-6-5-1 must have attained the certification of a level three assessor-appraiser under IC 6-1.1-35.5 before taking office.

SECTION 4. IC 3-10-1-19, AS AMENDED BY P.L.164-2006, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19. (a) The ballot for a primary election shall be printed in substantially the following form for all the offices for which candidates have qualified under IC 3-8:

OFFICIAL PRIMARY BALLOT

_____ Party

For paper ballots, print: To vote for a person, make a voting mark (X or ✓) on or in the box before the person's name in the proper column. For optical scan ballots, print: To vote for a person, darken or shade in the circle, oval, or square (or draw a line to connect the arrow) that precedes the person's name in the proper column. For optical scan ballots that do not contain a candidate's name, print: To vote for a person, darken or shade in the oval that precedes the number assigned to the person's name in the proper column. For electronic voting systems, print: To vote for a person, touch the screen (or press the button) in the location indicated.

Vote for one (1) only

Representative in Congress

[] (1) AB _____

[] (2) CD _____

[] (3) EF _____

[] (4) GH _____

(b) The offices with candidates for nomination shall be placed on the primary election ballot in the following order:

(1) Federal and state offices:

(A) President of the United States.

(B) United States Senator.

(C) Governor.

(D) United States Representative.

(2) Legislative offices:

(A) State senator.

(B) State representative.

(3) Circuit offices and county judicial offices:

(A) Judge of the circuit court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the circuit court.

(B) Judge of the superior court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the superior court.

(C) Judge of the probate court.

(D) Judge of the county court, with each division separate, as required by IC 33-30-3-3.

(E) Prosecuting attorney.

(F) Circuit court clerk.

(4) County offices:

(A) County auditor.

(B) County recorder.

(C) County treasurer.

(D) County sheriff.

(E) County coroner.

(F) County surveyor.

(G) County assessor.

(H) County commissioner.

(I) County council member.

(5) Township offices:

(A) Township assessor **(only in a township referred to in IC 36-6-5-1(d)).**

(B) Township trustee.

(C) Township board member.

(D) Judge of the small claims court.

(E) Constable of the small claims court.

(6) City offices:

(A) Mayor.

(B) Clerk or clerk-treasurer.

(C) Judge of the city court.

(D) City-county council member or common council member.

(7) Town offices:

(A) Clerk-treasurer.

(B) Judge of the town court.

(C) Town council member.

(c) The political party offices with candidates for election shall be placed on the primary election ballot in the following order after the offices described in subsection (b):

(1) Precinct committeeman.

(2) State convention delegate.

(d) The following offices and public questions shall be placed on the primary election ballot in the following order after the offices described in subsection (c):

(1) School board offices to be elected at the primary election.
(2) Other local offices to be elected at the primary election.
(3) Local public questions.

(e) The offices and public questions described in subsection (d) shall be placed:
(1) in a separate column on the ballot if voting is by paper ballot;
(2) after the offices described in subsection (c) in the form specified in IC 3-11-13-11 if voting is by ballot card; or
(3) either:
(A) on a separate screen for each office or public question; or
(B) after the offices described in subsection (c) in the form specified in IC 3-11-14-3.5;
if voting is by an electronic voting system.

(f) A public question shall be placed on the primary election ballot in the following form:

(The explanatory text for the public question, if required by law.)
"Shall (insert public question)?"
[] YES
[] NO

SECTION 5. IC 3-10-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. The following public officials shall be elected at the general election before their terms of office expire and every four (4) years thereafter:
(1) Clerk of the circuit court.
(2) County auditor.
(3) County recorder.
(4) County treasurer.
(5) County sheriff.
(6) County coroner.
(7) County surveyor.
(8) County assessor.
(9) County commissioner.
(10) County council member.
(11) Township trustee.
(12) Township board member.
(13) Township assessor **(only in a township referred to in IC 36-6-5-1(d)).**
(14) Judge of a small claims court.
(15) Constable of a small claims court.

SECTION 6. IC 3-11-2-12, AS AMENDED BY P.L.2-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. The following offices shall be placed on the general election ballot in the following order:
(1) Federal and state offices:
(A) President and Vice President of the United States.
(B) United States Senator.
(C) Governor and lieutenant governor.
(D) Secretary of state.
(E) Auditor of state.
(F) Treasurer of state.
(G) Attorney general.
(H) Superintendent of public instruction.
(I) United States Representative.
(2) Legislative offices:
(A) State senator.
(B) State representative.
(3) Circuit offices and county judicial offices:
(A) Judge of the circuit court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the circuit court.
(B) Judge of the superior court, and unless otherwise specified under IC 33, with each division separate if there is more than one (1) judge of the superior court.
(C) Judge of the probate court.
(D) Judge of the county court, with each division separate, as required by IC 33-30-3-3.
(E) Prosecuting attorney.
(F) Clerk of the circuit court.
(4) County offices:
(A) County auditor.
(B) County recorder.
(C) County treasurer.
(D) County sheriff.
(E) County coroner.
(F) County surveyor.
(G) County assessor.
(H) County commissioner.
(I) County council member.
(5) Township offices:
(A) Township assessor **(only in a township referred to in IC 36-6-5-1(d)).**
(B) Township trustee.
(C) Township board member.
(D) Judge of the small claims court.
(E) Constable of the small claims court.
(6) City offices:
(A) Mayor.
(B) Clerk or clerk-treasurer.
(C) Judge of the city court.
(D) City-county council member or common council member.
(7) Town offices:
(A) Clerk-treasurer.
(B) Judge of the town court.
(C) Town council member.

SECTION 7. IC 4-10-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) The auditor of state shall prepare and publish each year the following financial reports:
(1) A report showing receipts by source of revenue and by type of fund disbursements as they relate to each agency, department, and fund of the state government. This report shall include a recital of disbursements made by the following functions of state government:

(A) Education.
(B) Welfare.
(C) Highway.
(D) Health.
(E) Natural resources.
(F) Public safety.
(G) General governmental.
(H) Hospital and state institutions.
(I) Correction, parole, and probation.

(2) A report containing the following property tax data by counties:

(A) A report showing:

(i) the total amount of tax delinquencies;

(ii) the total amount of the administrative costs of the offices of township ~~and~~ **assessors (if any),** county assessors, the offices of county auditors, and the offices of county treasurers; and

(iii) the total amount of other local taxes collected.

(B) An abstract of taxable real and personal property, which must include a recital of the number and the total amount of tax exemptions, including mortgage exemptions, veterans' exemptions, exemptions granted to blind persons, exemptions granted to persons over sixty-five (65) years of age, and any and all other exemptions granted to any person under ~~the provisions of~~ the Constitution and the laws of the state.

(b) The reports described in this section shall be made available for inspection as soon as they are prepared and shall be published in the manner provided in section 7 of this chapter by the auditor of state not later than December 31 following the end of each fiscal year.

SECTION 8. IC 4-10-18-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. As used in this chapter:

"Adjusted personal income" for a particular calendar year means the adjusted state personal income for that year as determined under section 3(b) of this chapter.

"Annual growth rate" for a particular calendar year means the percentage change in adjusted personal income for the particular calendar year as determined under section 3(c) of this chapter.

"Budget director" refers to the director of the budget agency established under IC 4-12-1.

"Costs" means the cost of construction, equipment, land, property rights (including leasehold interests), easements, franchises, leases, financing charges, interest costs during and for a reasonable period after construction, architectural, engineering, legal, and other consulting or advisory services, plans, specifications, surveys, cost estimates, and other costs or expenses necessary or incident to the acquisition, development, construction, financing, and operating of an economic growth initiative.

"Current calendar year" means a calendar year during which a transfer to or from the fund is initially determined under sections 4 and 5 of this chapter.

"Economic growth initiative" means:

(1) the construction, extension, or completion of sewerlines, waterlines, streets, sidewalks, bridges, roads, highways, public ways, and any other infrastructure improvements;

(2) the leasing or purchase of land and any site improvements to land;

(3) the construction, leasing, or purchase of buildings or other structures;

(4) the rehabilitation, renovation, or enlargement of buildings or other structures;

(5) the leasing or purchase of machinery, equipment, or furnishings; or

(6) the training or retraining of employees whose jobs will be created or retained as a result of the initiative.

"Fund" means the counter-cyclical revenue and economic stabilization fund established under this chapter.

"General fund revenue" means all general purpose tax revenue and other unrestricted general purpose revenue of the state, including federal revenue sharing monies, credited to the state general fund and from which appropriations may be made. ~~The term "general fund revenue" does not include revenue held in the reserve for tuition support under IC 4-12-1-12.~~

"Implicit price deflator for the gross national product" means the implicit price deflator for the gross national product, or its closest equivalent, which is available from the United States Bureau of Economic Analysis.

"Political subdivision" has the meaning set forth in IC 36-1-2-13.

"Qualified economic growth initiative" means an economic growth initiative that is:

(1) proposed by or on behalf of a political subdivision to promote economic growth, including the creation or retention of jobs or the infrastructure necessary to create or retain jobs;

(2) supported by a financing plan by or on behalf of the political subdivision in an amount at least equal to the proposed amount of the grant under section 15 of this chapter; and

(3) estimated to cost not less than twelve million five hundred thousand dollars ($12,500,000).

"State personal income" means state personal income as that term is defined by the Bureau of Economic Analysis of the United States Department of Commerce or its successor agency.

"Total state general fund revenue" for a particular state fiscal year means the amount of that revenue for the particular state fiscal year as finally determined by the auditor of state.

"Transfer payments" means transfer payments as that term is defined by the Bureau of Economic Analysis of the United States Department of Commerce or its successor agency.

SECTION 9. IC 4-10-18-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) Except as provided in subsection (b), if the balance, at the end of a state fiscal year, in the fund exceeds seven percent (7%) of the total state general fund revenues for that state fiscal year, the excess is appropriated from the fund to the ~~property tax~~

~~replacement~~ **state general** fund. ~~established under IC 6-1.1-21.~~ The auditor of state and the treasurer of state shall transfer the amount so appropriated from the fund to the ~~property tax replacement~~ **state general** fund during the immediately following state fiscal year.

(b) If an appropriation is made out of the fund under section 4 of this chapter for a state fiscal year during which a transfer is to be made from the fund to the ~~property tax replacement~~ **state general** fund, the amount of the appropriation made under subsection (a) shall be reduced by the amount of the appropriation made under section 4 of this chapter. However, the amount of the appropriation made under subsection (a) may not be reduced to less than zero (0).

SECTION 10. IC 4-10-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) For the state fiscal year beginning July 1, 2003, and ending June 30, 2004, the state spending cap is equal to the result determined under STEP THREE of the following formula:

STEP ONE: Determine the sum of the total of the appropriations made from the state general fund and the property tax replacement fund (including continuing appropriations) for the state fiscal year beginning July 1, 2002, and ending June 30, 2003.

STEP TWO: Subtract from the STEP ONE result two hundred forty-three million dollars ($243,000,000), which is the amount of certain reversions made by state agencies.

STEP THREE: Multiply the STEP TWO result by one and thirty-five thousandths (1.035).

(b) For the state fiscal year beginning July 1, 2004, and ending June 30, 2005, the state spending cap is equal to the product of the result determined under subsection (a) multiplied by one and thirty-five thousandths (1.035).

(c) The state spending cap for a state fiscal year beginning after June 30, 2005, is equal to the product of the state spending growth quotient for the state fiscal year determined under section 3 of this chapter multiplied by the state spending cap for the immediately preceding state fiscal year.

(d) The state spending cap imposed under this section is increased in the initial state fiscal year in which the state receives additional revenue for deposit in the state general fund ~~or property tax replacement fund~~ as a result of the enactment of a law that:

(1) establishes a new tax or fee after June 30, 2002;

(2) increases the rate of a previously enacted tax or fee after June 30, 2002; or

(3) reduces or eliminates an exemption, a deduction, or a credit against a previously enacted tax or fee after June 30, 2002.

The amount of the increase is equal to the average revenue that the budget agency estimates will be raised by the legislative action in the initial two (2) full state fiscal years in which the legislative change is in effect.

(e) The state spending cap imposed under this section is decreased in the initial state fiscal year in which the state is affected by a decrease in revenue deposited in the state general fund ~~or property tax replacement fund~~ as the result of the enactment of a law that:

(1) eliminates a tax or fee after June 30, 2002;

(2) eliminates any part of a tax rate or fee after June 30, 2002; or

(3) establishes or increases an exemption, a deduction, or a credit against a tax or fee after June 30, 2002.

The amount of the decrease is equal to the average revenue that the budget agency estimates will be lost as a result of the legislative action in the initial two (2) full state fiscal years in which the legislative change is in effect.

SECTION 11. IC 4-10-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) The maximum total amount that may be expended in a state fiscal year from the state general fund ~~the property tax replacement fund,~~ and the counter-cyclical revenue and economic stabilization fund is the least of the following:

(1) Subject to sections 6 and 7 of this chapter, the state spending cap for the state fiscal year.

(2) The amount appropriated by the general assembly from the state general fund ~~the property tax replacement fund,~~ and the counter-cyclical revenue and economic stabilization fund.

(3) The amount of money available in the state general fund ~~the property tax replacement fund,~~ and the counter-cyclical revenue and economic stabilization fund to pay expenditures.

(b) Subject to sections 6 and 7 of this chapter, if the state spending cap for the state fiscal year is less than the amount appropriated by the general assembly in the state fiscal year from the state general fund ~~the property tax replacement fund,~~ and the counter-cyclical revenue and economic stabilization fund, the budget agency shall reduce the amounts available for expenditure from the state general fund ~~the property tax replacement fund,~~ and the counter-cyclical revenue and economic stabilization fund in the state fiscal year by using the procedures in IC 4-13-2-18.

SECTION 12. IC 4-10-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. The following expenditures that would otherwise be subject to this chapter shall be excluded from all computations and determinations related to a state spending cap:

(1) Expenditures derived from money deposited in the state general fund ~~the property tax replacement fund,~~ and the counter-cyclical revenue and economic stabilization fund from any of the following:

(A) Gifts.

(B) Federal funds.

(C) Dedicated funds.

(D) Intergovernmental transfers.

(E) Damage awards.

(F) Property sales.

(2) Expenditures for any of the following:

(A) Transfers of money among the state general fund ~~the property tax replacement fund,~~ and the counter-cyclical revenue and economic stabilization fund.

(B) Reserve fund deposits.

(C) Refunds of intergovernmental transfers.

(D) Payment of judgments against the state and settlement payments made to avoid a judgment against the state, other than a judgment or settlement payment for failure to pay a contractual obligation or a personnel expenditure.

(E) Distributions or allocations 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.

(F) Motor vehicle excise tax replacement payments that are derived from amounts transferred to the state general fund from the lottery and gaming surplus account of the build Indiana fund.

(G) Distributions of state tax revenues collected under IC 7.1 that are payable to cities and towns.

SECTION 13. 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) 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 **and a** 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.

SECTION 14. IC 4-12-1-15.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2008]: **Sec. 15.7. (a) As used in this section, "fund" refers to the state tuition reserve fund.**

(b) The state tuition reserve fund is established for the following purposes:

(1) To fund a tuition support distribution under IC 20-43 whenever the budget director determines that state general fund cash balances are insufficient to cover the distribution.

(2) To meet revenue shortfalls whenever the budget director, after review by the budget committee, determines that state tax revenues available for deposit in the state general fund will be insufficient to fully fund tuition support distributions under IC 20-43 in any particular state fiscal year.

(c) The fund consists of the following:

(1) Money appropriated to the fund by the general assembly.

(2) Money transferred to the fund under any law.

(3) Interest earned on the balance of 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 money 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 for any other purpose of the state general fund.

(f) The budget agency shall administer the fund. Whenever the budget director makes a determination under subsection (b)(1) or (b)(2), the budget agency shall notify the auditor of state of the amount from the fund to be used for state tuition support distributions. The auditor of state shall transfer the amount from the fund to the state general fund. The amount transferred may be used only for the purposes of making state tuition support distributions under IC 20-43. If the amount is transferred under subsection (b)(1), the amount shall be repaid to the fund from the state general fund before the end of the state fiscal year in which the transfer is made.

SECTION 15. 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.~~

SECTION 16. IC 4-30-16-3, AS AMENDED BY P.L.2-2006, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) The commission shall transfer the surplus revenue in the administrative trust fund as follows:

(1) Before the last business day of January, April, July, and October, the commission shall transfer to the treasurer of state, for deposit in the Indiana state teachers' retirement fund (IC 5-10.4-2), seven million five hundred thousand dollars ($7,500,000). Notwithstanding any other law, including any appropriations law resulting from a budget bill (as defined in IC 4-12-1-2), the money transferred under this subdivision shall be set aside in the pension stabilization fund (IC 5-10.4-2-5) to be used as a credit against the unfunded accrued liability of the pre-1996 account (as defined in IC 5-10.4-1-12) of the Indiana state teachers' retirement fund. The money transferred is in addition to the appropriation needed to pay benefits for the state fiscal year.

(2) Before the last business day of January, April, July, and October, the commission shall transfer

~~(A) two~~ **seven** million five hundred thousand dollars ~~($2,500,000)~~ **($7,500,000)** of the surplus revenue to the treasurer of state for deposit in ~~the "k" portion of~~ the pension relief fund (IC 5-10.3-11). ~~and~~

~~(B) five million dollars ($5,000,000) of the surplus revenue to the treasurer of state for deposit in the "m" portion of the pension relief fund (IC 5-10.3-11).~~

(3) The surplus revenue remaining in the fund on the last day of January, April, July, and October after the transfers

under subdivisions (1) and (2) shall be transferred by the commission to the treasurer of state for deposit on that day in the build Indiana fund.

(b) The commission may make transfers to the treasurer of state more frequently than required by subsection (a). However, the number of transfers does not affect the amount that is required to be transferred for the purposes listed in subsection (a)(1) and (a)(2). Any amount transferred during the month in excess of the amount required to be transferred for the purposes listed in subsection (a)(1) and (a)(2) shall be transferred to the build Indiana fund.

SECTION 17. IC 4-33-12-6, AS AMENDED BY HEA 1137-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar ($1) is in addition to the one dollar ($1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents ($0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-13-3.

(5) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in subsection (k) and section 7 of this chapter, sixty-five cents ($0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-two percent (22%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty-two and seventy-five hundredths percent (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the

county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty-two and seventy-five hundredths percent (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Fifty-four and five-tenths percent (54.5%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(2) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(3) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(4) Twenty percent (20%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

At least twenty percent (20%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(5) Ten percent (10%) of the admissions tax collected during the quarter shall be paid to the Orange County development commission established under IC 36-7-11.5. At least one-third (1/3) of the taxes paid to the Orange County development commission under this subdivision must be transferred to the Orange County convention and visitors bureau.

(6) Thirteen percent (13%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(7) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar ($1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents ($0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent ($0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents ($0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-13-3.

(6) Except as provided in subsection (k), ten cents ($0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k) and section 7 of this chapter, sixty-five cents ($0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through (c)(4), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine

the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

(1) exceeds a particular entity's base year revenue; and

(2) would otherwise be due to the entity under this section;

to the ~~property tax replacement~~ **state general** fund instead of to the entity.

SECTION 18. IC 4-33-13-5, AS AMENDED BY HEA 1137-2008, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars ($33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the ~~property tax replacement~~ **state general** fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the ~~property tax replacement~~ **state general** fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue remitted by the operating agent under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the ~~property tax replacement~~ **state general** fund. ~~established under IC 6-1.1-21.~~

(2) Nineteen percent (19%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars ($20,000,000), the amount described in this subdivision shall be paid to the ~~property tax replacement~~ **state general** fund. ~~established under IC 6-1.1-21.~~

(3) Eight percent (8%) shall be paid to the Orange County development commission established under IC 36-7-11.5.

(4) Sixteen percent (16%) shall be paid in equal amounts to each town that is located in the county in which the riverboat docks and contains a historic hotel. The following apply to taxes received by a town under this subdivision:

(A) At least twenty-five percent (25%) of the taxes must be transferred to the school corporation in which the town is located.

(B) At least twelve and five-tenths percent (12.5%) of the taxes must be transferred to the Orange County convention and visitors bureau.

(5) Nine percent (9%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty-two and twenty-five hundredths percent (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty-two and twenty-five hundredths percent (22.25%) shall be quarterly distributed to the county

treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Fifty-five and five-tenths percent (55.5%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(6) Five percent (5%) shall be paid to a town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(7) Five percent (5%) shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(8) Five-tenths percent (0.5%) shall be paid to the Orange County convention and visitors bureau.

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular city's or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;

to the ~~property tax replacement~~ **state general** fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the ~~property tax replacement~~ **state general** fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars ($250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the ~~property tax replacement~~ **state general** fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the ~~property tax replacement~~ **state general** fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for ~~additional credits for property tax replacement in property tax increment allocation areas or~~ debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money

distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the ~~property tax replacement~~ **state general** fund. Except as provided in subsection (i), the amount of an entity's supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

(i) This subsection applies only to the Indiana horse racing commission. For each state fiscal year the amount of the Indiana horse racing commission's supplemental distribution under subsection (g) must be reduced by the amount required to comply with IC 4-33-12-7(a).

SECTION 19. IC 4-35-5-3, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) A permit holder that is issued a gambling game license under this article must pay to the commission an initial licensing fee of two hundred fifty million dollars ($250,000,000) as follows:

(1) One hundred fifty million dollars ($150,000,000) payable before November 1, 2007.

(2) One hundred million dollars ($100,000,000) payable before November 1, 2008.

(b) The commission shall deposit any initial licensing fees collected under this section into the ~~property tax reduction trust~~ **state general** fund. ~~established by IC 4-35-8-2. Subject to an appropriation by the general assembly, money deposited into the property tax reduction trust fund under this section may be used to provide property tax relief in any manner prescribed by the general assembly.~~

SECTION 20. IC 4-35-5-4, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) An initial gambling game license expires five (5) years after the effective date of the license. Unless the gambling game license is terminated or revoked, the gambling game license may be renewed annually thereafter upon:

(1) the payment of an annual renewal fee of one hundred dollars ($100) per slot machine operated by the licensee; and

(2) a determination by the commission that the licensee satisfies the conditions of this chapter.

Renewal fees paid under this section shall be deposited in the ~~property tax reduction trust~~ **state general** fund. ~~established by IC 4-35-8-2.~~

(b) Except as provided in subsection (c), an initial gaming license may not be transferred by the initial licensee for at least five (5) years after the effective date of the license.

(c) A gambling game license may be transferred for any of the following reasons:

(1) As a result of a bankruptcy, a receivership, or a debt adjustment initiated by or against the initial licensee or the substantial owners of the initial licensee.

(2) Because:

(A) the licensee's license has been cancelled, terminated, or revoked by the commission; or

(B) the commission determines that transferring the license is in the best interests of Indiana.

(3) Because of the death of a substantial owner of the initial licensee.

A transfer permitted under this subsection is subject to section 7 of this chapter.

SECTION 21. IC 4-35-7-12, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) The Indiana horse racing commission shall enforce the requirements of this section.

(b) Except as provided in subsections (j) and (k), a licensee shall before the fifteenth day of each month devote to the gaming integrity fund, horse racing purses, and to horsemen's associations an amount equal to fifteen percent (15%) of the adjusted gross receipts of the slot machine wagering from the previous month at the licensee's racetrack. The Indiana horse racing commission may not use any of this money for any administrative purpose or other purpose of the Indiana horse racing commission, and the entire amount of the money shall be distributed as provided in this section. A licensee shall pay the first two hundred fifty thousand dollars ($250,000) distributed under this section in a state fiscal year to the commission for deposit in the gaming integrity fund established by IC 4-35-8.7-3. After this money has been distributed to the commission, a licensee shall distribute the remaining money devoted to horse racing purses and to horsemen's associations under this subsection as follows:

(1) Five-tenths percent (0.5%) shall be transferred to horsemen's associations for equine promotion or welfare according to the ratios specified in subsection (e).

(2) Two and five-tenths percent (2.5%) shall be transferred to horsemen's associations for backside benevolence

according to the ratios specified in subsection (e).

(3) Ninety-seven percent (97%) shall be distributed to promote horses and horse racing as provided in subsection (d).

(c) A horsemen's association shall expend the amounts distributed to the horsemen's association under subsection (b)(1) through (b)(2) for a purpose promoting the equine industry or equine welfare or for a benevolent purpose that the horsemen's association determines is in the best interests of horse racing in Indiana for the breed represented by the horsemen's association. Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(d) A licensee shall distribute the amounts described in subsection (b)(3) as follows:

(1) Forty-six percent (46%) for thoroughbred purposes as follows:

(A) Sixty percent (60%) for the following purposes:

(i) Ninety-seven percent (97%) for thoroughbred purses.

(ii) Two and four-tenths percent (2.4%) to the horsemen's association representing thoroughbred owners and trainers.

(iii) Six-tenths percent (0.6%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Forty percent (40%) to the breed development fund established for thoroughbreds under IC 4-31-11-10.

(2) Forty-six percent (46%) for standardbred purposes as follows:

(A) Fifty percent (50%) for the following purposes:

(i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.

(ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.

(B) Fifty percent (50%) to the breed development fund established for standardbreds under IC 4-31-11-10.

(3) Eight percent (8%) for quarter horse purposes as follows:

(A) Seventy percent (70%) for the following purposes:

(i) Ninety-five percent (95%) for quarter horse purses.

(ii) Five percent (5%) to the horsemen's association representing quarter horse owners and trainers.

(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:

(1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.

(2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.

(3) Eight percent (8%) to the horsemen's association representing quarter horse owners and trainers.

(f) Money distributed under this section may not be expended unless the expenditure is for a purpose authorized in this section and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana or the necessary expenditures for the operations of the horsemen's association required to implement and fulfill the purposes of this section. The Indiana horse racing commission may review any expenditure of money distributed under this section to ensure that the requirements of this section are satisfied. The Indiana horse racing commission shall adopt rules concerning the review and oversight of money distributed under this section and shall adopt rules concerning the enforcement of this section. The following apply to a horsemen's association receiving a distribution of money under this section:

(1) The horsemen's association must annually file a report with the Indiana horse racing commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission.

(2) The horsemen's association must register with the Indiana horse racing commission.

(g) The commission shall provide the Indiana horse racing commission with the information necessary to enforce this section.

(h) The Indiana horse racing commission shall investigate any complaint that a licensee has failed to comply with the horse racing purse requirements set forth in this section. If, after notice and a hearing, the Indiana horse racing commission finds that a licensee has failed to comply with the purse requirements set forth in this section, the Indiana horse racing commission may:

(1) issue a warning to the licensee;

(2) impose a civil penalty that may not exceed one million dollars ($1,000,000); or

(3) suspend a meeting permit issued under IC 4-31-5 to conduct a pari-mutuel wagering horse racing meeting in Indiana.

(i) A civil penalty collected under this section must be deposited in the state general fund.

(j) For a state fiscal year beginning after June 30, 2008, and ending before July 1, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:

(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or

(2) eighty-five million dollars ($85,000,000).

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the ~~property tax reduction trust~~ **state general** fund. ~~established by IC 4-35-8-2.~~ The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

(k) For a state fiscal year beginning after June 30, 2009, the amount of money dedicated to the purposes described in

subsection (b) for a particular state fiscal year is equal to the lesser of:

(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or

(2) the amount dedicated to the purposes described in subsection (b) in the previous state fiscal year increased by a percentage that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established.

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the ~~property tax reduction trust~~ **state general** fund. ~~established by IC 4-35-8-2.~~ The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

SECTION 22. IC 4-35-8-3, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. The department shall deposit tax revenue collected under section 1 of this chapter in the ~~property tax reduction trust~~ **state general** fund.

SECTION 23. IC 5-1-5-1, AS AMENDED BY P.L.2-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. The following terms as used in this chapter have the following meanings:

(a) "Governing body" means the council, commission, board of commissioners, board of directors, board of trustees, or other legislative body in which the legislative powers of the issuing body are vested.

(b) "Issuing body" means the state of Indiana, its agencies, commissions, universities, colleges, institutions, political subdivisions, counties, school corporations, hospital associations, municipal and quasi-municipal corporations, special taxing districts, and any corporation which has issued bonds payable directly or indirectly from lease rentals payable by any of the foregoing issuing bodies, now or hereafter existing under the laws of the state.

(c) "Bond" means any revenue bond, general obligation bond, or advance refunding bond.

(d) "Revenue bond" means any bond note, warrant, certificate of indebtedness, or other obligation, including a certificate or other evidence of participation in the lessor's interest in and rights under a lease, for the payment of money issued by an issuing body or any predecessor of any issuing body which is payable from designated revenues, rental payments, special benefits, taxes, or a special fund but excluding any obligation constituting an indebtedness within the meaning of the constitutional debt limitation and any obligation payable solely from special assessments or special assessments and a guaranty fund.

(e) "General obligation bond" means any bond, note, warrant, certificate of indebtedness, or other obligation of an issuing body which constitutes an indebtedness within the meaning of the constitutional debt limitation.

(f) "Advance refunding bonds" means bonds issued for the purpose of refunding bonds first subject to redemption or maturing after the date of the advance refunding bonds.

(g) "Ordinance" means an ordinance of a city or town or resolution or other instrument by which the governing body of the issuing body exercising any power hereunder takes formal action and adopts legislative provisions and matters of some permanency.

(h) "Corporation which has issued bonds" means a corporation organized under IC 20-47-2 or IC 20-47-3, the laws of any state of the United States of America or of the United States of America, including any bank, trust company, or national association serving as a trustee under an indenture providing for issuance of bonds.

(i) "Local issuing body" means an issuing body that is:

(1) a political subdivision (as defined in IC 36-1-2-13);

(2) a district (as defined in IC 6-1.1-21.2-5); or

(3) a corporation or other entity that:

(A) is not a body corporate and politic established as an instrumentality of the state; and

(B) has issued bonds that are payable directly or indirectly from lease rentals payable by a political subdivision or district described in subdivision (1) or (2).

(j) "Special benefit taxes" means a special tax levied and collected on an ad valorem basis on property for the purpose of financing local public improvements that:

(1) are not political or governmental in nature; and

(2) are of special benefit to the residents and property of the area.

(k) "Tax increment revenues" means an allocation of:

(1) ad valorem property taxes;

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

(3) state or local gross retail and use taxes;

to a redevelopment district that is based on an increase in the assessed value, wages, sales, or other economic activity occurring in a designated area. The term includes allocations described in IC 5-28-26-9, IC 6-1.1-21.2-10, IC 36-7-26-10, IC 36-7-27-8, IC 36-7-31-6, and IC 36-7-31.3-4.

(l) "Redevelopment district" refers to the following:

(1) An airport development zone under IC 8-22-3.5.

(2) A redevelopment district established under:

(A) IC 36-7-14; or

(B) IC 36-7-15.1.

(3) A special taxing district described in:

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

(B) IC 36-7-30-3(b).

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

~~(i)~~ **(m)** Words used in this chapter importing singular or plural number may be construed so that one (1) number includes both.

SECTION 24. IC 5-1-5-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 17. (a) This section applies**

to bonds that are:

(1) issued after June 30, 2008, by a local issuing body; and

(2) payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes;

including bonds that are issued under a statute that permits the bonds to be issued without complying with any other law or otherwise expressly exempts the bonds from the requirements of this section.

(b) The last date permitted under an agreement for the payment of principal and interest on bonds that are issued to retire or otherwise refund other revenue bonds or general obligation bonds may not extend beyond the maximum term of the bonds being refunded.

SECTION 25. IC 5-1-5-18 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 18. (a) This section applies to bonds that are:**

(1) issued after June 30, 2008, by a local issuing body; and

(2) payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes;

including bonds that are issued under a statute that permits the bonds to be issued without complying with any other law or otherwise expressly exempts the bonds from the requirements of this section.

(b) Savings (as computed under section 2 of this chapter) that accrue from the issuance of bonds to retire or otherwise refund other bonds may be used only for the following purposes:

(1) To maintain a debt service reserve fund for the refunding bonds at the level required under the terms of the refunding bonds, if the local issuing body adopts an ordinance, resolution, or order authorizing that use of the proceeds or earnings.

(2) To pay the principal or interest, or both, on:

(A) the refunding bonds; or

(B) other bonds, if the issuing body approves an ordinance authorizing the use of the savings to pay principal or interest on other bonds.

(3) To reduce the rate or amount of ad valorem property taxes, special benefit taxes on property, or tax increment revenues imposed by or allocated to the local issuing body.

SECTION 26. IC 5-1-13-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. ~~As used in~~ **The definitions in this section apply throughout** this chapter:

(1) "Bonds" has the same definition that the term is given in IC 5-1-11-1.

(2) "Local issuing body" has the meaning set forth in IC 5-1-5-1.

(3) "Political subdivision" has the same definition that the term is given in IC 36-1-2-13.

(4) "Special benefit taxes" has the meaning set forth in IC 5-1-5-1.

(5) "Tax increment revenues" has the meaning set forth in IC 5-1-5-1.

SECTION 27. IC 5-1-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) Notwithstanding any other law, whenever:

(1) bonds are issued by any ~~political subdivision~~ **local issuing body** in the state of Indiana for any lawful purpose or project;

(2) the purpose or project for which the bonds were issued has been accomplished or abandoned; and

(3) a surplus remains from the proceeds of the bonds or investment earnings derived from the proceeds of those bonds;

the ~~political subdivision~~ **local issuing body** may use the surplus only in the manner prescribed by subsection (b), ~~or~~ (c), **or (d).**

(b) The legislative body **or other governing body** of any such ~~political subdivision~~ **local issuing body** may by an order, ordinance, or resolution entered of record direct the disbursing officer of such ~~political subdivision~~ **local issuing body** to transfer the surplus bond proceeds or investment earnings to the fund of the ~~political subdivision~~ **local issuing body** pledged to the payment of principal and interest on those bonds, and upon such order, ordinance, or resolution being made, the disbursing officer shall make such transfer. Thereafter such funds transferred shall be used for the payment of the bonds to which the surplus bond proceeds or investment earnings are attributable or interest due for such bonds.

(c) Surplus bond proceeds or investment earnings may be used by a local issuing body for the following purposes:

(1) To maintain a debt service reserve fund for the bonds to which the surplus bond proceeds or investment earnings are attributable, at the level required under the terms of the bonds, if the local issuing body adopts an ordinance, resolution, or order authorizing that use of the proceeds or earnings.

(2) To pay the principal or interest, or both, on any other bonds of the local issuing body, if the local issuing body adopts an ordinance, a resolution, or an order authorizing the use of the surplus proceeds to pay principal or interest on the bonds.

(3) To reduce the rate or amount of ad valorem property taxes, special benefit taxes on property, or tax increment revenues imposed by or allocated to the local issuing body.

~~(c)~~ **(d) This section applies to bonds that are not payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes.** Surplus bond proceeds or investment earnings may be used by a ~~political subdivision~~ **local issuing body** for the same purpose or type of project for which the bonds were originally issued, if:

(1) the fiscal officer of the ~~political subdivision~~ **local issuing body** certifies before or at the time of that use that

the surplus was not anticipated at the time of issuance of the bonds; and

(2) the board or legislative body responsible for issuing the bonds takes action approving the use of surplus bond proceeds or investment earnings for the same purpose or type of project for which the bonds were originally issued.

SECTION 28. IC 5-1-14-1.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1.3. The following definitions apply throughout this chapter:**

(1) "Local issuing body" has the meaning set forth in IC 5-1-5-1.

(2) "Special benefit taxes" has the meaning set forth in IC 5-1-5-1.

(3) "Tax increment revenues" has the meaning set forth in IC 5-1-5-1.

SECTION 29. IC 5-1-14-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) If an issuer has issued obligations under a statute that establishes a maximum term or repayment period for the obligations, notwithstanding that statute, the issuer may continue to make payments of principal, interest, or both, on the obligations after the expiration of the term or period if principal or interest owed to owners of the obligations remains unpaid.

(b) This section does not authorize the use of revenues or funds to make payments of principal and interest other than those revenues or funds that were pledged for the payments before the expiration of the term or period.

(c) Except as otherwise provided by this section, IC 36-7-12-27, or IC 36-7-14-25.1, the maximum term or repayment period for obligations issued after June 30, 2008, that are wholly or partially payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes may not exceed:

(1) the maximum applicable period under federal law, for obligations that are issued to evidence loans made or guaranteed by the federal government or a federal agency;

(2) twenty-five (25) years, for obligations that are wholly or partially payable from tax increment revenues derived from property taxes; or

(3) twenty (20) years, for obligations that are not described in subdivision (1) or (2) and are wholly or partially payable from ad valorem property taxes or special benefit taxes on property.

SECTION 30. IC 5-1-14-15, AS ADDED BY P.L.234-2007, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) **Before July 1, 2008,** a county or municipality may issue bonds, notes, or other obligations for the purpose of providing funds to pay pension benefits under IC 36-8-6, IC 36-8-7, or IC 36-8-7.5.

(b) Notwithstanding any other law:

(1) bonds, notes, or other obligations issued for the purpose described in this section may have a final maturity date up to, but not exceeding, forty (40) years from the date of original issuance;

(2) the amount of bonds, notes, or other obligations that may be issued for the purpose described in this section may not exceed two percent (2%) of the true tax value of property located within the county or municipality; and

(3) the proceeds of bonds, notes, or other obligations issued for the purpose described in this section may be deposited to the issuing county's or municipality's separate account described in IC 5-10.3-11-6.

(c) This section is supplemental to all other laws but does not relieve a county or municipality from complying with other procedural requirements for the issuance of bonds, notes, or other obligations.

SECTION 31. IC 5-1-14-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 16. (a) This section applies to obligations that are:**

(1) issued after June 30, 2008, by a local issuing body; and

(2) payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes;

including obligations that are issued under a statute that permits the bonds to be issued without complying with any other law or otherwise expressly exempts the bonds from the requirements of this section.

(b) An agreement for the issuance of obligations must provide for the payment of principal and interest on the obligations in nearly equal payment amounts and at regular designated intervals over the maximum term of the obligations except to the extent that:

(1) interest for a particular repayment period has been paid from the proceeds of the obligations under section 6 of this chapter; or

(2) the local issuing body authorizes a different payment schedule to:

(A) maintain substantially equal payments, in the aggregate, in any period in which the local issuing body pays the interest and principal on outstanding obligations;

(B) provide for the payment of principal on the obligations in amounts and at intervals that will produce an aggregate amount of principal payments greater than or equal to the aggregate amount that would otherwise be paid as of the same date;

(C) provide for level principal payments over the term of the obligations, in order to reduce total interest costs; or

(D) with respect to obligations wholly or partially payable from tax increment revenues derived from property taxes, provide for the payment of principal and interest in varying amounts over the term of the obligations as necessary due to the variation in the amount of tax increment revenues available for those

payments.

SECTION 32. IC 5-1-16-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 42. (a) When the authority, the board of trustees or board of managers of the hospital, the board of commissioners of the county, and a majority of the county council have agreed upon the terms and conditions of any lease proposed to be entered into under section 38 or 39 of this chapter, and before the final execution of the lease, the county auditor shall give notice by publication of a public hearing to be held in the county by the board of commissioners. The hearing shall take place on a day not earlier than ten (10) days after the publication of the notice. The notice of the hearing shall be published one (1) time in a newspaper of general circulation printed in the English language and published in the county. The notice shall do the following:

(1) Name the day, place, and hour of the hearing.

(2) Set forth a brief summary of the principal terms of the lease agreed upon, including the character and location of the property to be leased, the lease rental to be paid, and the number of years the contract is to be in effect.

(3) State a location where the proposed lease, drawings, plans, specifications, and estimates may be examined.

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

(b) If the execution of the lease as originally agreed upon or as modified by agreement is authorized, notice of the signing of the lease shall be given on behalf of the county by publication one (1) time in a newspaper of general circulation printed in the English language and published in the county. Except as provided in subsection (d), ten (10) or more taxpayers in the county whose tax rate will be affected by the proposed lease and who may be of the opinion that no necessity exists for the execution of the lease or that the lease rental under the lease is not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after publication of notice of the execution of the lease that sets forth the taxpayers' objections and facts supporting those objections. Upon the filing of a petition, the county auditor shall immediately certify a copy of the petition together with such other data as may be necessary in order to present the questions involved to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place in the affected county for the hearing of the matter that is not less than five (5) or more than fifteen (15) days after receipt. Notice of the hearing shall be given by the department of local government finance to the board of county commissioners and to the first ten (10) taxpayer petitioners upon the petition by certified mail sent to the addresses listed on the petition at least five (5) days before the date of the hearing.

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

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

SECTION 33. IC 5-4-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) The official bonds of officers, if sufficient, shall be approved as follows:

(1) Of county officers required to give bonds, by the clerk of the circuit court unless otherwise specified in this section.

(2) Of county sheriff, county coroner, county recorder, county auditor, county treasurer, and clerk of the circuit court, by the county executive.

(3) Of county assessor, township trustee, and township assessor **(if any),** by the county auditor.

(4) Of city officers, except the executive and members of the legislative body, by the city executive.

(5) Of members of the board of public works or of the board of public works and safety in cities, by the city legislative body.

(6) Of clerk-treasurer and marshal of a town, by the town legislative body.

(7) Of a controller of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal), by the board of directors of the solid waste management district.

(b) A person who approves an official bond shall write the approval on the bond.

(c) A bond must be approved before it is filed.

SECTION 34. IC 5-4-1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

(1) City judges, controllers, clerks, and clerk-treasurers.

(2) Town judges and clerk-treasurers.

(3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.

(4) Township trustees. ~~and assessors.~~

(5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.

(6) Township assessors (if any).

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) The fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

(1) The amount must equal fifteen thousand dollars ($15,000) for each one million dollars ($1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).

(2) The amount may not be less than fifteen thousand dollars ($15,000) nor more than three hundred thousand dollars ($300,000).

County auditors shall file bonds in amounts of not less than fifteen thousand dollars ($15,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than eight thousand five hundred dollars ($8,500).

(d) A controller of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal) shall file an individual surety bond in an amount:

(1) fixed by the board of directors of the solid waste management district; and

(2) that is at least fifteen thousand dollars ($15,000).

(e) Except as provided under subsection (d), a person who is required to file an individual surety bond by the board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal) shall file a bond in an amount fixed by the board of directors.

(f) In 1982 and every four (4) years after that, the state examiner shall review the bond amounts fixed under this section and report in an electronic format under IC 5-14-6 to the general assembly whether changes are necessary to ensure adequate and economical coverage.

(g) The commissioner of insurance shall prescribe the form of the bonds or crime policies required by this section, in consultation with the commission on public records under IC 5-15-5.1-6.

SECTION 35. IC 5-10.3-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) Monies from the pension relief fund shall be paid annually by the state board under the procedures specified in this section.

(b) ~~Before April 1 of~~ Each year, **before a date set by the state board,** each unit of local government must certify to the state board:

(1) the amount of payments made during the preceding year for benefits under its pension funds covered by this chapter, referred to in this section as "pension payments";

(2) the data determined necessary by the state board to perform an actuarial valuation of the unit's pension funds covered by this chapter; ~~and~~

(3) the names required to prepare the list specified in subsection (c); **and**

(4) any other information that is necessary for the state board to make distributions to units under this chapter.

A unit is ineligible to receive a distribution under this section if it does not supply ~~before April 1 of each year (i)~~ the complete information required by this subsection or ~~(ii)~~ a substantial amount of the information required if it is accompanied by an affidavit of the chief executive officer of the unit detailing the steps which have been taken to obtain the information and the reasons the complete information has not been obtained. This subsection supersedes the reporting requirement of IC 5-10-1.5 as it applies to pension funds covered by this chapter.

(c) ~~Before July 1 of~~ Each year, **before a date set by the state board,** the state board shall prepare a list of all police officers and firefighters, active, retired, and deceased if their beneficiaries are eligible for benefits, who are members of a police or fire pension fund that was established before May 1, 1977. The list may not include police officers, firefighters, or their beneficiaries for whom no future benefits will be paid. The state board shall then compute the present value of the accrued liability to provide the pension and other benefits to each person on the list.

(d) ~~Before July 1 of~~ Each year, **before a date set by the state board,** the state board shall determine the total pension payments made by all units of local government for the preceding year and shall estimate the total pension payments to be made to all units in the calendar year in which the July 1 occurs and in the following calendar year.

~~(e) Each calendar year, the state board shall, with respect to the following calendar year, determine for each unit of local government an amount (D_y). The state board shall, in two (2) equal installments before July 1 and before October 2, distribute to each eligible unit of local government the amount (D_y) determined for the unit with respect to the following calendar year. The amount (D_y) shall be determined by the following STEPS:~~

~~STEP ONE. Subtract the total distribution made to units (D_{y-1}) in the preceding calendar year from the total pension payments made by units (P_{y-1}) in the preceding calendar year.~~

~~STEP TWO. Multiply the STEP ONE difference by (1+k) as (k) is determined in STEP THREE.~~

~~STEP THREE. Determine the annual percentage increase (k) in the STEP ONE difference which will allow the present value of all future estimated distributions, as computed under STEP FOUR, from the pension relief fund to equal the "k portion" of the pension relief fund balance plus the present value of all future receipts to the "k portion" of the fund, but which will not allow the "k portion" of the pension relief fund balance to be negative. These present values shall be determined based on the current~~

~~long term actuarial assumptions. The "k portion" of the pension relief fund balance is the total pension relief fund balance less the "m portion" of the fund. The percentage increase (k) shall be computed to the nearest one thousandth of one percent (.001%). All years, after the year 2000, in which the receipts to the fund plus the net pension payments by all the units equal or exceed the total pension payments shall be ignored for the purposes of these calculations.~~

~~STEP FOUR. Subtract the STEP TWO product from the estimated total pension payments to be made by all units (P_y) in the calendar year for which the distribution is to be made.~~

~~STEP FIVE. Multiply the STEP FOUR difference by one-half (1/2) of the sum of two quotients, (1) the quotient of the unit's number of police officers and firefighters on December 31 of the year before the year of the distribution who are members of a pension fund established before May 1, 1977, who are retired, and who are deceased if their beneficiaries are eligible for benefits (unit) divided by the total number of these police officers and firefighters (total units) on December 31 of the year before the year of the distribution in all units plus (2) the quotient of the unit's pension payments (payments) divided by the total pension payments (total payments) by all units.~~

~~Expressed mathematically:~~

~~$D_y = (P_y = ((P_{y-1} = D_{y-1}) \times (1 + k))) \times ½$~~

~~(unit/(total unit) + payment/(total payment)).~~

~~(f) If in any year the distribution made to a unit of local government is larger than the unit's pension payments to its retirees and their beneficiaries for that year, the excess may not be distributed to the unit but must be transferred to the 1977 police officers' and firefighters' pension and disability fund and the unit's contributions to that fund shall be reduced for that year by the amount of the transfer.~~

~~(g) If in any year after 2000, the STEP FOUR difference under subsection (e) is smaller than the revenue to the pension relief fund in that year, then the revenue plus interest plus the fund balance in that year shall be used in STEP FIVE of subsection (e) instead of the STEP FOUR difference.~~

~~(h) The state board shall have its actuary report annually on the appropriateness of the actuarial assumptions used in determining the distribution amount under subsection (e). At least every five (5) years, the state board shall have its actuary recompute the value of (k) under STEP TWO of subsection (e).~~

~~(i) Each calendar year the state board shall determine the amounts to be allocated to the "m portion" of the pension relief fund under the following STEPS, which shall be completed before July 1 of each year:~~

~~STEP ONE. The state board shall determine the following:~~

~~(1) "Excess earnings", which are the state board's projection of earnings for the calendar year from investments of the "k portion" of the fund that exceed the amount of earnings that would have been earned if the rate of earnings was the rate assumed by the actuary of the state board in his calculation of (k) under STEP THREE of subsection (e).~~

~~(2) "Prior deficit amount", which is:~~

~~(A) the amount of earnings that would have been earned under the rate assumed by the actuary of the state board in his calculation of (k) under STEP THREE of subsection (e), minus~~

~~(B) the amount of earnings received;~~

~~for a calendar year after 1981 in which (B) is less than (A).~~

~~STEP TWO. The state board shall distribute to the "m portion" the excess earnings less any prior deficit amounts.~~

~~(j) The "m portion" of the fund shall be any direct allocations plus:~~

~~(1) amounts allocated under subsection (i); and~~

~~(2) any earnings on the "m portion" less amounts previously distributed under subsection (l).~~

~~(k) The state board shall determine, based on actual experience and reasonable projections, the units eligible for distribution from the "m portion" of the pension relief fund according to the following STEPS:~~

~~STEP ONE. Determine the amount of pension payments to be paid by the unit in the calendar year, net of the amount of the distribution to be received by the unit under subsection (e) in that year, plus contributions to be made under IC 36-8-8 in that year.~~

~~STEP TWO. Divide the amount determined under STEP ONE by the amount of the maximum permissible ad valorem property tax levy for the unit as determined under IC 6-1.1-18.5 for the calendar year.~~

~~STEP THREE. If the quotient determined under STEP TWO is equal to or greater than one-tenth (0.1), the unit shall receive a distribution under subsection (l).~~

~~(l) For a calendar year, the state board shall, before July 1 of the year, distribute from the "m portion" of the pension relief fund to the extent there are assets in the "m portion" to each eligible unit an amount, not less than zero (0), determined according to the following STEPS:~~

~~STEP ONE. For the first of consecutive years that a unit is eligible to receive a distribution under this subsection, determine the amount of pension payments paid by the unit in the calendar year two (2) years preceding the calendar year net of the amount of distributions received by the unit under subsection (e) in the calendar year two (2) years preceding the calendar year.~~

~~STEP TWO. For the first of consecutive years that a unit is eligible to receive a distribution under this subsection, divide the amount determined under STEP ONE by the amount of the maximum permissible ad valorem property tax levy for the unit as determined under IC 6-1.1-18.5 for the calendar year two (2) years preceding the calendar year.~~

~~STEP THREE. For the first and all subsequent consecutive years that a unit is eligible to receive a distribution under this subsection, multiply the amount of the maximum permissible ad valorem property tax levy for the unit as determined under IC 6-1.1-18.5 for the calendar year by the quotient determined under STEP TWO.~~

~~STEP FOUR. Subtract the amount determined under STEP THREE from the amount of pension payments to be paid by the unit in the calendar year, net of distributions to be received under subsection (e) for the calendar year.~~

SECTION 36. IC 5-10.3-11-4.7, AS AMENDED BY

P.L.234-2007, SECTION 277, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.7. (a) ~~In addition to the amounts distributed under sections 4 and 4.5 of this chapter,~~ **In 2009 and** each year **thereafter,** the state board shall distribute from the pension relief fund to each unit of local government ~~an amount determined under the following STEPS:~~

~~STEP ONE: Determine the amount of~~ the total **amount of** pension, **disability, and survivor benefit** payments **from the 1925 police pension fund (IC 36-8-6), the 1937 firefighters' pension fund (IC 36-8-7), and the 1953 police pension fund (IC 36-8-7.5)** to be made by the unit in the calendar year, as estimated by the state board under section 4 of this chapter, **after subtracting any distributions to the unit from the public deposit insurance fund that will be used for benefit payments.**

~~STEP TWO: Determine the result of:~~

~~(A) the STEP ONE result, multiplied by~~

~~(B) fifty percent (50%).~~

~~STEP THREE: Determine the amount to be distributed in the current calendar year to the unit of local government under section 4 of this chapter.~~

~~STEP FOUR: Determine the greater of zero (0) or the result of:~~

~~(A) the STEP TWO result, minus~~

~~(B) the STEP THREE result.~~

(b) The state board shall make the distributions under subsection (a) in two (2) equal installments before July 1 and before October 2 of each year.

~~(c) This section expires January 1, 2011.~~

SECTION 37. IC 5-10.3-11-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) The state board shall maintain separate accounts for each unit of local government for purposes of this section. The accounts

~~(1)~~ are separate and distinct accounts within the public employees' retirement fund and the pension relief fund. ~~and~~

~~(2) are not part of the "k portion" or "m portion" of the pension relief fund.~~

(b) A unit of local government may do the following:

(1) Make deposits at any time to the separate account established for the unit under this section.

(2) Withdraw once each year from the unit's separate account all or a part of the balance in the account to pay pension benefits under IC 36-8-6, IC 36-8-7, or IC 36-8-7.5.

SECTION 38. IC 5-13-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) All taxes collected by the county treasurer shall be deposited as one (1) fund in the several depositories selected for the deposit of county funds and, except as provided in subsection (b), remain in the depositories until distributed at the following semiannual distribution made by the county auditor.

(b) Every county treasurer who, by virtue of the treasurer's office, is the collector of any taxes for any political subdivision wholly or partly within the county shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county, advance to that political subdivision a portion of the taxes collected before the semiannual distribution. The amount advanced may not exceed the lesser of:

(1) ninety-five percent (95%) of the total amount collected at the time of the advance; or

(2) ninety-five percent (95%) of the amount to be distributed at the semiannual distribution.

~~(c) Every county treasurer shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county, advance to that political subdivision a part of the distributions received under IC 6-1.1-21-10 from the property tax replacement fund for the political subdivision. The amount advanced may not exceed the lesser of:~~

~~(1) ninety-five percent (95%) of the amount distributed from the fund to the county treasurer for the political subdivision at the time of the advance; or~~

~~(2) ninety-five percent (95%) of the total amount to be distributed by the county treasurer to the political subdivision on the next scheduled distribution date.~~

~~(d)~~ **(c)** Upon notice from the county treasurer of the amount to be advanced, the county auditor shall draw a warrant upon the county treasurer for the amount. The amount of the advance must be available immediately for the use of the political subdivision.

~~(e)~~ **(d)** At the semiannual distribution all the advances made to any political subdivision under subsection (b) ~~or (c)~~ shall be deducted from the total amount due any political subdivision as shown by the distribution.

SECTION 39. IC 5-13-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) The secretary-investment manager shall administer, manage, and direct the affairs and activities of the board under the policies and under the control and direction of the board. In carrying out these duties, the secretary-investment manager has the power to do the following:

(1) Approve all accounts for salaries and allowable expenses of the board, including, but not limited to:

(A) the employment of general or special attorneys, consultants, and employees and agents as may be necessary to assist the secretary-investment manager in carrying out the duties of that office and to assist the board in its consideration of applications for a guarantee of an industrial development obligation or credit enhancement obligation guarantee; and

(B) the setting of compensation of persons employed under ~~subdivision~~ **clause** (A).

(2) Approve all expenses incidental to the operation of the public deposit insurance fund.

(3) Perform other duties and functions that may be delegated to the secretary-investment manager by the board or that are necessary to carry out the duties of the secretary-investment manager under this chapter.

(b) The secretary-investment manager shall keep a record of the proceedings of the board, and shall maintain and be custodian

of all books, documents, and papers filed with the board, and its official seal. The secretary-investment manager may make copies of all minutes and other records and documents of the board, and may give certificates under seal of the board to the effect that the copies are true copies. All persons dealing with the board may rely upon the certificates.

(c) Each year, beginning in 2001 and ending in ~~2011,~~ **2021,** after the treasurer of state prepares the annual report required by IC 4-8.1-2-14, the secretary-investment manager shall determine:

(1) the amount of interest earned by the public deposit insurance fund during the state fiscal year ending on the preceding June 30, after deducting:

(A) all expenses and other costs of the board for depositories that were not paid from other sources during that state fiscal year; and

(B) all expenses and other costs associated with the Indiana education savings authority that were not paid from other sources during that state fiscal year; and

(2) the amount of interest earned during the state fiscal year ending on the preceding June 30 by the pension distribution fund established by subsection (g).

(d) On or before November 1 of each year, beginning in 2001 and ending in ~~2011,~~ **2021,** the public employees' retirement fund shall provide a report to the secretary-investment manager concerning the individual and aggregate payments made by all units of local government (as defined in IC 5-10.3-11-3) during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5.

(e) On or before the last business day of November of each year, beginning in 2001 and ending in ~~2011,~~ **2021,** the secretary-investment manager shall compute the amount of earned interest to be distributed under this section to each unit of local government (as defined in IC 5-10.3-11-3) in accordance with subsection (h) according to the following formula:

STEP ONE: Add the amount determined under subsection (c)(1) to the amount determined under subsection (c)(2).

STEP TWO: Divide the STEP ONE sum by the aggregate amount of payments made by all units of local government during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5, as reported under subsection (d).

STEP THREE: Multiply the STEP TWO quotient by the amount of payments made by each unit of local government during the preceding calendar year for benefits under the police and firefighter pension funds established by IC 36-8-6, IC 36-8-7, and IC 36-8-7.5, as reported under subsection (d).

(f) Subject to subsection (j), on or before the last business day of December of each year, beginning in 2001 and ending in ~~2011,~~ **2021,** the secretary-investment manager shall provide to the auditor of state:

(1) a report setting forth the amounts to be distributed to units of local government, as determined under subsection (e); and

(2) a check payable from the public deposit insurance fund to the pension distribution fund established by subsection (g) in an amount equal to the amount determined under subsection (c)(1).

(g) The pension distribution fund is established. The pension distribution fund shall be administered by the treasurer of state. The treasurer of state shall invest money in the pension distribution fund not currently needed to meet the obligations of the pension distribution fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the pension distribution fund. Money in the pension distribution fund at the end of a state fiscal year does not revert to the state general fund.

(h) Subject to subsection (j), on June 30 and October 1 of each year, beginning in 2002 and ending in ~~2012,~~ **2022,** the auditor of state shall distribute in two (2) equal installments from the pension distribution fund to the fiscal officer of each unit of local government identified under subsection (d) the amount computed for that unit under subsection (e) in November of the preceding year.

(i) Each unit of local government shall deposit distributions received under subsection (h) in the pension fund or funds identified by the secretary-investment manager and shall use those distributions to pay a portion of the obligations with respect to the pension fund or funds.

(j) Before providing a check to the auditor of state under subsection (f)(2) in December of any year, the secretary-investment manager shall determine:

(1) the total amount of payments made from the public deposit insurance fund under IC 5-13-13-3 after June 30, 2001;

(2) the total amount of payments received by the board for depositories and deposited in the public deposit insurance fund under IC 5-13-13-3 after June 30, 2001; and

(3) the total amount of interest earned by the public deposit insurance fund after the first of the payments described in subdivision (1).

If the total amount of payments determined under subdivision (1) less the total amount of payments determined under subdivision (2) (referred to in this subsection as the "net draw on the fund") exceeds ten million dollars ($10,000,000) and also exceeds the total amount of interest determined under subdivision (3), the secretary-investment manager may not provide a check to the auditor of state under subsection (f)(2) and a distribution may not be made from the pension distribution fund under subsection (h) in the following calendar year until the total amount of interest earned by the public deposit insurance fund equals the net draw on the fund. A check may not be provided under subsection (f)(2) and a distribution may not be made under subsection (f) in any subsequent calendar year if a study conducted by the board under section 7(b) of this chapter demonstrates that payment of the distribution would reduce the balance of the public deposit insurance fund to a level insufficient to ensure the safekeeping and prompt payment of public funds to the extent they are not

covered by insurance of any federal deposit insurance agency.

SECTION 40. IC 5-28-9-16, AS AMENDED BY P.L.2-2006, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. A qualified entity receiving a loan under this chapter may levy an annual tax on personal and real property located within the qualified entity's geographical limits for industrial development purposes, in addition to any other tax authorized by statute to be levied for such purposes, at a rate that will produce sufficient revenue to pay the annual installment and interest on a loan made under this chapter. The tax may be in addition to the maximum annual rates prescribed by IC 6-1.1-18, IC 6-1.1-18.5, ~~IC 20-45-3,~~ and other statutes.

SECTION 41. 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 42. 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.

SECTION 43. IC 5-28-15-8, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 44. IC 5-28-26-18, AS ADDED BY P.L.203-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) A unit may issue bonds for the purpose of providing public facilities under this chapter.

(b) The bonds are payable from any funds available to the unit.

(c) The bonds shall be authorized by a resolution of the unit.

(d) The terms and form of the bonds shall be set out either in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds must mature within:

(1) fifty (50) years, **for bonds issued before July 1, 2008; or**

(2) twenty-five (25) years, for bonds issued after June 30, 2008.

(f) The unit shall sell the bonds at public or private sale upon terms determined by the district.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of providing public facilities within a global commerce center, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include the cost of:

(1) planning and development of the public facilities and all related buildings, facilities, structures, and improvements;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the public facilities suitable for use and operation;

(4) architectural, engineering, consultant, and attorney's fees;

(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the district, but not to exceed five (5) years;

(8) financial advisory fees;

(9) insurance during construction;

(10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, for, and interest on, the bonds being refunded or refinanced.

(h) A unit that issues bonds under this section may enter an interlocal agreement with any other unit located in the area served by the district in which the global commerce center is designated. A party to an agreement under this section may pledge any of its revenues, including taxes or allocated taxes under IC 36-7-14, to the bonds or lease rental obligations of another party to the agreement.

SECTION 45. IC 6-1.1-1-1.5, AS AMENDED BY P.L.88-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

(b) The term "assessing official" does not grant a member of the county property tax assessment board of appeals primary assessing functions except as may be granted to the member by law.

SECTION 46. IC 6-1.1-1-3, AS AMENDED BY P.L.2-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) Except as provided in subsection (b), "assessed value" or "assessed valuation" means an amount equal to:

(1) for assessment dates before March 1, 2001, thirty-three and one-third percent (33 1/3%) of the true tax value of property; and

(2) for assessment dates after February 28, 2001, the true tax value of property.

(b) For purposes of calculating a budget, rate, or levy under IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-20, ~~IC 20-45-3,~~ IC 20-46-4, IC 20-46-5, and IC 20-46-6, "assessed value" or "assessed valuation" does not include the assessed value of tangible property excluded and kept separately on a tax duplicate by a county auditor under IC 6-1.1-17-0.5.

SECTION 47. 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.

The term includes items that qualify as inventory under 50 IAC 4.2-5-1 (as effective December 31, 2008).

SECTION 48. 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: ~~is being:~~

~~(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).~~

SECTION 49. IC 6-1.1-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. "Real property" means:

(1) land located within this state;

(2) a building or fixture situated on land located within this state;

(3) an appurtenance to land located within this state;

(4) an estate in land located within this state, or an estate, right, or privilege in mines located on or minerals, including but not limited to oil or gas, located in the land, if the estate, right, or privilege is distinct from the ownership of the surface of the land; and

(5) notwithstanding IC 6-6-6-7, a riverboat:

(A) licensed under IC 4-33; or

(B) operated under an operating agent contract under IC 4-33-6.5;

for which the department of local government finance shall prescribe standards to be used by ~~township assessors.~~ **assessing officials.**

SECTION 50. 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.

SECTION 51. IC 6-1.1-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 52. IC 6-1.1-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 53. IC 6-1.1-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 54. IC 6-1.1-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 55. IC 6-1.1-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.~~

(e) The county assessor shall provide to each affected township assessor **(if any)** 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)~~ **(f)** 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 56. IC 6-1.1-3-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 57. IC 6-1.1-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 58. IC 6-1.1-3-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 59. IC 6-1.1-3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 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 60. IC 6-1.1-3-18, AS AMENDED BY P.L.219-2007, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 shall deliver to the county assessor a copy of each business personal property return which the taxpayer is required to file in duplicate 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~~ **the business personal property** returns **that the taxpayer is required to file in duplicate under section 7(c) of this chapter;** and

(2) shall determine the returns in which the assessment appears to be improper.

SECTION 61. IC 6-1.1-3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

SECTION 62. IC 6-1.1-3-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 20. If an assessing official ~~or board~~ changes a valuation made by a person on ~~his~~ **the person's** personal property return or adds personal property and its value to a return, the assessing official ~~or board~~ shall, by mail, immediately give the person notice of the action taken. However, if a taxpayer lists property on ~~his~~ **the taxpayer's** return but does not place a value on the property, a notice of the action of an assessing official ~~or board~~ in placing a value on the property is not required.

SECTION 63. IC 6-1.1-3-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 21. ~~(a)~~ Subject to the limitations ~~contained~~ in IC 6-1.1-35-9, assessment returns, lists, and any other documents and information related to the determination of personal property assessments shall be preserved as public records and open to public inspection. The township assessor, **or the county assessor if there is no township assessor for the township,** shall preserve and maintain these records. ~~if quarters for his office are provided in the county court house, or a branch thereof. If quarters are not provided for the township assessor, he shall, as soon as he completes his audit of a return, deliver the return and all related documents and information to the county assessor, and the county assessor shall maintain and preserve the items. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.~~

~~(b) Each county shall furnish an office for a township assessor in the county courthouse, or a branch thereof, if the township he serves has a population of thirty-five thousand (35,000) or more. A county may furnish an office in the county courthouse, or branch thereof, for any township assessor.~~

SECTION 64. IC 6-1.1-4-4, AS AMENDED BY P.L.228-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2000, and be the basis for taxes

payable in 2003.

(b) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2009, and each fifth year thereafter. Each reassessment under this subsection:

(1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year in which the general reassessment begins; and

(2) shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

(c) In order to ensure that assessing officials ~~and members of each county property tax assessment board of appeals~~ are prepared for a general reassessment of real property, the department of local government finance shall give adequate advance notice of the general reassessment to the ~~county and township taxing~~ **assessing** officials of each county.

SECTION 65. IC 6-1.1-4-4.7, AS ADDED BY P.L.228-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 66. IC 6-1.1-4-12.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12.4. (a) For purposes of this section, the term "oil or gas interest" includes but is not limited to:

(1) royalties;

(2) overriding royalties;

(3) mineral rights; or

(4) working interest;

in any oil or gas located on or beneath the surface of land which lies within this state.

(b) Oil or gas interest is subject to assessment and taxation as real property. Notwithstanding ~~the provisions of IC 1971, 6-1.1-4-4,~~ **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 ~~assesment~~ **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 67. IC 6-1.1-4-12.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12.6. (a) For purposes of this section, the term "secondary recovery method" includes but is not limited to the stimulation of oil production by means of the injection of water, steam, hydrocarbons, or chemicals, or by means of in situ combustion.

(b) The total assessed value of all interests in the oil located on or beneath the surface of a particular tract of land equals the product of:

(1) the average daily production of the oil; multiplied by

(2) three hundred sixty-five (365); and multiplied by

(3) the posted price of oil on the assessment date.

However, if the oil is being extracted by use of a secondary recovery method, the total assessed value of all interests in the oil equals one-half (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 68. IC 6-1.1-4-13.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 69. IC 6-1.1-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 70. IC 6-1.1-4-16, AS AMENDED BY P.L.228-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) For purposes of making a general reassessment of real property or annual adjustments under section 4.5 of this chapter, ~~any~~ **a** township assessor **(if any)** and ~~any~~ **a** 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 71. IC 6-1.1-4-17, AS AMENDED BY P.L.228-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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; or~~

~~(2) group consisting of the~~ county assessor ~~and the township assessors in a county;~~

may employ professional appraisers as technical advisors **for assessments in all townships in the county. The department of local government finance may approve employment under this subsection only if the department is a party to the employment contract.**

(b) A decision by ~~one (1) or more assessors referred to in subdivisions (1) and (2)~~ **a county assessor** 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, 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 72. IC 6-1.1-4-18.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18.5. (a) A ~~township assessor, a group of township assessors, 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~~ **that** 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 73. IC 6-1.1-4-19.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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,~~ **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; **and**

(8) a provision stating that the department of local government finance is a party to 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 74. IC 6-1.1-4-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 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 75. IC 6-1.1-4-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 21. (a) If, during a period of general reassessment, a ~~township~~ **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~~ **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~~ **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.

SECTION 76. IC 6-1.1-4-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. (a) If any assessing official ~~or any county property tax assessment board of appeals~~ assesses or reassesses any real property under ~~the provisions of~~ this article, the official ~~or county property tax assessment board of appeals~~ shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment.

(b) During a period of general reassessment, each township **or county** assessor shall mail the notice required by this section within ninety (90) days after ~~he:~~ **the assessor:**

(1) completes ~~his~~ **the** appraisal of a parcel; or

(2) receives a report for a parcel from a professional appraiser or professional appraisal firm.

SECTION 77. IC 6-1.1-4-25, AS AMENDED BY P.L.177-2005, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 **(if any)** in a county having a consolidated city, **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 78. IC 6-1.1-4-27.5, AS AMENDED BY P.L.219-2007, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county levies for the county's property reassessment fund.

(b) With respect to the general reassessment of real property that is to commence on July 1, 2009, the county council of each county shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in each year against all the taxable property in the county an amount equal to one-fourth (1/4) of the remainder of:

(1) the estimated costs referred to in section 28.5(a) of this chapter; minus

(2) the amount levied under this section by the county council for property taxes due in 2004 and 2005.

(c) With respect to a general reassessment of real property that is to commence on July 1, 2014, and each fifth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the four (4) years preceding that year, levy against all the taxable property in the county an amount equal to one-fifth (1/5) of the estimated costs of the general reassessment under section 28.5 of this chapter.

(d) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.

(e) The department of local government finance may raise or lower the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:

(1) a general reassessment; or

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

has changed.

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

(1) a general reassessment;

(2) verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to

~~(A)~~ the county assessor ~~or~~

~~(B) township assessors;~~

under IC 6-1.1-5.5-3; or

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

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

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

(1) hear the appeal; and

(2) determine whether the additional levy is necessary.

SECTION 79. IC 6-1.1-4-28.5, AS AMENDED BY P.L.219-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

SECTION 80. IC 6-1.1-4-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 29. (a) The expenses of a reassessment, except those incurred by the department of local government finance in performing its normal functions, shall be paid by the county in which the reassessed property is situated. These expenses, except for the expenses of a general reassessment, shall be paid from county funds. The county auditor shall issue warrants for the payment of reassessment expenses. No prior appropriations are required in order for the auditor to issue warrants.

(b) An order of the department of local government finance directing the reassessment of property shall contain an estimate of the cost of making the reassessment. The ~~local~~ assessing officials **in** the county, ~~assessor,~~ the county property tax assessment board of appeals, and the county auditor may not exceed the amount so estimated by the department of local government finance.

SECTION 81. IC 6-1.1-4-31, AS AMENDED BY P.L.228-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of:

(1) a general reassessment of property;

(2) work required to be performed by local officials under 50 IAC 21; and

(3) other 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.

(f) A county council president who is informed by the department of local government finance under subsection (a) shall provide the information to the board of county commissioners. A board of county commissioners that receives information under this subsection may adopt an ordinance to do either or both of the following:

(1) Determine that:

(A) the information indicates that the county assessor has failed to perform adequately the duties of county assessor; and

(B) by that failure the county assessor forfeits the office of county assessor and is subject to removal from office by an information filed under IC 34-17-2-1(b).

(2) Determine that:

(A) the information indicates that one (1) or more township assessors in the county have failed to perform adequately the duties of township assessor; and

(B) by that failure the township assessor or township assessors forfeit the office of township assessor and are subject to removal from office by an information filed under IC 34-17-2-1(b).

(g) A city-county council that is informed by the department of local government finance under subsection (a) may adopt an ordinance making the determination or determinations referred to in subsection (f).

SECTION 82. 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)~~ **(a)** As used in this section, "department" refers to the department of local government finance.

~~(c)~~ **(b)** 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)~~ **(c)** 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.~~ **county assessor.** Notwithstanding sections 15 and 17 of this chapter, ~~an assessment official in~~ a county **assessor** 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 **assessor** are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

~~(e)~~ **(d)** Before assuming the duties of a ~~county's assessment officials,~~ **county assessor,** the department shall transmit a copy of the department's order requiring a state conducted assessment or reassessment to the ~~county's assessment officials,~~ **county assessor,** 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 officials in~~ **(e)** A county **assessor** 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)~~ **(f)** 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)~~ **(g)** After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection ~~(g),~~ **(f),** 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)~~ **(h)** The department shall forward a bill for services provided under a contract described in subsection ~~(g)~~ **(f)** 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).~~ **(i).**

~~(j)~~ **(i)** A county subject to an order issued under this section shall pay the cost of a contract described in subsection ~~(g),~~ **(f),** 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)~~ **(j)** 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)~~ **(k)** 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)~~ **(l)** 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~~ **assessing** officials of the land values determined under this subsection.

~~(n)~~ **(m)** 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)~~ **(i)** 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)~~ **(i)** 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)~~ **(n)** The department, upon receiving notice under subsection ~~(n)~~ **(m)** 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)~~ **(m)(1)** or ~~(n)(2);~~ **(m)(2);** or

(B) a person or an entity acted or failed to act as described in subsection ~~(n)(3);~~ **(m)(3);** and

(2) provide to the treasurer of state the department's approval under subsection ~~(j)(2)(A)~~ **(i)(2)(A)** of the contractor's bill with respect to which the contractor gave notice under subsection ~~(n).~~ **(m).**

~~(p)~~ **(o)** Upon receipt of the department's approval of a contractor's bill under subsection ~~(o);~~ **(n),** 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)~~ **(p)** 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)~~ **(m)** the amount of a payment made by the treasurer of state to the contractor of the department under subsection ~~(p).~~ **(o).** 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~~ **any source** payable to the county.

~~(r)~~ **(q)** Compliance with subsections ~~(n)~~ **(m)** through ~~(q)~~ **(p)** constitutes compliance with IC 5-11-10.

~~(s)~~ **(r)** IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections ~~(n)~~ **(m)** through ~~(q).~~ **(p).** This subsection and subsections ~~(n)~~ **(m)** through ~~(q)~~ **(p)** 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)~~ **(s)** The provisions of this section are severable as provided in IC 1-1-1-8(b).

SECTION 83. IC 6-1.1-4-31.6, AS ADDED BY P.L.228-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 31.6. (a) Subject to the other requirements of this section, the department of local government finance may:

(1) negotiate an addendum to a contract referred to in ~~section 31.5(g)~~ **section 31.5(f)** of this chapter that is treated as a contract of the department; or

(2) include provisions in a contract entered into by the department under ~~section 31.5(g)~~ **section 31.5(f)** of this chapter;

to require the contractor of the department to represent the department in appeals initiated under section 31.7 of this chapter and to afford to taxpayers an opportunity to attend an informal hearing.

(b) The purpose of the informal hearing referred to in subsection (a) is to:

(1) discuss the specifics of the taxpayer's assessment or reassessment;

(2) review the taxpayer's property record card;

(3) 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 84. IC 6-1.1-4-31.7, AS AMENDED BY P.L.219-2007, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 31.7. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).

(b) The notice of assessment or reassessment under ~~section 31.5(h)~~ **section 31.5(g)** of this chapter is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance do not apply to an appeal under this subsection. The Indiana board may establish applicable procedures and time limitations under subsection (l).

(c) In order to appeal under subsection (b), the taxpayer must:

(1) participate in the informal hearing process under section 31.6 of this chapter;

(2) except as provided in section 31.6(i) of this chapter, receive a notice under section 31.6(g) of this chapter; and

(3) file a petition for review with the appropriate county assessor not later than thirty (30) days after:

(A) the date of the notice to the taxpayer under section 31.6(g) of this chapter; or

(B) the date after which the department may not change the amount of the assessment or reassessment under the informal hearing process described in section 31.6 of this chapter.

(d) The Indiana board may develop a form for petitions under subsection (c) that outlines:

(1) the appeal process;

(2) the burden of proof; and

(3) evidence necessary to warrant a change to an assessment or reassessment.

(e) The Indiana board may contract with, appoint, or otherwise designate the following to serve as special masters to conduct evidentiary hearings and prepare reports required under subsection (g):

(1) Independent, licensed appraisers.

(2) Attorneys.

(3) Certified level two 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 85. IC 6-1.1-4-39, AS AMENDED BY P.L.199-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 86. IC 6-1.1-4-39.5, AS ADDED BY P.L.233-2007, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 87. IC 6-1.1-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. Except as provided in section 9 of this chapter, the county auditor of each county shall annually prepare and deliver to the township 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 88. IC 6-1.1-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 89. IC 6-1.1-5-9.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9.1. (a) Except:

(1) as provided in subsection (b); and

(2) for civil townships described in section 9 of this chapter;

and notwithstanding the provisions of sections 1 through 8 of this chapter, for all other civil townships having a population of thirty-five thousand (35,000) or more, for a civil township that falls below a population of thirty-five thousand (35,000) at a federal decennial census that takes effect after December 31, 2001, and for all other civil townships in which a city of the second class is located, the township assessor, **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 90. IC 6-1.1-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 91. IC 6-1.1-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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) of this section,~~ **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.

~~(e)~~ **(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 92. IC 6-1.1-5-14, AS AMENDED BY P.L.88-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 93. IC 6-1.1-5-15, AS AMENDED BY P.L.228-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) Except as provided in subsection (b), before an owner of real property demolishes, structurally modifies, or improves it at a cost of more than five hundred dollars ($500) for materials or labor, or both, the owner or the owner's agent shall file with the area plan commission or the county assessor in the county where the property is located an assessment registration notice on a form prescribed by the department of local government finance.

(b) If the owner of the real property, or the person performing the work for the owner, is required to obtain a permit from an agency or official of the state or a political subdivision for the demolition, structural modification, or improvement, the owner or the person performing the work for the owner is not required to file an assessment registration notice.

(c) Each state or local government official or agency shall, before the tenth day of each month, deliver a copy of each permit described in subsection (b) to the assessor of the county in which the real property to be improved is situated. Each area plan commission shall, before the tenth day of each month, deliver a copy of each assessment registration notice described in subsection (a) to the assessor of the county where the property is located.

(d) Before the last day of each month, the county assessor shall distribute a copy of each assessment registration notice filed under subsection (a) or permit received under subsection (b) to the assessor of the township **(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 94. IC 6-1.1-5.5-3, AS AMENDED BY P.L.219-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) For purposes of this section, "party" includes:

(1) a seller of property that is exempt under the seller's ownership; or

(2) a purchaser of property that is exempt under the purchaser's ownership;

from property taxes under IC 6-1.1-10.

(b) Before filing a conveyance document with the county auditor under IC 6-1.1-5-4, all the parties to the conveyance must 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 95. IC 6-1.1-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 96. 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 97. IC 6-1.1-8-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 98. IC 6-1.1-8-24, AS AMENDED BY P.L.88-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 elected~~ **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 99. IC 6-1.1-8-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 1971,~~ **IC** 6-1.1-15.

SECTION 100. IC 6-1.1-8-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 101. IC 6-1.1-8.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) The township assessor **(if any)** of each township 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 102. IC 6-1.1-9-1, AS AMENDED BY P.L.219-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 103. IC 6-1.1-9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 104. IC 6-1.1-10-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 105. IC 6-1.1-10-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 106. IC 6-1.1-10-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 107. IC 6-1.1-11-3, AS AMENDED BY P.L.219-2007, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 108. IC 6-1.1-12-12, AS AMENDED BY P.L.183-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) Except as provided in section 17.8 of this chapter, a person who desires to claim the deduction provided in section 11 of this chapter must file an application, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property, the application must be filed during the twelve (12) months before June 11 ~~of~~ each year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the application must be filed during the twelve (12) months before March 31 of each year for which the individual wishes 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.

(b) Proof of blindness may be supported by:

(1) the records of ~~a county office of family and children,~~ the division of family resources or the division of disability and rehabilitative services; or

(2) the written statement of a physician who is licensed by this state and skilled in the diseases of the eye or of a licensed optometrist.

(c) The application required by this section must contain the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home.

SECTION 109. IC 6-1.1-12-20, AS AMENDED BY P.L.154-2006, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 110. IC 6-1.1-12-24, AS AMENDED BY P.L.154-2006, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 111. IC 6-1.1-12-27.1, AS AMENDED BY P.L.183-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 112. IC 6-1.1-12-28.5, AS AMENDED BY P.L.137-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 113. IC 6-1.1-12-30, AS AMENDED BY P.L.183-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 114. IC 6-1.1-12-35.5, AS AMENDED BY P.L.183-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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, 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.

SECTION 115. IC 6-1.1-12-37, AS AMENDED BY P.L.224-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 37. (a) **The following definitions apply throughout this section:**

(1) "Dwelling" means any of the following:

(A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

(2) "Homestead" means an individual's principal place of residence that:

(A) is located in Indiana;

(B) the individual:

(i) owns;

(ii) is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; or

(iii) is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); and

(C) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

(b) Each year ~~a person~~ **an individual** who **on March 1 of a particular year or, in the case of a mobile home that is assessed as personal property, the immediately following January 15, either owns or is buying a homestead under a contract, recorded in the county recorder's office, that provides the individual is to pay property taxes on the homestead** is entitled to ~~receive the homestead credit provided under IC 6-1.1-20.9 for property taxes payable in the following year is entitled to~~ a standard deduction from the assessed value of the ~~real property, mobile home not assessed as real property,~~

~~or manufactured home not assessed as real property that qualifies for the~~ homestead. ~~credit.~~ The auditor of the county shall record and make the deduction for the person qualifying for the deduction.

~~(b)~~ **(c)** Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

(1) ~~one-half (1/2)~~ **sixty percent (60%)** of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or

(2) ~~for property taxes first due and payable:~~

~~(A) before January 1, 2007, thirty-five thousand dollars ($35,000);~~

~~(B) after December 31, 2006, and before January 1, 2009,~~ forty-five thousand dollars ($45,000).

~~(C) after December 31, 2008, and before January 1,~~ 2010, ~~forty-four thousand dollars ($44,000);~~

~~(D) after December 31, 2009, and before January 1, 2011, forty-three thousand dollars ($43,000);~~

~~(E) after December 31, 2010, and before January 1, 2012, forty-two thousand dollars ($42,000);~~

~~(F) after December 31, 2011, and before January 1, 2013, forty-one thousand dollars ($41,000); and~~

~~(G) after December 31, 2012, forty thousand dollars ($40,000).~~

~~(c)~~ **(d)** A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(e) The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.

(f) The county auditor may not grant an individual or a married couple a deduction under this section if:

(1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and

(2) the applications claim the deduction for different property.

SECTION 116. IC 6-1.1-12-37.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 37.5. (a) A person who is entitled to a standard deduction from the assessed value of property under section 37 of this chapter is also entitled to receive a supplemental deduction from the assessed value of the homestead to which the standard deduction applies after the application of the standard deduction but before the application of any other deduction, exemption, or credit for which the person is eligible.**

(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 six hundred thousand dollars ($600,000).

(2) Twenty-five percent (25%) of the assessed value determined under subsection (a) that is more than six hundred thousand dollars ($600,000).

(c) The auditor of the county shall record and make the deduction for the person qualifying for the deduction.

(d) The deduction granted under this section shall not be considered in applying section 40.5 of this chapter to the deductions applicable to property. Section 40.5 of this chapter does not apply to the deduction granted under this section.

SECTION 117. IC 6-1.1-12-38, AS AMENDED BY SEA 190-2008, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 15-16-2-44 and the pesticide storage rules adopted by the state chemist under IC 15-16-4-52; 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 15-16-2-44 and the pesticide storage rules adopted by the state chemist under IC 15-16-4-52.

(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 15-16-2-44 and the pesticide storage rules adopted by the state chemist under IC 15-16-4-52. 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 118. IC 6-1.1-12-41, AS AMENDED BY P.L.199-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 **(repealed).**

(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 119. IC 6-1.1-12-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 **(repealed).**

(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~~ **for** 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 120. IC 6-1.1-12-43 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 43. (a) For purposes of this section:

(1) "benefit" refers to

~~(A)~~ a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29, 31, 33, or 34 of this chapter; ~~or~~

~~(B) the homestead credit under IC 6-1.1-20.9-2;~~

(2) "closing agent" means a person that closes a transaction;

(3) "customer" means an individual who obtains a loan in a transaction; and

(4) "transaction" means a single family residential:

(A) first lien purchase money mortgage transaction; or

(B) refinancing transaction.

(b) Before closing a transaction after December 31, 2004, a closing agent must provide to the customer the form referred to in subsection (c).

(c) Before June 1, 2004, the department of local government finance shall prescribe the form to be provided by closing agents to customers under subsection (b). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

(1) on one (1) side:

(A) list each benefit;

(B) list the eligibility criteria for each benefit; and

(C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real property is refinanced;

(2) on the other side indicate:

(A) each action by; and

(B) each type of documentation from;

the customer required to file for each benefit; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

(1) may reproduce the form referred to in subsection (c);

(2) in reproducing the form, must use a print color prescribed by the department of local government finance; and

(3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

(e) A closing agent to which this section applies shall document its compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

(f) A closing agent is subject to a civil penalty of twenty-five dollars ($25) for each instance in which the closing agent fails to comply with this section with respect to a customer. The penalty:

(1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and

(2) shall be paid into the ~~property tax replacement~~ **state general** fund.

A closing agent is not liable for any other damages claimed by a customer because of the closing agent's mere failure to provide the appropriate document to the customer.

(g) The state agency that has administrative jurisdiction over a closing agent shall:

(1) examine the closing agent to determine compliance with this section; and

(2) impose and collect penalties under subsection (f).

SECTION 121. IC 6-1.1-12.1-2, AS AMENDED BY P.L.154-2006, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) A designating body may find that a particular area within its jurisdiction is an economic revitalization area. However, the deduction provided by this chapter for economic revitalization areas not within a city or town shall not be available to retail businesses.

(b) In a county containing a consolidated city or within a city or town, a designating body may find that a particular area within its jurisdiction is a residentially distressed area. Designation of an area as a residentially distressed area has the same effect as designating an area as an economic revitalization area, except that the amount of the deduction shall be calculated as specified in section 4.1 of this chapter and the deduction is allowed for not more than five (5) years. In order to declare a particular area a residentially distressed area, the designating body must follow the same procedure that is required to designate an area as an economic revitalization area and must make all the following additional findings or all the additional findings described in subsection (c):

(1) The area is comprised of parcels that are either unimproved or contain only one (1) or two (2) family dwellings or multifamily dwellings designed for up to four (4) families, including accessory buildings for those dwellings.

(2) Any dwellings in the area are not permanently occupied and are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) Parcels of property in the area:

(A) have been sold and not redeemed under IC 6-1.1-24 and IC 6-1.1-25; or

(B) are owned by a unit of local government.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection or one (1) of the additional findings described in subsection (c).

(c) In a county containing a consolidated city or within a city or town, a designating body that wishes to designate a particular area a residentially distressed area may make the following additional findings as an alternative to the additional findings described in subsection (b):

(1) A significant number of dwelling units within the area are not permanently occupied or a significant number of parcels in the area are vacant land.

(2) A significant number of dwelling units within the area are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) The area has experienced a net loss in the number of dwelling units, as documented by census information, local building and demolition permits, or certificates of

occupancy, or the area is owned by Indiana or the United States.

(4) The area (plus any areas previously designated under this subsection) will not exceed ten percent (10%) of the total area within the designating body's jurisdiction.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection as an alternative to one (1) of the additional findings described in subsection (b).

(d) A designating body is required to attach the following conditions to the grant of a residentially distressed area designation:

(1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability.

(2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed within a reasonable period of time.

(e) To make a designation described in subsection (a) or (b), the designating body shall use procedures prescribed in section 2.5 of this chapter.

(f) The property tax deductions provided by section 3, 4.5, or 4.8 of this chapter are only available within an area which the designating body finds to be an economic revitalization area.

(g) The designating body may adopt a resolution establishing general standards to be used, along with the requirements set forth in the definition of economic revitalization area, by the designating body in finding an area to be an economic revitalization area. The standards must have a reasonable relationship to the development objectives of the area in which the designating body has jurisdiction. The following four (4) sets of standards may be established:

(1) One (1) relative to the deduction under section 3 of this chapter for economic revitalization areas that are not residentially distressed areas.

(2) One (1) relative to the deduction under section 3 of this chapter for residentially distressed areas.

(3) One (1) relative to the deduction allowed under section 4.5 of this chapter.

(4) One (1) relative to the deduction allowed under section 4.8 of this chapter.

(h) A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as an economic revitalization area. The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or more owner-occupied, single-family dwellings may not exceed the cost of publishing the required notice.

(i) In declaring an area an economic revitalization area, the designating body may:

(1) limit the time period to a certain number of calendar years during which the economic revitalization area shall be so designated;

(2) limit the type of deductions that will be allowed within the economic revitalization area to the deduction allowed under section 3 of this chapter, the deduction allowed under section 4.5 of this chapter, the deduction allowed under section 4.8 of this chapter, or any combination of these deductions;

(3) limit the dollar amount of the deduction that will be allowed with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment if a deduction under this chapter had not been filed before July 1, 1987, for that equipment;

(4) limit the dollar amount of the deduction that will be allowed with respect to redevelopment and rehabilitation occurring in areas that are designated as economic revitalization areas on or after September 1, 1988;

(5) limit the dollar amount of the deduction that will be allowed under section 4.8 of this chapter with respect to the occupation of an eligible vacant building; or

(6) impose reasonable conditions related to the purpose of this chapter or to the general standards adopted under subsection (g) for allowing the deduction for the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

To exercise one (1) or more of these powers, a designating body must include this fact in the resolution passed under section 2.5 of this chapter.

(j) Notwithstanding any other provision of this chapter, if a designating body limits the time period during which an area is an economic revitalization area, that limitation does not:

(1) prevent a taxpayer from obtaining a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment installed on or before the approval deadline determined under section 9 of this chapter, but after the expiration of the economic revitalization area if:

(A) the economic revitalization area designation expires after December 30, 1995; and

(B) the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was described in a statement of benefits submitted to and approved by the designating body in accordance with section 4.5 of this chapter before the expiration of the economic revitalization area designation; or

(2) limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under section 4, 4.5, or 4.8 of this chapter.

(k) Notwithstanding any other provision of this chapter, deductions:

(1) that are authorized under section 3 of this chapter for property in an area designated as an urban development area before March 1, 1983, and that are based on an increase in assessed valuation resulting from redevelopment or rehabilitation that occurs before March 1, 1983; or

(2) that are authorized under section 4.5 of this chapter for new manufacturing equipment installed in an area designated as an urban development area before March 1, 1983;

apply according to the provisions of this chapter as they existed at the time that an application for the deduction was first made. No deduction that is based on the location of property or new manufacturing equipment in an urban development area is authorized under this chapter after February 28, 1983, unless the initial increase in assessed value resulting from the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment occurred before March 1, 1983.

(l) **In addition to the other requirements of this chapter,** if property located in an economic revitalization area is also located in an allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), ~~an application for the property tax deduction provided by this chapter~~ **a taxpayer's statement of benefits concerning that property** may not be approved **under this chapter** unless ~~the commission that designated the allocation area adopts~~ a resolution approving the ~~application~~ **statement of benefits is adopted by the legislative body of the unit that approved the designation of the allocation area.**

SECTION 122. IC 6-1.1-12.1-4.5, AS AMENDED BY HEA 1137-2008, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 ~~(h),~~ **(g),** and subject to subsection ~~(i)~~ **(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 ~~(g).~~ **(f).** Except as provided in subsection ~~(f)~~ **(e)** and in section 2(i)(3) of this chapter, and subject to subsection ~~(i)~~ **(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 ~~(c),~~ **(d);** multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection ~~(c).~~ **(d).**

~~(c)~~ **(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

(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 123. 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.

SECTION 124. IC 6-1.1-12.1-5, AS AMENDED BY P.L.193-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 (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 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 125. IC 6-1.1-12.1-5.3, AS ADDED BY P.L.154-2006, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 126. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.193-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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)~~ **4.5(f)(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 127. IC 6-1.1-12.1-5.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 128. IC 6-1.1-12.1-5.9, AS AMENDED BY HEA 1137-2008, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 6-1.1-22-8.1, 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 129. IC 6-1.1-12.4-1, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 130. IC 6-1.1-12.4-2, AS AMENDED BY HEA 1137-2008, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to a development, redevelopment, or rehabilitation that is first assessed after March 1, 2005, and before March 2, 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 131. IC 6-1.1-12.4-3, AS AMENDED BY HEA 1137-2008, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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, 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 132. IC 6-1.1-12.4-9, AS AMENDED BY HEA1137-2008, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 6-1.1-22-8.1, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

SECTION 133. IC 6-1.1-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 134. IC 6-1.1-14-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 135. IC 6-1.1-14-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 136. 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.

SECTION 137. IC 6-1.1-15-1, AS AMENDED BY P.L.1-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to **either or both of the following:**

(1) The assessment of the taxpayer's tangible property. ~~if the official's action requires the giving of notice to the taxpayer.~~

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

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

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

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

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

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

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

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

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

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

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

~~(c)~~ **(d)** A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in ~~subsection (a).~~ **subsection (b).** 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 the township is not served by a township assessor.** The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. 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)~~ **(e)** A change in an assessment made as a result of a notice for review filed by a taxpayer under ~~subsection (c)~~ **subsection (d)** after the time prescribed in ~~subsection (c)~~ **subsection (d)** becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under ~~subsection (b) or (c)~~ **subsection (c) or (d)** remains in effect from the assessment date for which the change is made until the next assessment date for which the assessment is changed under this article.

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

(1) The name of the taxpayer.

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

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

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

(1) initiates a review under this section; and

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

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

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

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

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

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

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

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

(E) noting and considering objections of the taxpayer;

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

(G) otherwise educating the taxpayer about:

(i) the taxpayer's assessment or deduction;

(ii) the assessment or deduction process; and

(iii) the assessment or deduction appeal process.

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

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

(A) those issues; and

(B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.

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

(A) a statement of those issues; and

(B) the identification of:

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

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

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

(1) the county board shall cancel the hearing;

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

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

~~(g)~~ **(k) If:**

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

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

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of ~~the~~ **that** 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. **The county assessor is recused from any action the county board takes with respect to an assessment determination by the county assessor.**

~~(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)~~ **(l)** At the hearing required under ~~subsection (g).~~ **subsection (k):**

(1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment **or deduction;** and

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

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

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

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

(1) Initiate the review.

(2) Prosecute the review.

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

~~(l)~~ **(o)** If the maximum time elapses:

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

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

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

SECTION 138. IC 6-1.1-15-9, AS AMENDED BY P.L.219-2007, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 139. IC 6-1.1-15-10, AS AMENDED BY P.L.219-2007, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) If a petition for review to any board or a proceeding for judicial review in the tax court regarding an assessment or increase in assessment is pending, the taxes resulting from the assessment or increase in assessment are, notwithstanding the provisions of IC 6-1.1-22-9, not due until after the petition for review, or the proceeding for judicial review, is finally adjudicated and the assessment or increase in assessment is finally determined. However, even though a petition for review or a proceeding for judicial review is pending, the taxpayer shall pay taxes on the tangible property when the property tax installments come due, unless the collection of the taxes is enjoined under IC 33-26-6-2 pending a final determination in the proceeding for judicial review. The amount of taxes which the taxpayer is required to pay, pending the final determination of the assessment or increase in assessment, shall be based on:

(1) the assessed value reported by the taxpayer on the taxpayer's personal property return if a personal property assessment, or an increase in such an assessment, is involved; or

(2) an amount based on the immediately preceding year's assessment of real property if an assessment, or increase in assessment, of real property is involved.

(b) If the petition for review or the proceeding for judicial review is not finally determined by the last installment date for the taxes, the taxpayer, upon showing of cause by a taxing official or at the tax court's discretion, may be required to post a bond or provide other security in an amount not to exceed the taxes resulting from the contested assessment or increase in assessment.

(c) Each county auditor shall keep separate on the tax duplicate a record of that portion of the assessed value of property that is described in IC 6-1.1-17-0.5(b). When establishing rates and calculating state school support, the department of local government finance shall exclude from assessed value in the county the assessed value of property kept separate on the tax duplicate by the county auditor under ~~IC 6-1.1-17-0.5(b).~~ **IC 6-1.1-17-0.5.**

SECTION 140. IC 6-1.1-15-12, AS AMENDED BY P.L.219-2007, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

(1) The description of the real property was in error.

(2) The assessment was against the wrong person.

(3) Taxes on the same property were charged more than one (1) time in the same year.

(4) There was a mathematical error in computing the taxes or penalties on the taxes.

(5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.

(6) The taxes, as a matter of law, were illegal.

(7) There was a mathematical error in computing an assessment.

(8) Through an error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the 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 141. IC 6-1.1-15-12.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 12.5. (a) If a township assessor determines that the township assessor has made an error concerning:**

(1) the assessed valuation of property;

(2) the name of a taxpayer; or

(3) the description of property;

in an assessment, the township assessor shall on the township assessor's own initiative correct the error. However, the township assessor may not increase an assessment under this section. The township assessor shall correct the error in the assessment without requiring the taxpayer to file a notice with the county board requesting a review of the township assessor's original assessment.

(b) If a township assessor corrects an error under this section, the township assessor shall give notice of the correction to the taxpayer, the county auditor, and the county board.

(c) Subject to subsection (d), if a correction under this section results in a reduction of the amount of an assessment of a taxpayer's property, the taxpayer is entitled to a credit on the taxpayer's next tax installment equal to the amount of any overpayment of tax that resulted from the incorrect assessment.

(d) If the amount of the overpayment of tax exceeds the taxpayer's next tax installment, the taxpayer is entitled to:

(1) a credit in the full amount of the next tax installment; and

(2) credits on succeeding tax installments until the taxpayer has received total credits equal to the amount of the overpayment.

SECTION 142. IC 6-1.1-15-14, AS AMENDED BY P.L.219-2007, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 143. IC 6-1.1-15-16, AS AMENDED BY P.L.219-2007, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 144. IC 6-1.1-16-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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~~ **later** 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 145. IC 6-1.1-16-2, AS AMENDED BY P.L.219-2007, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) If a county property tax assessment board of appeals fails to change an assessed value claimed by a taxpayer on a personal property return and give notice of the change within the time prescribed in section 1(a)(2) of this chapter, the township assessor, or the county assessor **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.

SECTION 146. 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;

(6) for counties with taxing units that cross into or intersect with other counties, the assessed valuation as shown on the most current abstract of property; and

~~(6)~~ **(7)** 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 action with respect to the political subdivision under section 16(f) 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.

(e) Except as provided in subsection (g), 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) 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 147. IC 6-1.1-17-3, AS AMENDED BY HEA 1137-2008, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy;

(3) the current and proposed tax levies of each fund; and

(4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before August 10 of the calendar year. A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.

(b) Beginning in ~~2009,~~ **2010,** before ~~August 10~~ **October 1** of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer book, a statement that includes:

(1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1(c) **(before July 1, 2008) or IC 6-1.1-15-1 (after June 30, 2008);**

(2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:

(A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);

(B) any deductions or exemptions that apply to the assessed valuation of the tangible property;

(C) any credits that apply in the determination of the tax liability; and

(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of:

(i) the county board of tax adjustment; ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),~~ or

(ii) the department of local government finance;

(3) a prominently displayed notation that:

(A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and

(B) based on various factors, including potential actions by:

(i) the county board of tax adjustment; ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),~~ or

(ii) the department of local government finance;

it is possible that the tax liability as finally determined will differ substantially from the estimate;

(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and

(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a).

(c) The department of local government finance shall:

(1) prescribe a form for; and

(2) provide assistance to county auditors in preparing;

statements under subsection (b). Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b).

(d) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

(1) in any county of the solid waste management district; and

(2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(e) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(f) **This subsection expires January 1, 2009.** A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

(1) The cost of child services (as defined in IC 12-19-7-1)

of the county payable from the family and children's fund.

(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 148. IC 6-1.1-17-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 3.5. (a) This section does not apply to civil taxing units located in a county in which a county board of tax adjustment reviews budgets, tax rates, and tax levies. This section does not apply to a civil taxing unit that has its proposed budget and proposed property tax levy approved under IC 6-1.1-17-20 or IC 36-3-6-9.**

(b) This section applies to a civil taxing unit other than a county. If a civil taxing unit will impose property taxes due and payable in the ensuing calendar year, the civil taxing unit shall file with the fiscal body of the county in which the civil taxing unit is located:

(1) a statement of the proposed or estimated tax rate and tax levy for the civil taxing unit for the ensuing budget year; and

(2) a copy of the civil taxing unit's proposed budget for the ensuing budget year.

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

(d) A civil taxing unit must file the information under subsection (b) at least fifteen (15) days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter.

(e) A county fiscal body shall:

(1) review any proposed or estimated tax rate or tax levy or proposed budget filed by a civil taxing unit with the county fiscal body under this section; and

(2) issue a nonbinding recommendation to a civil taxing unit regarding the civil taxing unit's proposed or estimated tax rate or tax levy or proposed budget.

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

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

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

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

SECTION 149. IC 6-1.1-17-5, AS AMENDED BY HEA 1137-2008, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 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) **for budget years beginning before July 1, 2010,** September 30 if a resolution adopted under section 5.6(d) of this chapter is in effect.

(2) The proper officers of all other political subdivisions, not later than September 30.

(3) The governing body of each school corporation (including a school corporation described in subdivision (1)), not later than the time required under section 5.6(b) of this chapter for budget years beginning after June 30, 2010.

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 (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 (after December 31, 2008)~~ at the board'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 (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 150. IC 6-1.1-17-5.6, AS AMENDED BY HEA 1137-2008, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) **For budget years beginning before July 1, 2010,** 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). **For budget years beginning after June 30, 2010, this section applies to all school corporations. Beginning in 2010, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation in 2010 under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for calendar year 2010.**

(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 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;

(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) **This subsection does not apply to budget years after June 30, 2010.** 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 by the department of local government finance before the adoption of a resolution under this subsection. **Notwithstanding any resolution adopted under this subsection, beginning in 2010, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year.**

(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.

SECTION 151. IC 6-1.1-17-6, AS AMENDED BY P.L.224-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The county board of tax adjustment ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ shall review the budget, tax rate, and tax levy of each political subdivision filed with the county auditor under section 5 or 5.6 of this chapter. The board shall revise or reduce, but not increase, any budget, tax rate, or tax levy in order:

(1) to limit the tax rate to the maximum amount permitted under IC 6-1.1-18; and

(2) to limit the budget to the amount of revenue to be available in the ensuing budget year for the political subdivision.

(b) The county board of tax adjustment ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ shall make a revision or reduction in a political subdivision's budget only with respect to the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

(c) When the county board of tax adjustment ~~(before January~~

~~1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ makes a revision or reduction in a budget, tax rate, or tax levy, it shall file with the county auditor a written order which indicates the action taken. If the board reduces the budget, it shall also indicate the reason for the reduction in the order. The chairman of the county board shall sign the order.

SECTION 152. IC 6-1.1-17-7, AS AMENDED BY P.L.224-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. If the boundaries of a political subdivision cross one (1) or more county lines, the budget, tax levy, and tax rate fixed by the political subdivision shall be filed with the county auditor of each affected county in the manner prescribed in section 5 or 5.6 of this chapter. The board of tax adjustment of the county which contains the largest portion of the value of property taxable by the political subdivision, as determined from the abstracts of taxable values last filed with the auditor of state, has jurisdiction over the budget, tax rate, and tax levy to the same extent as if the property taxable by the political subdivision were wholly within the county. The secretary 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)~~ shall notify the county auditor of each affected county of the action of the board. Appeals from actions 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)~~ may be initiated in any affected county.

SECTION 153. IC 6-1.1-17-8, AS AMENDED BY P.L.224-2007, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) If the county board of tax adjustment ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ determines that the maximum aggregate tax rate permitted within a political subdivision under IC 6-1.1-18 is inadequate, the county board shall, subject to the limitations prescribed in IC 20-45-4 **(before January 1, 2009),** file its written recommendations in duplicate with the county auditor. The board shall include with its recommendations:

(1) an analysis of the aggregate tax rate within the political subdivision;

(2) a recommended breakdown of the aggregate tax rate among the political subdivisions whose tax rates compose the aggregate tax rate within the political subdivision; and

(3) any other information that the county board considers relevant to the matter.

(b) The county auditor shall forward one (1) copy of the county board's recommendations to the department of local government finance and shall retain the other copy in the county auditor's office. The department of local government finance shall, in the manner prescribed in section 16 of this chapter, review the budgets by fund, tax rates, and tax levies of the political subdivisions described in subsection (a)(2).

SECTION 154. IC 6-1.1-17-9, AS AMENDED BY P.L.224-2007, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The county board of tax adjustment ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ shall complete the duties assigned to it under this chapter on or before October 1st of each year, except that in a consolidated city and county and in a county containing a second class city, the duties of this board need not be completed until November 1 of each year.

(b) If the county board of tax adjustment ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ fails to complete the duties assigned to it within the time prescribed in this section or to reduce aggregate tax rates so that they do not exceed the maximum rates permitted under IC 6-1.1-18, the county auditor shall calculate and fix the tax rate within each political subdivision of the county so that the maximum rate permitted under IC 6-1.1-18 is not exceeded.

(c) When the county auditor calculates and fixes tax rates, the county auditor shall send a certificate notice of those rates to each political subdivision of the county. The county auditor shall send these notices within five (5) days after publication of the notice required by section 12 of this chapter.

(d) When the county auditor calculates and fixes tax rates, that action shall be treated as if it were the action 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).~~

SECTION 155. IC 6-1.1-17-10, AS AMENDED BY P.L.224-2007, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. When the aggregate tax rate within a political subdivision, as approved or modified by the county board of tax adjustment (before January 1, 2009), ~~or the county board of tax and capital projects review (after December 31, 2008),~~ exceeds the maximum aggregate tax rate prescribed in IC 6-1.1-18-3(a), the county auditor shall certify the budgets, tax rates, and tax levies of the political subdivisions whose tax rates compose the aggregate tax rate within the political subdivision, as approved or modified by the county board, to the department of local government finance for final review. For purposes of this section, the maximum aggregate tax rate limit exceptions provided in IC 6-1.1-18-3(b) do not apply.

SECTION 156. IC 6-1.1-17-11, AS AMENDED BY P.L.224-2007, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. A budget, tax rate, or tax levy of a political subdivision, as approved or modified by the county board of tax adjustment, ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),~~ is final unless:

(1) action is taken by the county auditor in the manner provided under section 9 of this chapter;

(2) the action of the county board is subject to review by the department of local government finance under section 8 or 10 of this chapter; or

(3) an appeal to the department of local government finance is initiated with respect to the budget, tax rate, or

tax levy.

SECTION 157. IC 6-1.1-17-12, AS AMENDED BY P.L.224-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. As soon as the budgets, tax rates, and tax levies are approved or modified by the county board of tax adjustment, ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008),~~ the county auditor shall within fifteen (15) days prepare a notice of the tax rates to be charged on each one hundred dollars ($100) of assessed valuation for the various funds in each taxing district. The notice shall also inform the taxpayers of the manner in which they may initiate an appeal of the county board's action. The county auditor shall post the notice at the county courthouse and publish it in two (2) newspapers which represent different political parties and which have a general circulation in the county.

SECTION 158. IC 6-1.1-17-14, AS AMENDED BY P.L.224-2007, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body **or** the county board of tax adjustment ~~(before January 1, 2009), or the county board of tax and capital projects review (after December 31, 2008)~~ reduces:

(1) a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance;

(2) a family and children's fund tax rate below the rate necessary to collect the levy recommended by the department of child services, **for property taxes first due and payable before January 1, 2009;** or

(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy recommended by the department of child services, **for property taxes first due and payable before January 1, 2009.**

SECTION 159. IC 6-1.1-17-15, AS AMENDED BY P.L.224-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. A political subdivision may appeal to the department of local government finance for an increase in its tax rate or tax levy as fixed by the county board of tax adjustment ~~(before January 1, 2009), the county board of tax and capital projects review (after December 31, 2008),~~ or the county auditor. To initiate the appeal, the political subdivision must file a statement with the department of local government finance not later than ten (10) days after publication of the notice required by section 12 of this chapter. The legislative body of the political subdivision must authorize the filing of the statement by adopting a resolution. The resolution must be attached to the statement of objections, and the statement must be signed by the following officers:

(1) In the case of counties, by the board of county commissioners and by the president of the county council.

(2) In the case of all other political subdivisions, by the highest executive officer and by the presiding officer of the legislative body.

SECTION 160. IC 6-1.1-17-16, AS AMENDED BY P.L.1-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget by fund, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter.

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

(c) Except as provided in subsections (j) and (k), before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget by fund, tax rate, or tax levy under this section, the department must hold a public hearing on the budget, tax rate, and tax levy. The department of local government finance shall hold the hearing in the county in which the political subdivision is located. The department of local government finance may consider the budgets by fund, tax rates, and tax levies of several political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the department of local government finance shall give notice of the time and place of the hearing and of the budgets by fund, levies, and tax rates to be considered at the hearing. The department of local government finance shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the department of local government finance shall publish the notice in that newspaper.

(d) Except as provided in subsection (i), ~~IC 20-45,~~ IC 20-46, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget by fund, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. However, if the department of local government finance determines that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the political subdivision, the maximum amount by which the department may increase the tax rate, tax levy, or budget is the amount originally fixed by the political subdivision, and not the amount that was incorrectly published or omitted in the notice described in IC 5-3-1-2.3(b). The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has two (2) weeks from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office. The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in

the view of the political subdivision, the department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.

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

(1) no bonds of the building corporation are outstanding; or

(2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

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

(1) the county auditor;

(2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;

(3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and

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

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

(1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.

(2) If the department:

(A) acts under an appeal initiated by one (1) or more taxpayers under section 13 of this chapter; or

(B) fails to act on the appeal before the department certifies its action under subsection (f);

a taxpayer who signed the statement filed to initiate the appeal.

(3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

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

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

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

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

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

(2) either:

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

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

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

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

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

SECTION 161. IC 6-1.1-17-17, AS AMENDED BY P.L.2-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. Subject to the limitations contained in ~~IC 6-1.1-19,~~ IC 6-1.1-18.5 ~~IC 20-45,~~ and IC 20-46, the department of local government finance may at any time increase the tax rate and tax levy of a political subdivision for the following reasons:

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

(2) To pay the interest or principal upon an outstanding obligation of the political subdivision.

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

(4) To pay lease rentals that have become an obligation of the political subdivision under IC 20-47-2 or IC 20-47-3.

SECTION 162. IC 6-1.1-17-19, AS AMENDED BY P.L.2-2006, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19. If there is a conflict between the provisions of this chapter and the provisions of ~~IC 6-1.1-19,~~ IC 6-1.1-18.5 ~~IC 20-45,~~ or IC 20-46, the provisions of ~~IC 6-1.1-19,~~ IC 6-1.1-18.5 ~~IC 20-45,~~ and IC 20-46 control with respect to the adoption of, review of, and limitations on budgets, tax rates, and tax levies.

SECTION 163. IC 6-1.1-17-20, AS AMENDED BY P.L.1-2006, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) This section applies:

(1) to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) if the **percentage increase in the** proposed ~~property tax levy.~~

~~(A)~~ **budget** for the taxing unit ~~(other than a public~~

~~library)~~ for the ensuing calendar year is more than ~~five percent (5%) greater than the property tax levy for the taxing unit for the current~~ **the result of:**

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

~~(B) for the operating budget of a public library for the ensuing calendar year is more than five percent (5%) greater than the property tax levy for the operating budget of the public library for the current calendar year.~~

(B) one (1).

(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:

(1) a school corporation; or

(2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) This subsection does not apply to a public library. 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 shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least fourteen (14) days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) ~~This subsection does not apply to a public library.~~ If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least fourteen (14) days before the county fiscal body is required to hold budget approval hearings under this chapter.

~~(e) This subsection applies to a public library. The library board of a public library subject to this section shall submit its proposed budget and property tax levy to the fiscal body designated under IC 36-12-14.~~

~~(f) Subject to subsection (g),~~ **(e)** The fiscal body of the city, town, or county (whichever applies) ~~or the fiscal body designated under IC 36-12-14 (in the case of a public library)~~ shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

~~(g) A fiscal body's review under subsection (f) is limited to the proposed operating budget of the public library and the proposed property tax levy for the library's operating budget.~~

SECTION 164. 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 net assessed valuation.

SECTION 165. IC 6-1.1-18-2, AS AMENDED BY P.L.224-2007, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. **(a) Before January 1, 2009,** the state may not impose a **combined ad valorem property** tax rate on tangible property ~~in excess of thirty-three hundredths of one cent ($0.0033) on each one hundred dollars ($100) of assessed valuation.~~ **that exceeds the sum of the ad valorem property tax rates permitted under IC 4-9.1-1-8, IC 14-23-3-3, and IC 15-1.5-7-3 (before July 1, 2008) and IC 15-13-8-3 (after June 30, 2008, and before January 1, 2009).** The state tax rate is not subject to review by county boards of tax adjustment ~~(before January 1, 2009), county boards of tax and capital projects review (after December 31, 2008),~~ or county auditors.

(b) Except as permitted under IC 4-9.1-1-8 to repay notes issued to meet casual deficits in state revenue, the state may not impose an ad valorem property tax rate on tangible property after December 31, 2008.

(c) This section does not apply to political subdivisions of the state.

SECTION 166. IC 6-1.1-18-3, AS AMENDED BY P.L.224-2007, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

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

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

(b) The proper officers of a political subdivision shall fix tax

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

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

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

(3) To pay the principal or interest upon:

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

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

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

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

(B) IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2; **or**

(C) IC 6-1.1-20-3.5 through IC 6-1.1-20-3.6.

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

(6) **This subdivision expires January 1, 2009.** To meet the requirements of the family and children's fund for child services (as defined in IC 12-19-7-1, **before its repeal).**

(7) **This subdivision expires January 1, 2009.** To meet the requirements of the county hospital care for the indigent fund.

(8) **This subdivision expires January 1, 2009.** To meet the requirements of the children's psychiatric residential treatment services fund for children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1, **before its repeal).**

(c) Except as otherwise provided in IC 6-1.1-19 **(before January 1, 2009),** IC 6-1.1-18.5, IC 20-45 **(before January 1, 2009),** or IC 20-46, a county board of tax adjustment, ~~(before January 1, 2009), a county board of tax and capital projects review (after December 31, 2008),~~ a county auditor, or the department of local government finance may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.

SECTION 167. IC 6-1.1-18-11, AS AMENDED BY P.L.2-2006, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. If there is a conflict between the provisions of this chapter and the provisions of ~~IC 6-1.1-19,~~ IC 6-1.1-18.5 ~~IC 20-45,~~ or IC 20-46, the provisions of ~~IC 6-1.1-19,~~ IC 6-1.1-18.5 ~~IC 20-45,~~ and IC 20-46 control with respect to the adoption of, review of, and limitations on budgets, tax rates, and tax levies.

SECTION 168. IC 6-1.1-18-12, AS AMENDED BY SEA 190-2008, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

(1) property tax rate or rates; or

(2) special benefits tax rate or rates;

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

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

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

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

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

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

(1) IC 8-10-5-17;
(2) IC 8-22-3-11;
(3) IC 8-22-3-25;
(4) IC 12-29-1-1;
(5) IC 12-29-1-2;
(6) IC 12-29-1-3;
(7) IC 12-29-3-6;
(8) IC 13-21-3-12;
(9) IC 13-21-3-15;
(10) IC 14-27-6-30;
(11) IC 14-33-7-3;
(12) IC 14-33-21-5;
(13) IC 15-14-7-4;
(14) IC 15-14-9-1;
(15) IC 15-14-9-2;
(16) IC 16-20-2-18;
(17) IC 16-20-4-27;
(18) IC 16-20-7-2;
(19) IC 16-22-14;
(20) IC 16-23-1-29;
(21) IC 16-23-3-6;
(22) IC 16-23-4-2;
(23) IC 16-23-5-6;
(24) IC 16-23-7-2;
(25) IC 16-23-8-2;
(26) IC 16-23-9-2;
(27) IC 16-41-15-5;
(28) IC 16-41-33-4;
(29) IC 20-46-2-3 **(before its repeal on January 1, 2009);**
(30) IC 20-46-6-5;
(31) IC 20-49-2-10;
(32) IC 36-1-19-1;
(33) IC 23-14-66-2;
(34) IC 23-14-67-3;
(35) IC 36-7-13-4;
(36) IC 36-7-14-28;

(37) IC 36-7-15.1-16;
(38) IC 36-8-19-8.5;
(39) IC 36-9-6.1-2;
(40) IC 36-9-17.5-4;
(41) IC 36-9-27-73;
(42) IC 36-9-29-31;
(43) IC 36-9-29.1-15;
(44) IC 36-10-6-2;
(45) IC 36-10-7-7;
(46) IC 36-10-7-8;
(47) IC 36-10-7.5-19;
(48) IC 36-10-13-5;
(49) IC 36-10-13-7;
(50) IC 36-10-14-4;
(51) IC 36-12-7-7;
(52) IC 36-12-7-8;
(53) IC 36-12-12-10; and
(54) any statute enacted after December 31, 2003, that:
(A) establishes a maximum rate for any part of the:
(i) property taxes; or
(ii) special benefits taxes;
imposed by a political subdivision; and
(B) does not exempt the maximum rate from the adjustment under this section.

(e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or 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 takes effect.

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

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.

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

SECTION 169. IC 6-1.1-18.5-3, AS AMENDED BY P.L.224-2007, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) ~~Except as otherwise provided in this chapter and IC 6-3.5-8-12,~~ A civil taxing unit that is treated as not being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, that was used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of subsection (b) for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient (rounded to the nearest ten-thousandth (0.0001)), of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year, divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

(b) Except as otherwise provided in this chapter, ~~and IC 6-3.5-8-12,~~ a civil taxing unit that is treated as being located in an adopting county under section 4 of this chapter may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Add the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year to the part of the civil taxing unit's certified share, if any, used to reduce the civil taxing unit's ad valorem property tax levy under STEP EIGHT of this

subsection for that preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount determined under subsection (c).

STEP SEVEN: Determine the greater of the amount determined under STEP FIVE or the amount determined under STEP SIX.

STEP EIGHT: Subtract the amount determined under STEP FIVE of subsection (e) from the amount determined under STEP SEVEN of this subsection.

(c) **The amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as applicable, equals the sum of the following:**

(1) If a civil taxing unit in the immediately preceding calendar year provided an area outside its boundaries with services on a contractual basis and in the ensuing calendar year that area has been annexed by the civil taxing unit, ~~the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals~~ the amount paid by the annexed area during the immediately preceding calendar year for services that the civil taxing unit must provide to that area during the ensuing calendar year as a result of the annexation.

(2) If the civil taxing unit has had an excessive levy appeal approved under section 13(a)(1) of this chapter for the ensuing calendar year, an amount determined by the civil taxing unit for the ensuing calendar year that does not exceed the amount of that excessive levy.

In all other cases, the amount to be entered under STEP SIX of subsection (a) or STEP SIX of subsection (b), as the case may be, equals zero (0).

(d) This subsection applies only to civil taxing units located in a county having a county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) of one percent (1%) as of January 1 of the ensuing calendar year. For each civil taxing unit, the amount to be added to the amount determined in subsection (e), STEP FOUR, is determined using the following formula:

STEP ONE: Multiply the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year by two percent (2%).

STEP TWO: For the determination year, the amount to be used as the STEP TWO amount is the amount determined in subsection (f) for the civil taxing unit. For each year following the determination year the STEP TWO amount is the lesser of:

(A) the amount determined in STEP ONE; or

(B) the amount determined in subsection (f) for the civil taxing unit.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the civil taxing unit's certified share for the ensuing calendar year minus the greater of:

(i) the civil taxing unit's certified share for the calendar year that immediately precedes the ensuing calendar year; or

(ii) the civil taxing unit's base year certified share.

STEP FOUR: Determine the greater of:

(A) zero (0); or

(B) the amount determined in STEP TWO minus the amount determined in STEP THREE.

Add the amount determined in STEP FOUR to the amount determined in subsection (e), STEP THREE, as provided in subsection (e), STEP FOUR.

(e) For each civil taxing unit, the amount to be subtracted under subsection (b), STEP EIGHT, is determined using the following formula:

STEP ONE: Determine the lesser of the civil taxing unit's base year certified share for the ensuing calendar year, as determined under section 5 of this chapter, or the civil taxing unit's certified share for the ensuing calendar year.

STEP TWO: Determine the greater of:

(A) zero (0); or

(B) the remainder of:

(i) the amount of federal revenue sharing money that was received by the civil taxing unit in 1985; minus

(ii) the amount of federal revenue sharing money that will be received by the civil taxing unit in the year preceding the ensuing calendar year.

STEP THREE: Determine the lesser of:

(A) the amount determined in STEP TWO; or

(B) the amount determined in subsection (f) for the civil taxing unit.

STEP FOUR: Add the amount determined in subsection (d), STEP FOUR, to the amount determined in STEP THREE.

STEP FIVE: Subtract the amount determined in STEP FOUR from the amount determined in STEP ONE.

(f) As used in this section, a taxing unit's "determination year" means the latest of:

(1) calendar year 1987, if the taxing unit is treated as being located in an adopting county for calendar year 1987 under section 4 of this chapter;

(2) the taxing unit's base year, as defined in section 5 of

this chapter, if the taxing unit is treated as not being located in an adopting county for calendar year 1987 under section 4 of this chapter; or

(3) the ensuing calendar year following the first year that the taxing unit is located in a county that has a county adjusted gross income tax rate of more than one-half percent (0.5%) on July 1 of that year.

The amount to be used in subsections (d) and (e) for a taxing unit depends upon the taxing unit's certified share for the ensuing calendar year, the taxing unit's determination year, and the county adjusted gross income tax rate for resident county taxpayers (as defined in IC 6-3.5-1.1-1) that is in effect in the taxing unit's county on July 1 of the year preceding the ensuing calendar year. For the determination year and the ensuing calendar years following the taxing unit's determination year, the amount is the taxing unit's certified share for the ensuing calendar year multiplied by the appropriate factor prescribed in the following table:

COUNTIES WITH A TAX RATE OF 1/2%

Year	Subsection (e) Factor
For the determination year and each ensuing calendar year following the determination year	0

COUNTIES WITH A TAX RATE OF 3/4%

Year	Subsection (e) Factor
For the determination year and each ensuing calendar year following the determination year	1/2

COUNTIES WITH A TAX RATE OF 1.0%

Year	Subsection (d) Factor	Subsection (e) Factor
For the determination year	1/6	1/3
For the ensuing calendar year following the determination year	1/4	1/3
For the ensuing calendar year following the determination year by two (2) years	1/3	1/3

(g) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a civil taxing unit that is located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30. Notwithstanding any provision in this section or any other section of this chapter and except as provided in subsection (h), the maximum permissible ad valorem property tax levy calculated under this section for the ensuing calendar year for a civil taxing unit subject to this section is equal to the civil taxing unit's maximum permissible ad valorem property tax levy for the current calendar year.

(h) This subsection applies only to property taxes first due and payable after December 31, 2007. In the case of a civil taxing unit that:

(1) is partially located in a county for which a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24 or a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30; and

(2) is partially located in a county that is not described in subdivision (1);

the department of local government finance shall, notwithstanding subsection (g), adjust the portion of the civil taxing unit's maximum permissible ad valorem property tax levy that is attributable (as determined by the department of local government finance) to the county or counties described in subdivision (2). The department of local government finance shall adjust this portion of the civil taxing unit's maximum permissible ad valorem property tax levy so that, notwithstanding subsection (g), this portion is allowed to increase as otherwise provided in this section. If the department of local government finance increases the civil taxing unit's maximum permissible ad valorem property tax levy under this subsection, any additional property taxes imposed by the civil taxing unit under the adjustment shall be paid only by the taxpayers in the county or counties described in subdivision (2).

SECTION 170. IC 6-1.1-18.5-7, AS AMENDED BY P.L.224-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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 (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.

SECTION 171. IC 6-1.1-18.5-8, AS AMENDED BY P.L.224-2007, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The ad valorem property tax levy 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:

(1) bonded indebtedness; or

(2) lease rentals under a lease with an original term of at least five (5) years.

(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.~~ **Except as provided by subsections (g) and (h),** 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) **(as in effect before July 1, 2008),** 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.

(g) This subsection applies only to bonds, leases, and other obligations for which a civil taxing unit:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds, leases, or other obligations payable from ad valorem property taxes but not described in subdivision (1), adopts a resolution or ordinance authorizing the bonds, lease rental agreement, or other obligations after June 30, 2008.

Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance is not required before a civil taxing unit may issue or enter into bonds, a lease, or any other obligation.

(h) This subsection applies after June 30, 2008. Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance is not required before a civil taxing unit may construct, alter, or repair a capital project.

SECTION 172. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed under ~~any of the following:~~

~~(1) IC 12-16, except IC 12-16-1,~~

~~(2) IC 12-19-5.~~

~~(3) IC 12-19-7.~~

~~(4) IC 12-19-7.5.~~

~~(5)~~ IC 12-20-24.

(b) For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this chapter, a county's or township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under the citations listed in subsection (a).

~~(c) Section 8(b) of this chapter does not apply to bonded indebtedness that will be repaid through property taxes imposed under IC 12-19.~~

(c) Notwithstanding subsections (a) and (b), the ad valorem property tax levy limits imposed by section 3 of this chapter apply to property taxes imposed under IC 12-20-24 after December 31, 2008, to pay principal and interest on any short term loans obtained under IC 12-20 after December 31, 2008.

SECTION 173. 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 174. IC 6-1.1-18.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) **Subject to subsection (d),** the ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit to be used to fund:

(1) community mental health centers under:

(A) IC 12-29-2-1.2, for only those civil taxing units that authorized financial assistance under IC 12-29-1 before 2002 for a community mental health center as long as the tax levy under this section does not exceed the levy authorized in 2002;

(B) IC 12-29-2-2 through IC 12-29-2-5; and

(C) IC 12-29-2-13; or

(2) community mental retardation and other developmental disabilities centers under IC 12-29-1-1;

to the extent that those property taxes are attributable to any increase in the assessed value of the civil taxing unit's taxable property caused by a general reassessment of real property that took effect after February 28, 1979.

(b) **Subject to subsection (d),** 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 particular calendar year does not include that part of the levy described in subsection (a).

(c) This subsection applies to property taxes first due and payable after December 31, 2008. Notwithstanding subsections (a) and (b) or any other law, any property taxes imposed by a civil taxing unit that are exempted by this section from the ad valorem property tax levy limits imposed by section 3 of this chapter may not increase annually by a percentage greater than the result of:

(1) the assessed value growth quotient determined under section 2 of this chapter; minus

(2) one (1).

(d) The exemptions under subsections (a) and (b) from the ad valorem property tax levy limits do not apply to a civil taxing unit that did not fund a community mental health center or community mental retardation and other developmental disabilities center in 2008.

SECTION 175. IC 6-1.1-18.5-10.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10.1. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a county, city, or town to supplemental juror fees adopted under IC 33-37-10-1, to the extent provided in ~~subsection~~ **subsections** (b) **and (c).**

(b) **Subject to subsection (c),** for purposes of determining the property tax levy limit imposed on a county, city, or town under section 3 of this chapter, the county, city, or town's ad valorem property tax levy for a calendar year does not include an amount equal to:

(1) the average annual expenditures for nonsupplemental juror fees under IC 33-37-10-1, using the five (5) most recent years for which expenditure amounts are available; multiplied by

(2) the percentage increase in juror fees that is attributable to supplemental juror fees under the most recent ordinance adopted under IC 33-37-10-1.

(c) For property taxes first due and payable after December 31, 2008, property taxes may be excluded under subsection (b) from the ad valorem property tax levy limits imposed by section 3 of this chapter only to the extent that:

(1) the county fiscal body adopts a resolution approving some or all of the property taxes that may be excluded by a city or town under subsection (b), in the case of property taxes imposed by a city or town; or

(2) the county fiscal body adopts a resolution:

(A) that approves some or all of the property taxes that may be excluded by the county under subsection (b); and

(B) that explains why the exclusion under subsection (b) is necessary and in the best interest of taxpayers;

in the case of property taxes imposed by the county.

In the case of a city or town located in more than one (1) county, the exclusion under subsection (b) must be approved by the fiscal body of the county in which the greatest part of the city's or town's net assessed valuation is located.

SECTION 176. IC 6-1.1-18.5-10.3, AS AMENDED BY P.L.231-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10.3. (a)

This subsection does not apply to property taxes first due and payable after December 31, 2008. The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a library board for a capital projects fund under IC 36-12-12. However, the maximum amount that is exempt from the levy limits under this section may not exceed the property taxes that would be raised in the ensuing calendar year with a property tax rate of one and thirty-three hundredths cents ($0.0133) per one hundred dollars ($100) of assessed valuation.

(b) **This subsection does not apply to property taxes first due and payable after December 31, 2008.** For purposes of computing the ad valorem property tax levy limit imposed on a library board under section 3 of this chapter, the library board's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 36-12-12 that is exempt from the ad valorem property tax levy limits under subsection (a).

SECTION 177. IC 6-1.1-18.5-10.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10.5. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit for fire protection services within a fire protection territory under IC 36-8-19, if the civil taxing unit is a participating unit in a fire protection territory established before August 1, 2001. For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter on a civil taxing unit that is a participating unit in a fire protection territory established before August 1, 2001, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 36-8-19.

(b) This subsection applies to a participating unit in a fire protection territory established under IC 36-8-19 after July 31, 2001. The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit for fire protection services within a fire protection territory under IC 36-8-19 for the three (3) calendar years in which the participating unit levies a tax to support the territory. For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter for the three (3) calendar years for which the participating unit levies a tax to support the territory, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 36-8-19.

(c) This subsection applies to property taxes first due and payable after December 31, 2008. Notwithstanding subsections (a) and (b) or any other law, any property taxes imposed by a civil taxing unit that are exempted by this section from the ad valorem property tax levy limits imposed by section 3 of this chapter may not increase annually by a percentage greater than the result of:

(1) the assessed value growth quotient determined under section 2 of this chapter; minus

(2) one (1).

SECTION 178. IC 6-1.1-18.5-11, AS AMENDED BY P.L.224-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) A local government tax control board is established. The board consists of nine (9) members, seven (7) of whom are voting members and two (2) of whom are nonvoting members.

(b) The seven (7) voting members shall be appointed as follows:

(1) One (1) member appointed by the state board of accounts.

(2) One (1) member appointed by the department of local government finance.

(3) Five (5) members appointed by the governor. Three (3) of the members appointed by the governor must be citizens of Indiana who do not hold a political or elective office in state or local government. The governor may seek the recommendation of representatives of the cities, towns, and counties before appointing the other two (2) members to the board.

(c) The two (2) nonvoting members of the board shall be appointed as follows:

(1) One (1) member of the house of representatives, appointed by the speaker of the house.

(2) One (1) member of the senate, appointed by the president pro tempore of the senate.

(d) All members of the local government tax control board shall serve at the will of the board or person that appointed them.

(e) The local government tax control board shall annually hold an organizational meeting. At this organizational meeting the board shall elect a chairman and a secretary from its membership. The board shall meet after each organizational meeting as often as its business requires.

(f) The department of local government finance shall provide the local government tax control board with rooms, staff, and secretarial assistance for its meetings.

(g) Members of the local government tax control board shall serve without compensation, except as provided in subsections (h) and (i).

(h) Each member of the local government tax control board who is not a state employee is entitled to receive both of the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(i) Each member of the local government tax control board who is a state employee is entitled to reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

~~(j) The local government tax control board is abolished December 31, 2008.~~

SECTION 179. IC 6-1.1-18.5-12, AS AMENDED BY HEA 1137-2008, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) Any civil taxing unit that determines that it cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter may:

(1) before September 20 of the calendar year immediately preceding the ensuing calendar year; or

(2) in the case of a request described in section 16 of this chapter, before December 31 of the calendar year immediately preceding the ensuing calendar year;

appeal to the department of local government finance for relief from those levy limitations. In the appeal the civil taxing unit must state that it will be unable to carry out the governmental functions committed to it by law unless it is given the authority that it is petitioning for. The civil taxing unit must support these allegations by reasonably detailed statements of fact.

(b) The department of local government finance shall promptly deliver to the local government tax control board ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ every appeal petition it receives under subsection (a) and any materials it receives relevant to those appeals. Upon receipt of an appeal petition, the local government tax control board ~~or the county board of tax and capital projects review~~ shall immediately proceed to the examination and consideration of the merits of the civil taxing unit's appeal.

(c) In considering an appeal, the local government tax control board ~~or the county board of tax and capital projects review~~ has the power to conduct hearings, require any officer or member of the appealing civil taxing unit to appear before it, or require any officer or member of the appealing civil taxing unit to provide the board with any relevant records or books.

(d) If an officer or member:

(1) fails to appear at a hearing of the local government tax control board ~~or the county board of tax and capital projects review~~ after having been given written notice from the local government tax control board ~~or the county board of tax and capital projects review~~ requiring that person's attendance; or

(2) fails to produce for the local government tax control board's ~~or the county board of tax and capital projects review's~~ use the books and records that the local government tax control board ~~or the county board of tax and capital projects review~~ by written notice required the officer or member to produce;

then the local government tax control board ~~or the county board of tax and capital projects review~~ may file an affidavit in the circuit court in the jurisdiction in which the officer or member may be found setting forth the facts of the failure.

(e) Upon the filing of an affidavit under subsection (d), the circuit court shall promptly issue a summons, and the sheriff of the county within which the circuit court is sitting shall serve the summons. The summons must command the officer or member to appear before the local government tax control board ~~or the county board of tax and capital projects review,~~ to provide information to the local government tax control board ~~or the county board of tax and capital projects review,~~ or to produce books and records for the local government tax control board's ~~or the county board of tax and capital projects review's~~ use, as the case may be. Disobedience of the summons constitutes, and is punishable as, a contempt of the circuit court that issued the summons.

(f) All expenses incident to the filing of an affidavit under subsection (d) and the issuance and service of a summons shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the officer or member was acting in good faith and with reasonable cause. If the circuit court finds that the officer or member was acting in good faith and with reasonable cause or if an affidavit is filed and no summons is issued, the expenses shall be charged against the county in which the affidavit was filed and shall be allowed by the proper fiscal officers of that county.

(g) The fiscal officer of a civil taxing unit that appeals under section 16 of this chapter for relief from levy limitations shall immediately file a copy of the appeal petition with the county auditor and the county treasurer of the county in which the unit is located.

SECTION 180. IC 6-1.1-18.5-13, AS AMENDED BY HEA 1137-2008, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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. **With respect to annexation, consolidation, or other extensions of governmental services in a calendar year, if those increased costs are incurred by the civil taxing unit in that calendar year and more than one (1) immediately succeeding calendar year, the unit may appeal under section 12 of this chapter for permission to increase its levy under this subdivision based on those increased costs in any of the following:**

(A) The first calendar year in which those costs are incurred.

(B) One (1) or more of the immediately succeeding four (4) calendar years.

(2) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, ~~2009.~~ **2008.** 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.~~ **2008.** 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.~~ **2008.** 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.~~ **2008.** 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.~~ **2008.** 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.~~ **2008.** 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.~~ **2008.** 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.~~ **2008.** 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.~~ **2008.** 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.~~ **2008.** 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 **due to a natural disaster, an accident, or another unanticipated emergency.**

SECTION 181. IC 6-1.1-18.5-13.6, AS AMENDED BY P.L.224-2007, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13.6. A levy increase may not be granted under this section for property taxes first due and payable after December 31, ~~2009.~~ **2008.** For an appeal filed under section 12 of this chapter, the local government tax control board may recommend that the department of local government finance give permission to a

county 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 county needs the increase to pay for:

(1) a new voting system; or

(2) the expansion or upgrade of an existing voting system; under IC 3-11-6.

SECTION 182. IC 6-1.1-18.5-14, AS AMENDED BY P.L.224-2007, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) 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 to the department of local government finance a correction of any advertising error, mathematical error, or error in data made at the local level for any calendar year that affects the determination of the limitations established by section 3 of this chapter or the tax rate or levy of a civil taxing unit. The department of local government finance may on its own initiative correct such an advertising error, mathematical error, or error in data for any civil taxing unit.

(b) A correction made under subsection (a) for a prior calendar year shall be applied to the civil taxing unit's levy limitations, rate, and levy for the ensuing calendar year to offset any cumulative effect that the error caused in the determination of the civil taxing unit's levy limitations, rate, or levy for the ensuing calendar year.

SECTION 183. IC 6-1.1-18.5-15, AS AMENDED BY P.L.224-2007, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) The department of local government finance, upon receiving a recommendation made under section 13 or 14 of this chapter, shall enter an order adopting, rejecting, or adopting in part and rejecting in part the recommendation of the local government tax control board. ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).~~

(b) A civil taxing unit may petition for judicial review of the final determination ~~of~~ **made by** the department of local government finance under subsection (a) The action must be taken to the tax court under IC 6-1.1-15 in the same manner that an action is taken to appeal a final determination of the Indiana board. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under subsection (a).

SECTION 184. IC 6-1.1-18.5-16, AS AMENDED BY P.L.224-2007, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A civil taxing unit may request permission from the local government tax control board ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if:

(1) the civil taxing unit experienced a property tax revenue shortfall that resulted from erroneous assessed valuation figures being provided to the civil taxing unit;

(2) the erroneous assessed valuation figures were used by the civil taxing unit in determining its total property tax rate; and

(3) the error in the assessed valuation figures was found after the civil taxing unit's property tax levy resulting from that total rate was finally approved by the department of local government finance.

(b) A civil taxing unit may request permission from the local government tax control board ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if the civil taxing unit experienced a property tax revenue shortfall because of the payment of refunds that resulted from appeals under this article and IC 6-1.5.

(c) If the local government tax control board ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ determines that a shortfall described in subsection (a) or (b) has occurred, it shall recommend to the department of local government finance that the civil taxing unit be allowed to impose a property tax levy exceeding the limit imposed by section 3 of this chapter, and the department may adopt such recommendation. However, the maximum amount by which the civil taxing unit's levy may be increased over the limits imposed by section 3 of this chapter equals the remainder of the civil taxing unit's property tax levy for the particular calendar year as finally approved by the department of local government finance minus the actual property tax levy collected by the civil taxing unit for that particular calendar year.

(d) Any property taxes collected by a civil taxing unit over the limits imposed by section 3 of this chapter under the authority of this section may not be treated as a part of the civil taxing unit's maximum permissible ad valorem property tax levy for purposes of determining its maximum permissible ad valorem property tax levy for future years.

(e) If the department of local government finance authorizes an excess tax levy under this section, it shall take appropriate steps to insure that the proceeds are first used to repay any loan made to the civil taxing unit for the purpose of meeting its current expenses.

SECTION 185. IC 6-1.1-19-1, AS AMENDED BY P.L.2-2006, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. The following definitions apply throughout this chapter:

(1) "Appeal" refers to an appeal taken to the department of local government finance by or in respect of a school corporation under any of the following:

(A) IC 6-1.1-17.

~~(B) This chapter.~~

~~(C) IC 20-45.~~

~~(D) IC 20-46.~~

(B) IC 20-43.

(2) "Tax control board" means the school property tax control board established by section 4.1 of this chapter.

SECTION 186. IC 6-1.1-19-3, AS AMENDED BY P.L.2-2006, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a)

When an appeal is taken to the department of local government finance, the department may exercise the powers described in IC 6-1.1-17 to revise, change, or increase the budget, tax levy, or tax rate of the appellant school corporation. ~~subject to this chapter, IC 20-45, and IC 20-46.~~

(b) The department of local government finance may not exercise any of the powers described in subsection (a) until it receives, regarding the appellant school corporation's budget, tax levy, or tax rate, the recommendation of the tax control board.

SECTION 187. IC 6-1.1-20-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. For purposes of this chapter, the term "bonds" means any bonds or other evidences of indebtedness payable from property taxes, ~~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 188. IC 6-1.1-20-1.1, AS AMENDED BY P.L.2-2006, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.1. As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

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

(A) debt service; or

(B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or **(before January 1, 2009)** 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 **the lesser of the following:**

(A) Two million dollars ($2,000,000).

(B) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that amount is at least one million dollars ($1,000,000).

(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.

(6) A project that:

(A) is in response to:

(i) a natural disaster;

(ii) an accident; or

(iii) an emergency;

in the political subdivision that makes a building or facility unavailable for its intended use; and

(B) is approved by the county council of each county in which the political subdivision is located.

(7) A project that was not a controlled project under this section as in effect on June 30, 2008, and for which:

(A) the bonds or lease for the project were issued or entered into before July 1, 2008; or

(B) the issuance of the bonds or the execution of the lease for the project was approved by the department of local government finance before July 1, 2008.

SECTION 189. IC 6-1.1-20-1.3, AS AMENDED BY P.L.2-2006, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 **(before January 1, 2009)** IC 20-45-3.

SECTION 190. IC 6-1.1-20-1.9, AS ADDED BY P.L.219-2007, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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)~~ **3.1(b)(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)~~ **3.2(b)(1)** of this chapter.

(3) In the case of a public question held under section 3.6 of this chapter, an individual who is registered to vote in the political subdivision on the date that is thirty (30) days before the date of the election in which the public question will be held.

SECTION 191. IC 6-1.1-20-3.1, AS AMENDED BY P.L.219-2007, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3.1. **(a) This section applies only to the following:**

(1) A controlled project (as defined in section 1.1 of this chapter as in effect June 30, 2008) for which the proper

officers of a political subdivision make a preliminary determination in the manner described in subsection (b) before July 1, 2008.

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

(A) is a controlled project;

(B) will be used for any combination of kindergarten through grade 8;

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

(D) will not cost more than ten million dollars ($10,000,000).

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

(A) is a controlled project;

(B) will be used for any combination of grade 9 through grade 12;

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

(D) will not cost more than twenty million dollars ($20,000,000).

(4) Any other controlled project that:

(A) is not a controlled project described in subdivision (1), (2), or (3); and

(B) will not cost the political subdivision more than the lesser of the following:

(i) Twelve million dollars ($12,000,000).

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that amount is at least one million dollars ($1,000,000).

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

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

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

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

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

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease **for a controlled project,** the officers shall give notice of the preliminary determination by:

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

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

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

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

(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 **before January 1, 2009)** for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).

(H) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

(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 192. IC 6-1.1-20-3.2, AS AMENDED HEA1137-2008, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3.2. **(a) This section applies only to controlled projects described in section 3.1(a) of this chapter.**

(b) If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service **on bonds** or lease rentals **on a lease for a controlled project** 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)~~ **3.1(b)(1)(B)** of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision 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 voter registration office under subdivision (4).

(3) 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 and remonstrance forms to be used solely in the petition and remonstrance 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 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 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 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 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 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.

(7) The county 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 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 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.

(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 voter registration office's certificate under subdivision (7). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(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.

SECTION 193. IC 6-1.1-20-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:**

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

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

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

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

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

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

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

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

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

(C) Any other controlled project that:

(i) is not a controlled project described in clause (A) or (B); and

(ii) will cost the political subdivision more than the lesser of twelve million dollars ($12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least one million dollars ($1,000,000)).

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

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

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

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

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.

(2) If 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).

(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 the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.

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

(i) a new school facility; or

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

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

(G) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

(4) After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter 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. However, after the county voter registration office has determined that at least one hundred twenty-five (125) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least one hundred twenty-five (125) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall 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, not more than ten (10) business days after determining that at least one hundred twenty-five (125) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8) (as applicable), shall make the final determination of whether a sufficient number of persons have signed the petition. 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 referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the political 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 the referendum process. The certificate must state the number of petitioners who are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(11) If a sufficient petition requesting the local public question 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.

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

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

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

SECTION 194. IC 6-1.1-20-3.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 3.6. (a) This section applies only to a controlled project described in section 3.5(a) of this chapter.**

(b) If a sufficient petition requesting the application of the local public question process has been filed as set forth in

section 3.5 of this chapter, a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project unless the political subdivision's proposed debt service or lease rental is approved in an election on a local public question held under this section.

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

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

(d) The county auditor shall certify the public question described in subsection (c) under IC 3-10-9-3 to the county election board of each county in which the political subdivision is located. After the public question is certified, the public question shall be placed on the ballot at the next primary election, general election, or municipal election in which all voters of the political subdivision are entitled to vote. However, if a primary election, general election, or municipal election will not be held in the six (6) month period after the county auditor certifies the public question, the public question shall be placed on the ballot at a special election to be held:

(1) not earlier than ninety (90) days; and

(2) not later than one hundred twenty (120) days;

after the public question is certified if the fiscal body of the political subdivision that wishes to issue the bonds or enter into the lease requests the public question to be voted on in a special election. However, in a year in which a general election or municipal election is held, the public question may be placed on the ballot at a special election only if the fiscal body of the political subdivision that requests the special election agrees to pay the costs of holding the special election. In a year in which a general election is not held and a municipal election is not held, the fiscal body of the political subdivision that requests the special election is not required to pay the costs of holding the special election. The county election board shall give notice under IC 5-3-1 of a special election conducted under this subsection. A special election conducted under this subsection is under the direction of the county election board. The county election board shall take all steps necessary to carry out the special election.

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

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

(2) The department of local government finance.

(f) Subject to the requirements of IC 6-1.1-18.5-8, the political subdivision may issue the proposed bonds or enter into the proposed lease rental if a majority of the voters voting on the public question vote in favor of the public question.

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

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

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

(h) IC 3, to the extent not inconsistent with this section, applies to an election held under this section.

(i) A political subdivision may not artificially divide a capital project into multiple capital projects in order to avoid the requirements of this section and section 3.5 of this chapter.

SECTION 195. IC 6-1.1-20-5, AS AMENDED BY P.L.224-2007, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) When the proper officers of a political subdivision decide to issue bonds **or enter into leases** 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 under IC 6-1.1-29.5.~~ **or lease rental agreements for which a political subdivision:**

(1) after June 30, 2008, makes:

(A) a preliminary determination as described in section 3.1 or 3.5 of this chapter; or

(B) a decision as described in subsection (a); or

(2) in the case of bonds or lease rental agreements not subject to section 3.1 or 3.5 of this chapter and not subject to subsection (a), adopts a resolution or ordinance authorizing the bonds or lease rental agreement after June 30, 2008.

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 196. IC 6-1.1-20-7, AS AMENDED BY P.L.224-2007, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 under IC 6-1.1-29.5.~~ **for which a political subdivision:**

(1) after June 30, 2008, makes a preliminary determination as described in section 3.1 or 3.5 of this chapter or a decision as described in section 5 of this chapter; or

(2) in the case of bonds, notes, or warrants not subject to section 3.1, 3.5, or 5 of this chapter, adopts a resolution or ordinance authorizing the bonds, notes, or warrants after June 30, 2008.

(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 197. IC 6-1.1-20-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7.5. This section applies only to bonds, leases, and other debt for which a political subdivision:**

(1) after June 30, 2008, makes a preliminary determination as described in section 3.1 or 3.5 of this chapter or a decision as described in section 5 of this chapter; or

(2) in the case of bonds, leases, or other obligations not subject to section 3.1, 3.5, or 5 of this chapter, adopts a resolution or ordinance authorizing the bonds, lease rental agreement, or other obligations after June 30, 2008.

Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance are not required before a political subdivision may issue or enter into bonds, a lease, or any other obligations payable from ad valorem property taxes.

SECTION 198. IC 6-1.1-20-9, AS AMENDED BY P.L.224-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) When the proper officers of a political subdivision decide to issue bonds payable from property taxes to finance a public improvement **or enter into a lease rental agreement 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 **or enter into the lease rental agreement.** 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:

(A) for review of or a remonstrance against the proposed issue **or lease, in the case of a proposed issue or lease that is subject to section 3.1 of this chapter; or**

(B) to initiate the local public question process, in the case of a proposed issue or lease that is subject to section 3.5 of this chapter; or

(2) the time period during which a petition for review of the proposed issue **or lease** is pending before the department of local government finance ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008).~~ **(in the case of bonds or a lease for which a petition for review may be filed with the department of local government finance).**

(b) This subsection ~~applies before January 1, 2009.~~ **does not apply to bonds or lease rental agreements for which a political subdivision:**

(1) after June 30, 2008, makes:

(A) a preliminary determination as described in section 3.1 or 3.5 of this chapter; or

(B) a decision as described in section 5 of this chapter; or

(2) in the case of bonds or lease rental agreements not subject to section 3.1 or 3.5 of this chapter and not subject to section 5 of this chapter, adopts a resolution or ordinance authorizing the bonds or lease rental agreement after June 30, 2008.

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, 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 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.~~

SECTION 199. IC 6-1.1-20-10, AS AMENDED BY P.L.162-2006, SECTION 5, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) This section applies to a political subdivision that adopts an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease. During the period commencing with the adoption of the ordinance or resolution and, if a petition and remonstrance process is commenced under section 3.2 of this chapter, continuing through the sixty (60) day period commencing with the notice under section ~~3.2(1)~~ **3.2(b)(1)** of this chapter, the political subdivision seeking to issue bonds or enter into a lease for the proposed controlled project may not promote a position on the petition or remonstrance by doing any of the following:

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

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

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

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

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

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

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

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

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

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

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

(1) commits a Class A infraction; and

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

SECTION 200. IC 6-1.1-20-10.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 10.1. (a) This section applies only to a political subdivision that, after June 30, 2008, adopts an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease subject to sections 3.5 and 3.6 of this chapter.**

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

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

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

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

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

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

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

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

(c) The staff and employees of a school corporation may

not personally identify a student as the child of a parent or guardian who supports or opposes a controlled project subject to a local public question held under section 3.6 of this chapter.

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

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

(1) commits a Class A infraction; and

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

SECTION 201. IC 6-1.1-20.3-1, AS ADDED BY P.L.224-2007, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, ~~"circuit breaker~~ "board" refers to the ~~circuit breaker relief~~ **distressed unit** appeal board established by section 4 of this chapter.

SECTION 202. IC 6-1.1-20.3-2, AS ADDED BY P.L.224-2007, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "distressed political subdivision" means a political subdivision that ~~will~~ **expects to** have the political subdivision's property tax collections reduced by at least ~~two~~ **five** percent ~~(2%)~~ **(5%)** in a calendar year as a result of the application of the credit under IC 6-1.1-20.6 for that calendar year.

SECTION 203. IC 6-1.1-20.3-4, AS ADDED BY P.L.224-2007, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The ~~circuit breaker relief~~ **distressed unit** appeal board is established.

(b) The ~~circuit breaker relief~~ **distressed unit** appeal board consists of the following members:

(1) The director of the office of management and budget or the director's designee. The director or the director's designee shall serve as chairperson of the ~~circuit breaker relief~~ **distressed unit** appeal board.

(2) The commissioner of the department of local government finance or the commissioner's designee.

(3) The commissioner of the department of state revenue or the commissioner's designee.

(4) The state examiner of the state board of accounts or the state examiner's designee.

(5) The following members appointed by the governor:

(A) One (1) member appointed from nominees submitted by the Indiana Association of **C**ities and Towns.

(B) One (1) member appointed from nominees submitted by the Association of Indiana **C**ounties.

(C) One (1) member appointed from nominees submitted by the Indiana Association of **S**chool Superintendents.

A member nominated and appointed under this subdivision must be an elected official of a political subdivision.

(6) One (1) member appointed by the governor (in addition to members appointed under subdivision (5)).

(7) One (1) member appointed by the speaker of the house of representatives. A member appointed under this subdivision serves a term of four (4) years.

(c) The members appointed under subsection (b)(5) **and subsection (b)(6)** serve at the pleasure of the governor.

(d) Each member of the commission is entitled to reimbursement for:

(1) traveling expenses as provided under IC 4-13-1-4; and

(2) 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.

SECTION 204. IC 6-1.1-20.3-5, AS ADDED BY P.L.224-2007, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The department of local government finance shall provide the ~~circuit breaker~~ board with the staff and assistance that the ~~circuit breaker~~ board reasonably requires.

(b) The department of local government finance shall provide from the department's budget funding to support the ~~circuit breaker~~ board's duties under this chapter.

(c) The ~~circuit breaker~~ board may contract with accountants, financial experts, and other advisors and consultants as necessary to carry out the ~~circuit breaker~~ board's duties under this chapter.

SECTION 205. IC 6-1.1-20.3-6, AS ADDED BY P.L.224-2007, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) For property taxes first due and payable in 2008 and thereafter, the fiscal body of a ~~county containing a~~ distressed political subdivision ~~(or the fiscal bodies of two (2) or more distressed political subdivisions acting jointly)~~ may petition the ~~circuit breaker~~ board for relief as authorized under this chapter from the application of the credit under IC 6-1.1-20.6 for a calendar year.

(b) A petition under subsection (a) must include a proposed financial plan for **the distressed** political ~~subdivisions in the county.~~ **subdivision.** The proposed financial plan must include the following:

(1) Proposed budgets that would enable the distressed political ~~subdivisions in the county~~ **subdivision** to cease being **a** distressed political ~~subdivisions.~~ **subdivision.**

(2) Proposed efficiencies, consolidations, cost reductions, uses of alternative or additional revenues, or other actions that would enable the distressed political ~~subdivisions in the county~~ **subdivision** to cease being **a** distressed political ~~subdivisions.~~ **subdivision.**

(3) Proposed increases, if any, in the percentage thresholds (specified as a percentage of gross assessed value) at which the credit under IC 6-1.1-20.6 will

apply, including any varying percentages for different classes of property.

(4) Proposed reductions, if any, to the credits under IC 6-1.1-20.6 (by percentages), including any varying percentage reductions for different classes of property.

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

SECTION 206. IC 6-1.1-20.3-7, AS ADDED BY P.L.224-2007, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) If the fiscal body of a ~~county (or the fiscal bodies of two (2) or more~~ distressed political ~~subdivisions acting jointly)~~ **subdivision** submits a petition under section 6 of this chapter, the ~~circuit breaker~~ board shall review the petition and assist in establishing a financial plan for **the distressed** political ~~subdivisions in the county.~~ **subdivision.**

(b) In reviewing a petition submitted under section 6 of this chapter, the ~~circuit breaker~~ board:

(1) shall consider:

(A) the proposed financial plan;

(B) comparisons to similarly situated political subdivisions;

(C) the existing revenue and expenditures of political subdivisions in the county; and

(D) any other factor considered relevant by the ~~circuit breaker~~ board; ~~and~~

(2) may establish subcommittees or temporarily appoint nonvoting members to the ~~circuit breaker~~ board to assist in the review.

SECTION 207. IC 6-1.1-20.3-8, AS ADDED BY P.L.224-2007, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The ~~circuit breaker~~ board may authorize relief as provided in subsection (b) from the application of the credit under IC 6-1.1-20.6 for a calendar year if the governing body of each political subdivision in the county **that is affected by the financial plan** has adopted a resolution agreeing to the terms of the financial plan.

(b) If the conditions of subsection (a) are satisfied, the ~~circuit breaker~~ board may, notwithstanding IC 6-1.1-20.6, do ~~either~~ **any** of the following:

(1) Increase ~~uniformly in the county~~ the percentage ~~threshold~~ **thresholds** (specified as a percentage of gross assessed value) at which the credit under IC 6-1.1-20.6 applies to a person's property tax liability **in the political subdivision.**

(2) Provide for ~~a uniform~~ percentage ~~reduction~~ **reductions** to credits otherwise provided under IC 6-1.1-20.6 in the ~~county.~~ **political subdivision.**

(3) Provide that some or all of the property taxes that:

(A) are being imposed to pay bonds, leases, or other debt obligations; and

(B) would otherwise be included in the calculation of the credit under IC 6-1.1-20.6 in the political subdivision;

shall not be included for purposes of calculating a person's credit under IC 6-1.1-20.6.

(c) If the ~~circuit breaker~~ board provides relief described in subsection (b), ~~in a county,~~ the ~~circuit breaker~~ board shall conduct audits and reviews as necessary to determine whether the **affected** political ~~subdivisions in the county are~~ **subdivision is** abiding by the terms of the financial plan agreed to under subsection (a).

SECTION 208. IC 6-1.1-20.3-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. The board shall keep a record of its proceedings and its orders.**

SECTION 209. IC 6-1.1-20.3-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10. A distressed political subdivision may petition the tax court for judicial review of a final determination of the board. The action must be taken to the tax court under IC 6-1.1-15 in the same manner that an action is taken to appeal a final determination of the Indiana board of tax review. The petition must be filed in the tax court not more than forty-five (45) days after the board enters its final determination.**

SECTION 210. IC 6-1.1-20.3-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11. The tax court shall adopt rules and procedures under which proceedings are heard and decided.**

SECTION 211. IC 6-1.1-20.3-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS: **Sec. 12. (a) The burden of demonstrating the invalidity of an action taken by the board is on the party to the judicial review proceeding asserting the invalidity.**

(b) The validity of an action taken by the distressed unit appeal board shall be determined in accordance with the standards of review provided in this section as applied to the agency action at the time it was taken.

(c) The tax court shall make findings of fact on each material issue on which the court's decision is based.

(d) The tax court shall grant relief under IC 33-26-6-7 only if the tax court determines that a person seeking judicial relief has been prejudiced by an action of the board that is:

(1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

(2) contrary to constitutional right, power, privilege, or immunity;

(3) in excess of statutory jurisdiction, authority, or limitations, or short of statutory jurisdiction, authority, or limitations;

(4) without observance of procedure required by law; or

(5) unsupported by substantial or reliable evidence.

SECTION 212. IC 6-1.1-20.4-4, AS ADDED BY P.L.246-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) A

political subdivision may adopt an ordinance or resolution each year to provide for the use of revenue for the purpose of providing a homestead credit the following year to homesteads. An ordinance must be adopted under this section before December 31 for credits to be provided in the following year. The ordinance applies only to the immediately following year.

(b) A homestead credit under this chapter is to be applied to the net property tax liability due on the homestead.

~~(c) A homestead credit under this chapter does not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.~~

SECTION 213. IC 6-1.1-20.6-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 0.5. As used in this chapter, "agricultural land" refers to land assessed as agricultural land under the real property assessment rules and guidelines of the department of local government finance.**

SECTION 214. IC 6-1.1-20.6-1.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 1.6. As used in this chapter, "gross assessed value" refers to the assessed value of property after the application of all exemptions under IC 6-1.1-10 or any other provision.**

SECTION 215. 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. **(a)** 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.**

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

SECTION 216. IC 6-1.1-20.6-2.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.3. 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 eight (8) individuals who:

(i) have a mental illness or developmental disability;

(ii) require regular but limited supervision; and

(iii) reside independently of their families.

SECTION 217. IC 6-1.1-20.6-2.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.4. As used in this chapter:**

(1) "manufactured home" has the meaning set forth in IC 22-12-1-16; and

(2) "mobile home" has the meaning set forth in IC 16-41-27-4.

SECTION 218. 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. (a) As used in this chapter, "nonresidential real property" refers to either of the following:**

(1) Real property that:

(A) is not:

(i) a homestead; or

(ii) residential property; and

(B) consists of:

(i) a building or other land improvement; and

(ii) the land, not exceeding the area of the building footprint or improvement footprint, on which the building or improvement is located.

(2) Undeveloped land in the amount of the remainder of:

(A) the area of a parcel; minus

(B) the area of the parcel that is part of:

(i) a homestead; or

(ii) residential property.

(b) The term does not include agricultural land.

SECTION 219. IC 6-1.1-20.6-3, AS ADDED BY P.L.246-2005, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "property tax liability" means, **for purposes of:**

(1) this chapter, other than section 8.5 of this chapter, liability for the tax imposed on property under this article determined after application of all credits and deductions under this article **or IC 6-3.5,** except the credit under this chapter, but does not include any interest or penalty imposed under this article; **and**

(2) section 8.5 of this chapter, liability for the tax imposed on property under this article determined after application of all credits and deductions under this article or IC 6-3.5, including the credit granted by section 7 or 7.5 of this chapter, but not including the credit granted under section 8.5 of this chapter or any interest or penalty imposed under this article.

SECTION 220. IC 6-1.1-20.6-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **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, recorded in the county recorder's office, that provides that the individual is to pay the property

taxes on the residence; or

(C) has a beneficial interest in the owner of the homestead;

is or will be at least sixty-five (65) years of age on or before December 31 of the calendar year immediately preceding the calendar year in which property taxes are first due and payable.

(2) The:

(A) adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual claiming the credit for a homestead; or

(B) combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual and the individual's spouse;

does not exceed the amount determined under section 8.5 of this chapter for the calendar year preceding the calendar year in which property taxes are first due and payable by two (2).

(3) The gross assessed value of the homestead on the assessment date for which property taxes are imposed is less than one hundred sixty thousand dollars ($160,000).

SECTION 221. 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.~~

real property that consists of any of the following:

(1) A single family dwelling that is not part of a homestead and the land, not exceeding one (1) acre, on which the dwelling is located.

(2) Real property that consists of:

(A) a building that includes two (2) or more dwelling units;

(B) any common areas shared by the dwelling units; and

(C) the land, not exceeding the area of the building footprint, on which the building is located.

(3) Land rented or leased for the placement of a manufactured home or mobile home.

SECTION 222. IC 6-1.1-20.6-7, AS AMENDED BY P.L.224-2007, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 7. (a) **This subsection expires January 1, 2009.** In the case of a credit authorized under section 6 of this chapter or provided by section 6.5(a) or 6.5(b) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to

(A) the person's qualified residential property located in the county, in the case of a calendar year before 2008; or

(B) the person's homestead. (as defined in IC 6-1.1-20.9-1) property located in the county, in the case of a calendar year after 2007 and before ~~2010,~~ **2009;** and

(2) the amount of the credit is the amount by which the person's property tax liability attributable to

(A) the person's qualified residential property, in the case of a calendar year before 2008; or

(B) the person's homestead property, in the case of a calendar year after 2007 and before ~~2010,~~ **2009;**

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 qualified residential property (in the case of a calendar year before 2008) or the person's homestead property (in the case of a calendar year after 2007 and before ~~2010)~~ **2009)** for property taxes first due and payable in that calendar year, as adjusted under subsection ~~(c).~~ **(b).**

~~(b) In the case of a credit provided by section 6.5(c) of this chapter for property taxes first due and payable in a calendar year:~~

~~(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's real property and personal property located in the county; and~~

~~(2) the amount of the credit is equal to the following:~~

~~(A) In the case of property tax liability attributable to the person's homestead property, the amount of the credit 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 that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the homestead property for property taxes first due and payable in that calendar year, as adjusted under subsection (c).~~

~~(B) In the case of property tax liability attributable to property other than homestead property, the amount of the credit is the amount by which the person's property tax liability attributable to the person's real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year exceeds three percent (3%) of the gross assessed value that is the basis for determination of property taxes on the real property (other than homestead property) and personal property for property taxes first due and payable in that calendar year, as adjusted under subsection (c).~~

~~(c)~~ **(b) This subsection expires January 1, 2009.** This

subsection applies to property taxes first due and payable ~~after December 31, 2007,~~ **in 2008.** The amount of a credit to which a person is entitled under subsection (a) ~~or (b)~~ in a county shall be ~~adjusted as~~ determined ~~in STEP FIVE of the following STEPS:~~

~~STEP ONE: Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (as applicable) that is for tuition support levy property taxes.~~

~~STEP TWO: Determine the total amount of the person's property tax liability described in subsection (a)(1) or (b)(1) (as applicable).~~

~~STEP THREE: Determine the result of:~~

~~(A) the STEP TWO amount, minus~~

~~(B) the STEP ONE amount.~~

~~STEP FOUR: Determine the result of:~~

~~(A) the STEP THREE amount, divided by~~

~~(B) the STEP TWO amount.~~

~~STEP FIVE: Multiply the credit to which the person is entitled under subsection (a) or (b) by the STEP FOUR amount.~~ **without including a taxpayer's property tax liability for tuition support.**

Notwithstanding any other provision of this chapter, a school corporation's tuition support property tax levy collections may not be reduced because of a credit under this chapter.

(c) This subsection applies to property taxes first due and payable in 2009. A person is entitled to a credit against the person's property tax liability for property taxes first due and payable in 2009. The amount of the credit is the amount by which the person's property tax liability attributable to the person's:

(1) homestead exceeds one and five-tenths percent (1.5%);

(2) residential property exceeds two and five-tenths percent (2.5%);

(3) long term care property exceeds two and five-tenths percent (2.5%);

(4) agricultural land exceeds two and five-tenths percent (2.5%);

(5) nonresidential real property exceeds three and five-tenths percent (3.5%); or

(6) personal property exceeds three and five-tenths percent (3.5%);

of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.

(d) This subsection applies to property taxes first due and payable in 2009. Property taxes imposed after being approved by the voters in a referendum or local public question shall not be considered for purposes of calculating a person's credit under this section.

(e) This subsection applies to property taxes first due and payable in 2009. As used in this subsection, "eligible county" means only a county for which the general assembly determines in 2008 that limits to property tax liability under this chapter are expected to reduce in 2010 the aggregate property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%). Property taxes imposed in an eligible county to pay debt service or make lease payments for bonds or leases issued or entered into before July 1, 2008, shall not be considered for purposes of calculating a person's credit under this section.

SECTION 223. IC 6-1.1-20.6-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 7.5. (a) A person is entitled to a credit against the person's property tax liability for property taxes first due and payable after 2009. The amount of the credit is the amount by which the person's property tax liability attributable to the person's:**

(1) homestead exceeds one percent (1%);

(2) residential property exceeds two percent (2%);

(3) long term care property exceeds two percent (2%);

(4) agricultural land exceeds two percent (2%);

(5) nonresidential real property exceeds three percent (3%); or

(6) personal property exceeds three percent (3%);

of the gross assessed value of the property that is the basis for determination of property taxes for that calendar year.

(b) This subsection applies to property taxes first due and payable after 2009. Property taxes imposed after being approved by the voters in a referendum or local public question shall not be considered for purposes of calculating a person's credit under this section.

(c) This subsection applies to property taxes first due and payable after 2009. As used in this subsection, "eligible county" means only a county for which the general assembly determines in 2008 that limits to property tax liability under this chapter are expected to reduce in 2010 the aggregate property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%). Property taxes imposed in an eligible county to pay debt service or make lease payments for bonds or leases issued or entered into before July 1, 2008, shall not be considered for purposes of calculating a person's credit under this section.

SECTION 224. IC 6-1.1-20.6-8, AS AMENDED BY P.L.162-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. **Except as provided in section 8.5 of this chapter,** a person is not required to file an application for the credit under this chapter. The county auditor shall:

(1) identify the property in the county eligible for the credit under this chapter; and

(2) apply the credit under this chapter to property tax liability on the identified property.

SECTION 225. IC 6-1.1-20.6-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. (a) This section applies to property taxes first due and payable for a calendar year after December 31, 2008. This section applies to an individual who:**

(1) qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year (or was married at the time of death to a deceased spouse who qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year); and

(2) qualifies for a standard deduction granted under IC 6-1.1-12-37 for the same homestead property in the current calendar year.

(b) An individual is entitled to an additional credit under this section for property taxes first due and payable for a calendar year on a homestead if the homestead qualifies as qualified homestead property for the calendar year and the filing requirements under subsection (e) are met.

(c) The amount of the credit is equal to the greater of zero (0) or the result of:

(1) the property tax liability first due and payable on the qualified homestead property for the calendar year; minus

(2) the result of:

(A) the property tax liability first due and payable on the qualified homestead property for the immediately preceding year; multiplied by

(B) one and two hundredths (1.02).

However, property tax liability imposed on any improvements to or expansion of the homestead property after the assessment date for which property tax liability described in subdivision (2) was imposed shall not be considered in determining the credit granted under this section in the current calendar year.

(d) The following adjusted gross income limits apply to an individual who claims a credit under this section:

(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 thousand dollars ($30,000).

(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 forty thousand dollars ($40,000).

(e) Applications for a credit under this section shall be filed in the manner provided for an application for a deduction under IC 6-1.1-12-9. However, an individual who remains eligible for the credit in the following year is not required to file a statement to apply for the credit in the following year. An individual who receives a credit under this section in a particular year and who becomes ineligible for the credit in the following year shall notify the auditor of the county in which the homestead is located of the individual's ineligibility before June 11 of the year in which the individual becomes ineligible.

(f) The auditor of each county shall, in a particular year, apply a credit provided under this section to each individual who received the credit in the preceding year unless the auditor determines that the individual is no longer eligible for the credit.

SECTION 226. IC 6-1.1-20.6-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 10. (a) As used in this section, "debt service obligations of a political subdivision" refers to:**

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

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

of a political subdivision payable from ad valorem property taxes.

(b) Political subdivisions are required by law to fully fund the payment of their debt obligations in an amount sufficient to pay any debt service or lease rentals on outstanding obligations, regardless of any reduction in property tax collections due to the application of tax credits granted under this chapter. Any reduction in collections must be applied to the other funds of the political subdivision after debt service or lease rentals have been fully funded.

(c) Upon the failure of a political subdivision to pay any of the political subdivision'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 money in the possession of the state that would otherwise be available for distribution to the political subdivision under any other law, deducting the payment from the amount distributed. A deduction under this subsection must be made:

(1) first from 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; and

(2) second from any other undistributed funds of the political subdivision in the possession of the state.

(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 political subdivision are paid when due. However, this section does not create a debt of the state.

SECTION 227. IC 6-1.1-20.6-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 11. The county auditor of each county shall certify to the department of local government finance:**

(1) the total amount of credits that are allowed under this chapter in the county for the calendar year; and

(2) the amount that each taxing unit's distribution of

property taxes will be reduced under section 9.5 of this chapter as a result of the granting of the credits.

If the amount of credits granted changes after the date the certification is made, the county auditor shall submit an amended certification to the department of local government finance. The initial certification and the amended certifications shall be submitted to the department of local government finance on the schedule prescribed by the department of local government finance.

SECTION 228. IC 6-1.1-20.6-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 12. For purposes of computing and distributing after 2008 any excise taxes or local option income taxes for which the distribution is based on the amount of a taxing unit's property tax levy, the computation and distribution of the excise tax or local option income tax shall be based on the taxing unit's property tax levy as calculated before any reduction due to credits provided to taxpayers under this chapter.**

SECTION 229. IC 6-1.1-20.9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter:

(1) "Dwelling" means any of the following:

(A) Residential real property improvements which an individual uses as his residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

(2) "Homestead" means an individual's principal place of residence which:

(A) is located in Indiana;

(B) the individual: ~~either~~

(i) owns; ~~or~~

(ii) is buying under a contract, recorded in the county recorder's office, that provides that ~~he~~ **the individual** is to pay the property taxes on the residence; **or**

(iii) is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); and

(C) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 230. IC 6-1.1-21-4, AS AMENDED BY HEA 1137-2008, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) 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 (1/2) 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~~ **auditor** 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(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 231. IC 6-1.1-21.2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 6-1.1-39.

~~(1)~~ **(2)** IC 8-22-3.5.

~~(2)~~ **(3)** IC 36-7-14.

~~(3)~~ **(4)** IC 36-7-14.5.

~~(4)~~ **(5)** IC 36-7-15.1.

~~(5)~~ **(6)** IC 36-7-30.

(7) IC 36-7-30.5.

SECTION 232. IC 6-1.1-21.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 6-1.1-39-5(h);

~~(1)~~ **(2)** IC 8-22-3.5-9(a);

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

~~(2)~~ **(4)** IC 36-7-14-39(a);

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

~~(3)~~ **(6)** IC 36-7-14-39.3(c);

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

~~(4)~~ **(8)** IC 36-7-14.5-12.5;

~~(5)~~ **(9)** IC 36-7-15.1-26(a);

~~(6)~~ **(10)** IC 36-7-15.1-26.2(c);

~~(7)~~ **(11)** IC 36-7-15.1-35(a);

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

~~(8)~~ **(13)** IC 36-7-15.1-53;

~~(9)~~ **(14)** IC 36-7-15.1-55(c);

~~(10)~~ **(15)** IC 36-7-30-25(a)(2); ~~or~~

~~(11)~~ **(16)** IC 36-7-30-26(c);

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

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

SECTION 233. IC 6-1.1-21.2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. As used in this chapter, "district" refers to **the following:**

(1) An economic development district under IC 6-1.1-39.

~~(1)~~ **(2)** An eligible entity (as defined in IC 8-22-3.5-2.5).

~~(2)~~ **(3)** A redevelopment district, for an allocation area established under:

(A) IC 36-7-14; or

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

~~(3)~~ **(4)** A special taxing district, as described in:

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

(B) IC 36-7-30-3(b).

(5) A military base development area under IC 36-7-30.5-16.

SECTION 234. IC 6-1.1-21.2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. As used in this chapter, "governing body" means the following:

(1) For an allocation area created under IC 6-1.1-39, the fiscal body of the county (as defined in IC 36-1-2-6).

~~(1)~~ **(2)** For an allocation area created under IC 8-22-3.5, the commission (as defined in IC 8-22-3.5-2).

~~(2)~~ **(3)** For an allocation area created under IC 36-7-14, the redevelopment commission.

~~(3)~~ **(4)** For an allocation area created under IC 36-7-14.5, the redevelopment authority.

~~(4)~~ **(5)** For an allocation area created under IC 36-7-15.1, the metropolitan development commission.

~~(5)~~ **(6)** For an allocation area created under IC 36-7-30, the military base reuse authority.

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

SECTION 235. IC 6-1.1-21.2-6.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **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 236. IC 6-1.1-21.2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. As used in this chapter, "property taxes" means:

(1) property taxes, as defined in:

(A) IC 6-1.1-39-5(g);

~~(A)~~ **(B)** IC 36-7-14-39(a);

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

~~(B)~~ **(D)** IC 36-7-14-39.3(c);

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

~~(C)~~ **(F)** IC 36-7-15.1-26(a);

~~(D)~~ **(G)** IC 36-7-15.1-26.2(c);

~~(E)~~ **(H)** IC 36-7-15.1-53(a);

~~(F)~~ **(I)** IC 36-7-15.1-55(c);

~~(G)~~ **(J)** IC 36-7-30-25(a)(3); ~~or~~

~~(H)~~ **(K)** IC 36-7-30-26(c); ~~or~~

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

(M) 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 237. IC 6-1.1-21.2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. As used in this chapter, "special fund" means:

(1) the special funds referred to in IC 6-1.1-39-5;

~~(1)~~ **(2)** the special funds referred to in IC 8-22-3.5-9(e);

~~(2)~~ **(3)** the allocation fund referred to in IC 36-7-14-39(b)(2);

~~(3)~~ **(4)** the allocation fund referred to in IC 36-7-14.5-12.5(d);

~~(4)~~ **(5)** the special fund referred to in IC 36-7-15.1-26(b)(2);

~~(5)~~ **(6)** the special fund referred to in IC 36-7-15.1-53(b)(2); ~~or~~

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

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

SECTION 238. IC 6-1.1-21.2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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.**

(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 the department of local government finance;

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 department of local government finance) 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 239. IC 6-1.1-21.2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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.~~

(b) 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 governing body shall submit a proposed special assessment or tax levy under this section to** the legislative body of the unit that established the district. **The legislative body** 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 of 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 of economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

SECTION 240. IC 6-1.1-21.2-15, AS AMENDED BY P.L.224-2007, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 241. 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 to an amount sufficient so that the tax increment replacement amount is equal to zero (0).

SECTION 242. IC 6-1.1-21.5-5, AS AMENDED BY P.L.2-2006, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) The board shall determine the terms of a loan made under this chapter. However, interest may not be charged on the loan, and the loan must be repaid not later than ten (10) years after the date on which the loan was made.

(b) The loan shall be repaid only from 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 20-45-3.~~ The payment of any installment of principal constitutes a first charge against such property tax revenues as collected by the qualified taxing unit during the calendar year the installment is due and payable.

(c) The obligation to repay the loan is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5. ~~or IC 20-45-6.~~

(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.

(e) This section may not be construed to prevent the qualified taxing unit from repaying a loan made under this chapter before the date specified in subsection (a) if a taxpayer described in section 3 of this chapter resumes paying property taxes to the qualified taxing unit.

SECTION 243. 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 **(before its repeal)** 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 244. IC 6-1.1-21.8-4, AS AMENDED BY P.L.2-2006, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) The board shall determine the terms of a loan made under this chapter. However, the interest charged on the loan may not

exceed the percent of increase in the United States Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers during the most recent twelve (12) month period for which data is available as of the date that the unit applies for a loan under this chapter. In the case of a qualified taxing unit that is not a school corporation or a public library (as defined in IC 36-12-1-5), a loan must be repaid not later than ten (10) years after the date on which the loan was made. In the case of a qualified taxing unit that is a school corporation or a public library (as defined in IC 36-12-1-5), a loan must be repaid not later than eleven (11) years after the date on which the loan was made. A school corporation or a public library (as defined in IC 36-12-1-5) is not required to begin making payments to repay a loan until after June 30, 2004. The total amount of all the loans made under this chapter may not exceed twenty-eight million dollars ($28,000,000). The board may disburse the proceeds of a loan in installments. However, not more than one-third (1/3) of the total amount to be loaned under this chapter may be disbursed at any particular time without the review of the budget committee and the approval of the budget agency.

(b) A loan made under this chapter shall be repaid only from:

(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 20-45-3,~~

(2) in the case of a school corporation, the school corporation's debt service fund; or

(3) any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.

The payment of any installment of principal constitutes a first charge against the property tax revenues described in subdivision (1) that are collected by the qualified taxing unit during the calendar year the installment is due and payable.

(c) 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 20-45-6.~~

(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.

(e) This section does not prohibit a qualified taxing unit from repaying a loan made under this chapter before the date specified in subsection (a) if a taxpayer described in section 3 of this chapter resumes paying property taxes to the qualified taxing unit.

(f) Interest accrues on a loan made under this chapter until the date the board receives notice from the county auditor that the county has adopted at least one (1) of the following:

(1) The county adjusted gross income tax under IC 6-3.5-1.1.

(2) The county option income tax under IC 6-3.5-6.

(3) The county economic development income tax under IC 6-3.5-7.

Notwithstanding subsection (a), interest may not be charged on a loan made under this chapter if a tax described in this subsection is adopted before a qualified taxing unit applies for the loan.

SECTION 245. IC 6-1.1-21.8-5, AS AMENDED BY P.L.2-2006, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. The maximum amount that the board may loan to a qualified taxing unit is determined under STEP FOUR of the following formula:

STEP ONE: Determine the amount of the taxpayer's property taxes due and payable in November 2001 that are attributable to the qualified taxing unit as determined by the department of local government finance.

STEP TWO: Multiply the STEP ONE amount by one and thirty-one thousandths (1.031).

STEP THREE: Multiply the STEP TWO product by two (2).

STEP FOUR: Add the STEP ONE amount to the STEP THREE product.

However, in the case of a qualified taxing unit that is a school corporation, the amount determined under STEP FOUR shall be reduced by the board to the extent that the school corporation receives relief in the form of adjustments to the school corporation's assessed valuation under ~~IC 20-45-4-7 or~~ IC 6-1.1-17-0.5 **or IC 6-1.1-19-5.3.**

SECTION 246. 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 **(before its repeal)** in respect to those taxes is considered to be a payment of those property taxes.

SECTION 247. IC 6-1.1-21.9-3, AS ADDED BY P.L.114-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The board, not later than December 31, ~~2007,~~ **2009,** 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 **(before January 1, 2009)** 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 **(before January 1, 2009)** IC 6-1.1-19-13.

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

(4) 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 **(before January 1, 2009)** IC 6-1.1-19.

(e) 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 248. 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.~~ **IC 20-44-2.**

(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.~~ **IC 20-44-2.**

(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 249. 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)~~ **IC 6-1.1-18.5-12(d)** 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)~~ **IC 6-1.1-18.5-12(d)** 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) 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 250. 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)~~ **IC 6-1.1-18.5-12(d)** 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)~~ **IC 6-1.1-18.5-12(d)** 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 251. 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). **However, for property taxes first due and payable in 2008, the county treasurer may choose to use a tax statement that is different from the tax statement prescribed by the department under subsection (c). If a county chooses to use a different tax statement, the county must still transmit (with the tax bill) the statement in either color type or black-and-white type.**

(c) 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 (b) 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) 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) 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) The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included in the statement under subsection (c).

(g) The information to be included in the statement under subsection (c) must be simply and clearly presented and understandable to the average individual.

(h) 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 252. IC 6-1.1-22-9, AS AMENDED BY HEA1137-2008, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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) 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 8.1 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)~~ **IC 6-1.1-18.5-12(d)** before the county treasurer mails or transmits statements under section 8.1(b) 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 8.1(b) 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)~~ **IC 6-1.1-18.5-12(d)** 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 253. IC 6-1.1-22-9.5, AS AMENDED BY HEA1137-2008, SECTION 57, 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 8.1 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 8.1 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 8.1 of this chapter.

SECTION 254. 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 255. 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 256. 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 neither subdivision (1) nor (2) applies, 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.

SECTION 257. IC 6-1.1-23-1, AS AMENDED BY P.L.214-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 258. IC 6-1.1-24-2, AS AMENDED BY P.L.89-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 259. IC 6-1.1-25-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

SECTION 260. IC 6-1.1-29-2, AS AMENDED BY P.L.224-2007, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~(a)~~ The seven (7) members of the county board of tax adjustment shall be appointed before April 15th of each year, and their appointments shall continue in effect until April 15th of the following year. The four (4) freehold members of the county board of tax adjustment may not be, or have been during the year preceding their appointment, an official or employee of a political subdivision. The four (4) freehold members shall be appointed in such a manner that no more than four (4) of the board members are members of the same political party. ~~This subsection expires December 31, 2008.~~

~~(b) The following apply, notwithstanding any other provision:~~

~~(1) A member may not be appointed to a county board of tax adjustment after December 31, 2008.~~

~~(2) The term of a member of a county board of tax adjustment serving on December 31, 2008, expires on December 31, 2008.~~

~~(3) Each county board of tax adjustment is abolished on December 31, 2008.~~

~~(c) On or before December 31 of 2008 and each even-numbered year thereafter, each person or entity required to make an appointment to a county board of tax and capital projects review under section 1.5 of this chapter shall make the required appointment or appointments of members who will represent the person or entity on the county board of tax and capital projects review. The appointments take effect January 1 of the following odd-numbered year and continue in effect until December 31 of the following even-numbered year. If a member is to be appointed by one (1) entity, the appointment must be made by a majority vote of the fiscal body in official session. If a member is to be appointed by more than one (1) entity, the appointment must be made by a majority vote of the total members of the entities taken in joint session. If:~~

~~(1) a person or entity fails; or~~

~~(2) the entities, in the case of a joint appointment, fail;~~

~~to make a required appointment of a member by December 31 of an even-numbered year, the county fiscal body shall make the appointment.~~

~~(d) This subsection does not apply to a county containing a consolidated city. At the general election in 2008 and every four (4) years thereafter, the voters of each county shall under IC 3-11-2-12.8 elect two (2) individuals who are residents of the county as members of the county board of tax and capital projects review. The term of office of a member elected under this subsection begins January 1 of the year following the member's election and ends December 31 of the fourth year following the member's election. The two (2) members who are elected for a position on the county board of tax and capital projects review are determined as follows:~~

~~(1) The members shall be elected on a nonpartisan basis.~~

~~(2) Each prospective candidate must file a nomination petition with the county election board not earlier than one hundred four (104) days and not later than noon seventy-four (74) days before the election at which the members are to be elected. The nomination petition must include the following information:~~

~~(A) The name of the prospective candidate.~~

~~(B) The signatures of at least one hundred (100) registered voters residing in the county.~~

~~(C) A certification that the prospective candidate meets the qualifications for candidacy imposed by this chapter.~~

~~(3) Only eligible voters residing in the county may vote for a candidate.~~

~~(4) The two (2) candidates within the county who receive the greatest number of votes in the county are elected.~~

~~(e) A member elected under this section may not be, or have been during the year preceding the member's appointment or election, an officer or employee of a political subdivision.~~

SECTION 261. IC 6-1.1-29-3, AS AMENDED BY P.L.224-2007, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. ~~(a)~~ If a vacancy occurs in the membership 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)~~ with respect to an appointment made by a fiscal body, the vacancy shall be filled in the same manner provided for the original appointment.

~~(b) If a vacancy occurs after December 31, 2008, in the membership of the county board of tax and capital projects review with respect to a member elected under section 2(d) of this chapter, the county fiscal body shall appoint an individual to fill the vacancy for the remainder of the term.~~

SECTION 262. IC 6-1.1-29-4, AS AMENDED BY P.L.224-2007, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 board 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 board 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 board shall hold the meeting at the office of the county auditor. At the first meeting of each year, the board shall elect a chairman and a vice-chairman. After this meeting, the board 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.~~

SECTION 263. IC 6-1.1-29-5, AS AMENDED BY P.L.224-2007, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The county auditor shall serve as clerk of the county board of tax adjustment. The clerk shall keep a complete record of all the board's proceedings. The clerk may not vote on matters before the board. ~~This section expires December 31, 2008.~~

SECTION 264. IC 6-1.1-29-6, AS AMENDED BY P.L.224-2007, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. ~~(a)~~ The four (4) freehold members of the county board of tax adjustment shall receive compensation on a per diem basis for each day of actual service. The rate of this compensation is the same as the rate that the freehold members of the county property tax assessment board of appeals of that county receive. The county auditor shall keep an attendance record of each meeting of the county board of tax adjustment. At the close of each annual session, the county auditor shall certify to the county board of commissioners the number of days actually served by each freehold member. The county board of commissioners may not allow claims for service on the county board of tax adjustment for more days than the number of days certified by the county auditor. ~~This subsection expires December 31, 2008.~~

~~(b) A member of the county board of tax and capital projects review who is elected under section 1.5 of this chapter shall receive compensation from the county on a per diem basis for each day of actual service on the board. The rate of the compensation is equal to the rate that members of the county property tax assessment board of appeals in the county receive under IC 6-1.1-28-3. The county auditor shall keep an attendance record of each meeting of the county board of tax and capital projects review. The county auditor shall certify to the county executive the number of days actually served by each elected member. The county executive may not allow claims for service on the county board of tax and capital projects review for more days than the number of days certified by the county auditor. Appointed members of the county board of tax and capital projects review are not entitled to per diem compensation.~~

SECTION 265. IC 6-1.1-29-7, AS AMENDED BY P.L.224-2007, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. A county board of tax adjustment ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ may require an official of a political subdivision of the county to appear before the board. In addition, the board may require such an official to provide the board with information which is related to the budget, tax rate, or tax levy of the political subdivision.

SECTION 266. IC 6-1.1-29-8, AS AMENDED BY P.L.224-2007, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. A county board of tax adjustment ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ may employ an examiner of the state board of accounts to assist the county board with its duties. If the board desires to employ an examiner, it shall adopt a resolution which states the number of days that the examiner is to serve. When the county board files a copy of the resolution with the chief examiner of the state board of accounts, the state board of accounts shall assign an examiner 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)~~ for the number of days stated in the resolution. When an examiner of the state board of accounts is employed by a county board of tax adjustment ~~(before January 1, 2009) or a county board of tax and capital projects review (after December 31, 2008)~~ under this section, the county shall pay the expenses related to the examiner's services in the same manner that expenses are to be paid under IC 5-11-4-3.

SECTION 267. IC 6-1.1-29-9, AS AMENDED BY P.L.224-2007, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) ~~This subsection expires December 31, 2008.~~ A county council may adopt an ordinance to abolish the county board of tax adjustment. This ordinance must be adopted by July 1 and may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 20-45 **(before January 1, 2009),** IC 20-46, IC 12-19-7 **(before January 1, 2009),** IC 12-19-7.5 **(before January 1, 2009),** IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax adjustment under IC 6-1.1-17.

~~(b) This subsection applies after December 31, 2008. Subject to subsection (c), a county board of tax and capital projects review may not review or modify tax rates, tax levies, and budgets if the county council:~~

~~(1) adopts an ordinance to abolish the county board of tax adjustment before January 1, 2009; or~~

~~(2) adopts an ordinance before July 2 of any year to prohibit the county board of tax and capital projects review from carrying out such reviews.~~

~~An ordinance described in this subsection may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 8-18-21-13, IC 12-19-7, IC 12-19-7.5, IC 14-30-2-19, IC 14-30-4-16, IC 14-33-9-1, IC 20-45, IC 20-46, IC 36-7-15.1-26.9, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted and has not been rescinded, this section governs the treatment of tax rates, tax levies, and budgets that would otherwise be reviewed by a county board of tax and capital projects review. If an ordinance described in subdivision (1) or (2) has been adopted in a county and has not been~~

~~rescinded, the county board of tax and capital projects review may not review tax rates, tax levies, and budgets (other than for capital projects) under IC 6-1.1-17-3, IC 6-1.1-17-5, IC 6-1.1-17-5.6, IC 6-1.1-17-6, IC 6-1.1-17-7, IC 6-1.1-17-9, IC 6-1.1-17-10, IC 6-1.1-17-11, IC 6-1.1-17-12, IC 6-1.1-17-14, IC 6-1.1-17-15, IC 6-1.1-29-4(a), IC 8-18-21-13, IC 12-19-7, IC 12-19-7.5, IC 14-30-2-19, IC 14-30-4-16, IC 14-33-9-1, IC 20-45, IC 20-46, IC 36-7-15.1-26.9, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, or IC 36-9-13.~~

~~(c)~~ **(b)** The time requirements set forth in IC 6-1.1-17 govern all filings and notices.

~~(d)~~ **(c)** If an ordinance described in subsection (a) ~~or (b)~~ is adopted and has not been rescinded, a tax rate, tax levy, or budget that otherwise would be reviewed by the county board of tax adjustment ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ is considered and must be treated for all purposes as if the county board of tax adjustment approved the tax rate, tax levy, or budget. This includes the notice of tax rates that is required under IC 6-1.1-17-12.

~~(e) This section does not prohibit a county board of tax and capital projects review from reviewing tax rates, tax levies, and budgets for informational purposes as necessary to carry out its duties under IC 6-1.1-29.5.~~

SECTION 268. 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 schedules in IC 6-3.5-1.1-10, IC 6-3.5-1.1-21.1, IC 6-3.5-6-17, IC 6-3.5-6-17.3, IC 6-3.5-7-16, 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 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);

(6) 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;

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

(8) 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;

(9) the county has not established a parcel index numbering system under 50 IAC 23-8-1 in a timely manner; or

(10) 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.

SECTION 269. 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. The specifications developed under this subdivision apply only to computer software and hardware systems purchased for assessment purposes after July 1, 1993. **The specifications, including specifications in a rule or other standard adopted under IC 6-1.1-31.5, must provide for:**

(A) maintenance of data in a form that formats the information in the file with the standard data, field, and record coding jointly required and approved by the department of local government finance and the legislative services agency;

(B) data export and transmission that is 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 jointly approved by the department of local government finance and legislative services agency; and

(C) maintenance of data in a manner that ensures prompt and accurate transfer of data to the department of local government finance and the legislative services agency, as jointly approved by the department of local government and legislative services agency.

(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 270. IC 6-1.1-31-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. When the department of local government finance prescribes or promulgates a rule, regulation, property tax form, property tax return, notice form, **bulletin, directive**, or any other paper, the department shall:

(1) send copies of it to the local taxing officials;

(2) send a copy of it to the executive director of the legislative services agency in an electronic format under IC 5-14-6, if it is not published in the Indiana Register under IC 4-22; and

~~(2)~~ **(3)** maintain copies of it for general distribution.

SECTION 271. IC 6-1.1-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) Subject to this article, the rules adopted by the department of local government finance are the basis for determining the true tax value of tangible property.

(b) ~~Local~~ Assessing officials ~~members of the county property tax assessment board of appeals, and county assessors~~ shall:

(1) comply with the rules, appraisal manuals, bulletins, and directives adopted by the department of local government finance;

(2) use the property tax forms, property tax returns, and notice forms prescribed by the department; and

(3) collect and record the data required by the department.

(c) In assessing tangible property, the ~~township assessors, members of the county property tax assessment board of appeals, and county assessors~~ **assessing officials** may consider factors in addition to those prescribed by the department of local government finance if the use of the additional factors is first approved by the department. Each ~~township assessor, of the county property tax assessment board of appeals, and the county assessor~~ **assessing official** shall indicate on ~~his~~ **the official's** records for each individual assessment whether:

(1) only the factors contained in the department's rules, forms, and returns have been considered; or

(2) factors in addition to those contained in the department's rules, forms, and returns have been considered.

SECTION 272. IC 6-1.1-31.5-2, AS AMENDED BY P.L.228-2005, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) Subject to section ~~3.5(c)~~ **3.5** 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,~~ **June 30, 2008,** subject to section ~~3.5(c)~~ **3.5** of this chapter a county:

(1) 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); **and**

(2) may enter into a contract referred to in subdivision (1) only if the department is a party to the contract.

~~(d) The initial rules under this section must be adopted under IC 4-22-2 before January 1, 1998.~~

SECTION 273. IC 6-1.1-31.5-3.5, AS AMENDED BY P.L.228-2005, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3.5. (a) Until the system described in subsection (e) is implemented, each county

shall maintain a state certified computer system that has the capacity to:

(1) process and maintain assessment records;

(2) process and maintain standardized property tax forms;

(3) process and maintain standardized property assessment notices;

(4) maintain complete and accurate assessment records for the county; and

(5) process and compute complete and accurate assessments in accordance with Indiana law.

The county assessor ~~with the recommendation of the township assessors~~ shall select the computer system. ~~used by township assessors and the county assessor in the county except in a county with an elected township assessor in every township. In a county with an elected township assessor in every township, the elected township assessors shall select a computer system based on a majority vote of the township assessors in the county.~~

(b) All information on a computer system referred to in subsection (a) shall be readily accessible to:

~~(1) township assessors;~~

~~(2) the county assessor;~~

~~(3)~~ **(1)** the department of local government finance; and

~~(4) members of the county property tax assessment board of appeals.~~

(2) 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 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~~ **for** 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 274. IC 6-1.1-31.7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. As used in this chapter, "appraiser" refers to a professional appraiser or a professional appraisal firm that contracts with a ~~township or~~ county under IC 6-1.1-4.

SECTION 275. IC 6-1.1-31.7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The department shall adopt rules under IC 4-22-2 for the certification and regulation of appraisers.

(b) **Subject to subsection (d),** the rules of the department shall provide for the following:

(1) Minimum appraiser qualifications.

(2) Minimum appraiser certification, training, and recertification requirements.

(3) Sanctions for noncompliance with assessing laws and the rules of the department, including laws and rules that set time requirements for the completion of assessments.

(4) Appraiser contract requirements.

(5) Other provisions necessary to carry out the administration of the property tax assessment laws.

(c) After December 31, 1998, a county or township may contract only with appraisers that are certified by the department under the rules described in subsection (a).

(d) The rules referred to in subsection (b) that apply to contracts with appraisers entered into after December 31, 2008, must include level two assessor-appraiser certification under IC 6-1.1-35.5 as part of the minimum appraiser

qualifications for each appraiser that performs assessments on behalf of the contractor.

SECTION 276. IC 6-1.1-33.5-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a) This section applies to a system designed to permit the department of local government finance or a provider in a partnership or another arrangement with the department of local government finance to do any of the following:**

(1) Receive data subject to IC 6-1.1-4-25, IC 6-1.1-5.5-3, or IC 36-2-9-20 in a uniform format through a secure connection over the Internet.

(2) Maintain data subject to IC 6-1.1-4-25, IC 6-1.1-5.5-3, or IC 36-2-9-20 in an electronic data base.

(3) Provide public access to data subject to IC 6-1.1-4-25, IC 6-1.1-5.5-3, or IC 36-2-9-20.

(b) A system described in subsection (a) must do the following:

(1) Maintain the confidentiality of data that is declared to be confidential by IC 6-1.1-5.5-3, IC 6-1.1-5.5-5, IC 6-1.1-35-9, or other provisions of law.

(2) Provide prompt notice to the department of local government finance and legislative services agency of the receipt of data from counties and townships and other critical events, as jointly determined by the department of local government finance and the legislative services agency.

(3) Maintain data in a form that formats the information in the file with the standard data, field, and record coding jointly required and approved by the department of local government finance and the legislative services agency.

(4) Provide data export and transmission capabilities that are compatible with the data export and transmission requirements prescribed by the office of technology established by IC 4-13.1-2-1 and jointly approved by the department of local government finance and the legislative services agency.

(5) Provide to the legislative services agency and the department of local government finance unrestricted on line access and access through data export and transmission protocols to:

(A) the data transmitted to the system; and

(B) hardware, software, and other work product associated with the system;

including access to conduct the tests and inspections of the system and data determined necessary by the legislative services agency and access to data received from counties and townships in the form submitted by the counties and townships.

(6) Maintain data in a manner that provides for prompt and accurate transfer of data to the department of local government finance and the legislative services agency, as jointly approved by the department of local government finance and the legislative services agency.

(c) The department of local government finance and any third party system provider shall provide for regular consultation with the legislative services agency concerning the development and operation of the system and shall provide the legislative services agency with copies of system documentation of the procedures, standards, and internal controls and any written agreements related to the receipt of data and the management, operation, and use of the system.

SECTION 277. IC 6-1.1-33.5-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. The department of local government finance shall report before July 1 of each year to the legislative council concerning compliance with section 8 of this chapter.**

SECTION 278. IC 6-1.1-35-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. The department of local government finance shall:

(1) interpret the property tax laws of this state;

(2) instruct property tax officials about their taxation and assessment duties; ~~and ensure that the county assessors, township assessors, and assessing officials are in compliance with section 1.1 of this chapter;~~

(3) see that all property assessments are made in the manner provided by law;

(4) conduct operational audits of the offices of assessing officials to determine if statutory and regulatory assignments are being completed in an effective, efficient, and productive manner; and

~~(4)~~ **(5)** develop and maintain a manual for all assessing officials and county assessors concerning:

(A) assessment duties and responsibilities of the various state and local officials;

(B) assessment procedures and time limits for the completion of assessment duties;

(C) changes in state assessment laws; and

(D) other matters relevant to the assessment duties of assessing officials, county assessors, and other county officials.

SECTION 279. IC 6-1.1-35-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 280. IC 6-1.1-35-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 **or** a county assessor ~~or an elected 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 **or** a county assessor ~~or an elected 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.

SECTION 281. IC 6-1.1-35.2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) In any year in which an assessing official ~~or a county assessor~~ takes office for the first time, the department of local government finance shall conduct training sessions determined under the rules adopted by the department under IC 4-22-2 for ~~these~~ **the** new assessing officials. ~~and county assessors. These~~ **The** sessions must be held at the locations described in subsection (b).

(b) To ensure that all newly elected or appointed assessing officials ~~and assessors~~ have an opportunity to attend the training sessions required by this section, the department of local government finance shall conduct the training sessions at a minimum of four (4) separate regional locations. The department shall determine the locations of the training sessions, but:

(1) at least one (1) training session must be held in the northeastern part of Indiana;

(2) at least one (1) training session must be held in the northwestern part of Indiana;

(3) at least one (1) training session must be held in the southeastern part of Indiana; and

(4) at least one (1) training session must be held in the southwestern part of Indiana.

The four (4) regional training sessions may not be held in Indianapolis. However, the department of local government finance may, after the conclusion of the four (4) training

sessions, provide additional training sessions at locations determined by the department.

(c) Any new assessing official ~~or county assessor~~ who attends:

(1) a required session during the official's ~~or assessor's~~ term of office; or

(2) training between the date the person is elected to office and January 1 of the year the person takes office for the first time;

is entitled to receive the per diem per session set by the department of local government finance by rule adopted under IC 4-22-2 and a mileage allowance from the county in which the official resides.

(d) A person is entitled to a mileage allowance under this section only for travel between the person's place of work and the training session nearest to the person's place of work.

SECTION 282. IC 6-1.1-35.2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) Each year the department of local government finance shall conduct the continuing education sessions required in the rules adopted by the department for all assessing officials ~~county assessors,~~ and all ~~members of, and~~ hearing officers for the county property tax assessment board of appeals. These sessions must be conducted at the locations described in subsection (b).

(b) To ensure that all assessing officials ~~assessors, and members of county property tax assessment boards of appeals~~ **and hearing officers** have an opportunity to attend the continuing education sessions required by this section, the department of local government finance shall conduct the continuing education sessions at a minimum of four (4) separate regional locations. The department shall determine the locations of the continuing education sessions, but:

(1) at least one (1) continuing education session must be held in the northeastern part of Indiana;

(2) at least one (1) continuing education session must be held in the northwestern part of Indiana;

(3) at least one (1) continuing education session must be held in the southeastern part of Indiana; and

(4) at least one (1) continuing education session must be held in the southwestern part of Indiana.

The four (4) regional continuing education sessions may not be held in Indianapolis. However, the department of local government finance may, after the conclusion of the four (4) continuing education sessions, provide additional continuing education sessions at locations determined by the department.

(c) Any assessing official ~~county assessor,~~ or ~~member of, and~~ hearing ~~officers~~ **officer** for the county property tax assessment board of appeals who attends required sessions is entitled to receive a mileage allowance and the per diem per session set by the department of local government finance by rule adopted under IC 4-22-2 from the county in which the official resides. A person is entitled to a mileage allowance under this section only for travel between the person's place of work and the training session nearest to the person's place of work.

SECTION 283. IC 6-1.1-35.2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. A county that is required to make a payment to an assessing official ~~a county assessor,~~ or ~~member of, and~~ **a** hearing ~~officers~~ **officer** for the county property tax assessment board of appeals under this chapter must make the payment regardless of an appropriation. The payment may be made from the county's ~~cumulative~~ reassessment fund.

SECTION 284. IC 6-1.1-35.5-7, AS AMENDED BY P.L.219-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) With respect to level one and level two certifications, the department of local government finance shall establish a fair and reasonable fee for examination and certification under this chapter. However, the fee does not apply to an ~~elected~~ assessing official, a ~~county assessor, a member of, and~~ hearing ~~officers~~ **officer** for a county property tax assessment board of appeals, or an employee of an ~~elected~~ assessing official ~~county assessor,~~ or county property tax assessment board of appeals who is taking the level one examination or the level two examination for the first time.

(b) The assessing official training account is established as an account within the state general fund. All fees collected by the department of local government finance shall be deposited in the account. The account shall be administered by the department of local government finance and does not revert to the state general fund at the end of a fiscal year. The department of local government finance may use money in the account for:

(1) testing and training of assessing officials, county assessors, members of a county property tax assessment board of appeals, and employees of assessing officials, county assessors, or the county property tax assessment board of appeals; and

(2) administration of the level three certification program under section 4.5 of this chapter.

SECTION 285. IC 6-1.1-36-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

SECTION 286. IC 6-1.1-36-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) An assessing official ~~a county assessor, a member of a county property tax assessment board of appeals,~~ or a representative of

the department of local government finance may file an affidavit with a circuit court of this state if:

(1) the official ~~or board member~~ or ~~a~~ representative ~~of the official or board~~ has requested that a person give information or produce books or records; and

(2) the person has not complied with the request.

The affidavit must state that the person has not complied with the request.

(b) When an affidavit is filed under subsection (a), the circuit court shall issue a writ which directs the person to appear at the office of the official or ~~board member~~ **representative** and to give the requested information or produce the requested books or records. The appropriate county sheriff shall serve the writ. A person who disobeys the writ is guilty of contempt of court.

(c) If a writ is issued under this section, the cost incurred in filing the affidavit, in the issuance of the writ, and in the service of the writ shall be charged to the person against whom the writ is issued. If a writ is not issued, all costs shall be charged to the county in which the circuit court proceedings are held, and the board of commissioners of that county shall allow a claim for the costs.

SECTION 287. IC 6-1.1-36-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

SECTION 288. IC 6-1.1-36-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) The department of local government finance may cancel any property taxes assessed against real property owned by a county, township, city, or town if a petition requesting that the department cancel the taxes is submitted by the auditor, assessor, and treasurer of the county in which the real property is located.

(b) The department of local government finance may cancel any property taxes assessed against real property owned by this state if a petition requesting that the department cancel the taxes is submitted by:

(1) the governor; or

(2) the chief administrative officer of the state agency which supervises the real property.

However, if the petition is submitted by the chief administrative officer of a state agency, the governor must approve the petition.

(c) The department of local government finance may compromise the amount of property taxes, together with any interest or penalties on those taxes, assessed against the fixed or distributable property owned by a bankrupt railroad, which is under the jurisdiction of:

(1) a federal court under 11 U.S.C. 1163;

(2) Chapter X of the Acts of Congress Relating to Bankruptcy (11 U.S.C. 701-799); or

(3) a comparable bankruptcy law.

(d) After making a compromise under subsection (c) and after receiving payment of the compromised amount, the department of local government finance shall distribute to each county treasurer an amount equal to the product of:

(1) the compromised amount; multiplied by

(2) a fraction, the numerator of which is the total of the particular county's property tax levies against the railroad for the compromised years, and the denominator of which is the total of all property tax levies against the railroad for the compromised years.

(e) After making the distribution under subsection (d), the department of local government finance shall direct the auditors of each county to remove from the tax rolls the amount of all property taxes assessed against the bankrupt railroad for the compromised years.

(f) The county auditor of each county receiving money under subsection (d) shall allocate that money among the county's taxing districts. The auditor shall allocate to each taxing district an amount equal to the product of:

(1) the amount of money received by the county under subsection (d); multiplied by

(2) a fraction, the numerator of which is the total of the taxing district's property tax levies against the railroad for the compromised years, and the denominator of which is the total of all property tax levies against the railroad in that county for the compromised years.

(g) The money allocated to each taxing district shall be apportioned and distributed among the taxing units of that taxing district in the same manner and at the same time that property taxes are apportioned and distributed.

(h) The department of local government finance may, with the approval of the attorney general, compromise the amount of property taxes, together with any interest or penalties on those taxes, assessed against property owned by a person that has a case pending under state or federal bankruptcy law. Property taxes that are compromised under this section shall be distributed and allocated at the same time and in the same manner as regularly collected property taxes. The department of local government finance may compromise property taxes under this subsection only if:

(1) a petition is filed with the department of local government finance that requests the compromise and ~~that~~ is signed and approved by the assessor, auditor, and treasurer of each county and the assessor of each township **(if any)** that is entitled to receive any part of the compromised taxes;

(2) the compromise significantly advances the time of payment of the taxes; and

(3) the compromise is in the best interest of the state and the taxing units that are entitled to receive any part of the compromised taxes.

(i) A taxing unit that receives funds under this section is not required to include the funds in its budget estimate for any

budget year which begins after the budget year in which it receives the funds.

(j) A county treasurer, with the consent of the county auditor and the county assessor, may compromise the amount of property taxes, interest, or penalties owed in a county by an entity that has a case pending under Title 11 of the United States Code (Bankruptcy Code) by accepting a single payment that must be at least seventy-five percent (75%) of the total amount owed in the county.

SECTION 289. IC 6-1.1-36-12, AS AMENDED BY P.L.154-2006, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 **the county assessor or** a township assessor of a township in the county; 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 290. IC 6-1.1-36-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

SECTION 291. IC 6-1.1-37-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. ~~A county or township~~ **An assessing** official ~~member of a county or state board, or employee~~ **or a representative** of ~~such an official or board~~ **the department of local government finance** who:

(1) knowingly assesses any property at more or less than what ~~he~~ **the official or representative** believes is the proper assessed value of the property;

(2) knowingly fails to perform any of the duties imposed on ~~him~~ **the official or representative** under the general assessment provisions of this article; or

(3) recklessly violates any of the other general assessment provisions of this article;

commits a Class A misdemeanor.

SECTION 292. IC 6-1.1-37-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) If a person fails to file a required personal property return on or before the due date, the county auditor shall add a penalty of twenty-five dollars ($25) to the person's next property tax installment. The county auditor shall also add an additional penalty to the taxes payable by the person if ~~he~~ **the person** fails to file the personal property return within thirty (30) days after the due date. The amount of the additional penalty is twenty percent (20%) of the taxes finally determined to be due with respect to the personal property which should have been reported on the return.

(b) For purposes of this section, a personal property return is not due until the expiration of any extension period granted by the township **or county** assessor under IC 6-1.1-3-7(b).

(c) The penalties prescribed under this section do not apply to an individual or ~~his~~ **the individual's** dependents if ~~he:~~ **the individual:**

(1) is in the military or naval forces of the United States on the assessment date; and

(2) is covered by the federal Soldiers' and Sailors' Civil Relief Act.

(d) If a person subject to IC 6-1.1-3-7(d) fails to include on a personal property return the information, if any, that the department of local government finance requires under IC 6-1.1-3-9 or IC 6-1.1-5-13, the county auditor shall add a penalty to the property tax installment next due for the return. The amount of the penalty is twenty-five dollars ($25).

(e) If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the county auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation. The penalty shall be added to the property tax installment next due for the return on which the property was

undervalued. If a person has complied with all of the requirements for claiming a deduction, an exemption, or an adjustment for abnormal obsolescence, then the increase in assessed value that results from a denial of the deduction, exemption, or adjustment for abnormal obsolescence is not considered to result from an undervaluation for purposes of this subsection.

(f) A penalty is due with an installment under subsection (a), (d), or (e) whether or not an appeal is filed under IC 6-1.1-15-5 with respect to the tax due on that installment.

SECTION 293. IC 6-1.1-37-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 294. IC 6-1.1-37-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 1971,~~ **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.

SECTION 295. IC 6-1.1-37-10.7, AS ADDED BY P.L.67-2006, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10.7. (a) For purposes of this section, "immediate family member of the taxpayer" means an individual who:

(1) is the spouse, child, stepchild, parent, or stepparent of the taxpayer, including adoptive relationships; and

(2) resides in the taxpayer's home.

(b) The county treasurer shall do the following:

(1) Waive the penalty imposed under section 10(a) of this chapter if the taxpayer or the taxpayer's representative:

(A) petitions the county treasurer to waive the penalty not later than thirty (30) days after the due date of the installment subject to the penalty; and

(B) files with the petition written proof that during the seven (7) day period ending on the installment due date the taxpayer or an immediate family member of the taxpayer died.

(2) Give written notice to the taxpayer or the taxpayer's representative by mail of the treasurer's determination on the petition not later than thirty (30) days after the petition is filed with the treasurer.

(c) The department of local government finance shall prescribe:

(1) the form of the petition; and

(2) the type of written proof;

required under subsection (b).

(d) A taxpayer or a taxpayer's representative may appeal a determination of the county treasurer under subsection (b) to deny a penalty waiver by ~~requesting~~ **filing a notice** in writing ~~a preliminary conference~~ with the treasurer not more than forty-five (45) days after the treasurer gives the taxpayer or the taxpayer's representative 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 296. IC 6-1.1-39-5, AS AMENDED BY P.L.154-2006, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

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

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

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or

IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

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

(2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement, ~~(except as provided in IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)),~~ and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

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

(2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

(1) taxes imposed under this article on real property; and

(2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 297. IC 6-1.1-39-6, AS AMENDED BY P.L.219-2007, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. ~~(a)~~ An economic development district may be enlarged by the fiscal body by following the same procedure for the creation of an economic development district specified in this chapter. ~~Property taxes that are attributable to the additional area and allocable to the economic development district are not eligible for the property tax replacement credit provided by IC 6-1.1-21-5. However, subject to subsection (c) and except as provided in subsection (f), each taxpayer in an additional area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in that year. Except as provided in subsection (f), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district in a county that contains all or part of the additional area:~~

~~STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) that is attributable to the taxing district.~~

~~STEP TWO: Divide:~~

~~(A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) 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; times~~

~~(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to a special fund under section 5 of this chapter had the additional credit described in this section not been given.~~

~~The additional credit reduces the amount of proceeds allocated to the economic development district and paid into a special fund~~

~~under section 5(a) of this chapter.~~

~~(b) If the additional credit under subsection (a) is not reduced under subsection (c) or (d), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (a) shall be combined on the tax statements sent to each taxpayer.~~

~~(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):~~

~~(1) does not apply in a specified additional area; or~~

~~(2) is to be reduced by a uniform percentage for all taxpayers in a specified additional area.~~

~~(d) Whenever the county fiscal body determines that granting the full additional credit under subsection (a) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the county fiscal body must adopt an ordinance under subsection (c) to deny the additional credit or reduce the additional credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. An ordinance adopted under subsection (c) denies or reduces the additional credit for taxes (as defined in IC 6-1.1-21-2) first due and payable in any year following the year in which the ordinance is adopted.~~

~~(e) An ordinance adopted under subsection (c) remains in effect until the ordinance is rescinded by the body that originally adopted the ordinance. However, an ordinance may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If an ordinance is rescinded and no other ordinance is adopted, the additional credit described in subsection (a) applies to taxes (as defined in IC 6-1.1-21-2) first due and payable in each year following the year in which the resolution is rescinded.~~

~~(f) This subsection applies to an additional area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an additional area is entitled to an additional credit under subsection (a) for the taxes (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 298. IC 6-1.1-39-9, AS AMENDED BY P.L.4-2005, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) The fiscal body of a unit may by ordinance authorize the issuance of obligations to the department of commerce under IC 4-4-8 (before its repeal) or to the Indiana economic development corporation under IC 5-28-9 payable solely from taxes allocated under section 5 of this chapter. Any obligations issued and payable from taxes allocated under section 5 of this chapter are not general obligations of the unit that established the economic development district under this chapter.

(b) The economic development district created by a unit under this chapter is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the economic development district by providing local public improvements that are of public use and benefit.

(c) The ordinance of a unit authorizing the issuance of obligations must contain a finding of the fiscal body that the proposed industrial development program:

(1) constitutes a local public improvement;

(2) provides special benefits to property owners in the district; and

(3) will be of public use and benefit.

(d) Proceeds of obligations issued under this section, IC 4-4-8 (before its repeal), and IC 5-28-9 may be used to pay for the following:

(1) The cost of local public improvements.

(2) Interest on the obligations for the period of construction of the local public improvements plus one (1) year after completion of construction.

(3) Reasonable debt service reserves.

(4) Costs of issuance of the obligations.

(5) Any other reasonable and necessary expenses related to issuance of the obligations.

~~(e) Notwithstanding any other law, IC 6-1.1-20 does not apply to obligations payable solely from tax proceeds allocated under section 5 of this chapter.~~

SECTION 299. 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 300. 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 301. 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.

SECTION 302. 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.

SECTION 303. IC 6-1.1-42-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 304. IC 6-1.1-45-9, AS AMENDED BY P.L.211-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 **legislative body of the unit that established 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,~~ **IC 6-1.1-21.2-3,** is entitled to a deduction under this section only if the deduction is approved by the: ~~governing body of the allocation area.~~

(1) fiscal body of the unit, in the case of an allocation area established under IC 6-1.1-39;

(2) legislative body of the unit described in IC 8-22-3.5-1, in the case of an allocation area located in an airport development zone;

(3) legislative body of the unit that established the department of redevelopment, in the case of an allocation area established under IC 36-7-14;

(4) legislative body of the unit that established the redevelopment authority, in the case of an allocation area established under IC 36-7-14.5;

(5) legislative body of the consolidated city or excluded city that approved the establishment of the allocation area, in the case of an allocation area established under IC 36-7-15.1; or

(6) legislative body of the unit that established the reuse authority, in the case of an allocation area established under IC 36-7-30.

SECTION 305. IC 6-1.1-45.5-3, AS ADDED BY P.L.208-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 306. IC 6-1.1-45.5-4, AS ADDED BY P.L.208-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 307. IC 6-1.1-45.5-8, AS ADDED BY P.L.208-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 308. IC 6-1.5-5-2, AS AMENDED BY P.L.219-2007, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 (e) 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 309. IC 6-1.5-5-5, AS AMENDED BY P.L.154-2006, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

SECTION 310. IC 6-2.5-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2008]: Sec. 2. (a) The state gross retail tax is measured by the gross retail income received by a retail merchant in a retail unitary transaction and is imposed at the following rates:

STATE GROSS RETAIL TAX	GROSS RETAIL INCOME FROM THE RETAIL UNITARY TRANSACTION		
~~$ 0~~		~~less than~~	~~$0.09~~
~~$ 0.01~~	~~at least $ 0.09~~	~~but less than~~	~~$0.25~~
~~$ 0.02~~	~~at least $ 0.25~~	~~but less than~~	~~$0.42~~
~~$ 0.03~~	~~at least $ 0.42~~	~~but less than~~	~~$0.59~~
~~$ 0.04~~	~~at least $ 0.59~~	~~but less than~~	~~$0.75~~
~~$ 0.05~~	~~at least $ 0.75~~	~~but less than~~	~~$0.92~~
~~$ 0.06~~	~~at least $ 0.92~~	~~but less than~~	~~$1.09~~
$ 0		**less than**	**$0.08**
$ 0.01	**at least $ 0.08**	**but less than**	**$0.21**
$ 0.02	**at least $ 0.21**	**but less than**	**$0.36**
$ 0.03	**at least $ 0.36**	**but less than**	**$0.51**
$ 0.04	**at least $ 0.51**	**but less than**	**$0.64**
$ 0.05	**at least $ 0.64**	**but less than**	**$0.79**
$ 0.06	**at least $ 0.79**	**but less than**	**$0.93**
$ 0.07	**at least $ 0.93**	**but less than**	**$1.07**

On a retail unitary transaction in which the gross retail income received by the retail merchant is one dollar and ~~nine~~ **seven** cents ~~($1.09)~~ **($1.07)** or more, the state gross retail tax is ~~six~~ **seven** percent ~~(6%)~~ **(7%)** of that gross retail income.

(b) If the tax computed under subsection (a) results in a fraction of one-half cent ($0.005) or more, the amount of the tax shall be rounded to the next additional cent.

SECTION 311. IC 6-2.5-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2008]: Sec. 7. Except as otherwise provided in IC 6-2.5-7 or in this chapter, a retail merchant shall pay to the department, for a particular reporting period, an amount equal to the product of:

(1) ~~six~~ **seven** percent ~~(6%),~~ **(7%);** multiplied by

(2) the retail merchant's total gross retail income from taxable transactions made during the reporting period.

The amount determined under this section is the retail merchant's state gross retail and use tax liability regardless of the amount of tax ~~he~~ **the retail merchant** actually collects.

SECTION 312. IC 6-2.5-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2008]: Sec. 8. (a) For purposes of determining the amount of state gross retail and use taxes which ~~he~~ **a retail merchant** must remit under section 7 of this chapter, ~~a~~ **the** retail merchant may exclude from ~~his~~ **the retail merchant's** gross retail income from retail transactions made during a particular reporting period, an amount equal to the product of:

(1) the amount of that gross retail income; multiplied by

(2) the retail merchant's "income exclusion ratio" for the tax year which contains the reporting period.

(b) A retail merchant's "income exclusion ratio" for a particular tax year equals a fraction, the numerator of which is the retail merchant's estimated total gross retail income for the tax year from unitary retail transactions which produce gross retail income of less than ~~nine~~ **eight** cents ~~($0.09)~~ **($0.08)** each, and the denominator of which is the retail merchant's estimated total gross retail income for the tax year from all retail transactions.

(c) In order to minimize a retail merchant's recordkeeping requirements, the department shall prescribe a procedure for determining the retail merchant's income exclusion ratio for a tax year, based on a period of time, not to exceed fifteen (15) consecutive days, during the first quarter of the retail merchant's tax year. However, the period of time may be changed if the change is requested by the retail merchant because of ~~his~~ **the retail merchant's** peculiar accounting procedures or marketing factors. In addition, if a retail merchant has multiple sales locations or diverse types of sales, the department shall permit the retail merchant to determine the ratio on the basis of a representative sampling of the locations and types of sales.

SECTION 313. IC 6-2.5-6-10, AS AMENDED BY P.L.211-2007, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2008]: Sec. 10. (a) In order to compensate retail merchants for collecting and timely remitting the state gross retail tax and the state use tax, every retail merchant, except a retail merchant referred to in subsection (c), is entitled to deduct and retain from the amount of those taxes otherwise required to be remitted under IC 6-2.5-7-5 or under this chapter, if timely remitted, a retail merchant's collection allowance.

(b) The allowance equals a percentage of the retail merchant's state gross retail and use tax liability accrued during a calendar year, specified as follows:

(1) ~~Eighty-three~~ **Seventy-three** hundredths percent ~~(0.83%),~~ **(0.73%),** if the retail merchant's state gross retail and use tax liability accrued during the state fiscal year ending on June 30 of the immediately preceding calendar

year did not exceed sixty thousand dollars ($60,000).

(2) ~~Six-tenths~~ **Fifty-three hundredths** percent ~~(0.6%),~~ **(0.53%),** if the retail merchant's state gross retail and use tax liability accrued during the state fiscal year ending on June 30 of the immediately preceding calendar year:

(A) was greater than sixty thousand dollars ($60,000); and

(B) did not exceed six hundred thousand dollars ($600,000).

(3) ~~Three-tenths~~ **Twenty-six hundredths** percent ~~(0.3%),~~ **(0.26%),** if the retail merchant's state gross retail and use tax liability accrued during the state fiscal year ending on June 30 of the immediately preceding calendar year was greater than six hundred thousand dollars ($600,000).

(c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not entitled to the allowance provided by this section.

SECTION 314. IC 6-2.5-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2008]: Sec. 3. (a) With respect to the sale of gasoline which is dispensed from a metered pump, a retail merchant shall collect, for each unit of gasoline sold, state gross retail tax in an amount equal to the product, rounded to the nearest one-tenth of one cent ($0.001), of:

(1) the price per unit before the addition of state and federal taxes; multiplied by

(2) ~~six~~ **seven** percent ~~(6%).~~ **(7%).**

The retail merchant shall collect the state gross retail tax prescribed in this section even if the transaction is exempt from taxation under IC 6-2.5-5.

(b) With respect to the sale of special fuel or kerosene which is dispensed from a metered pump, unless the purchaser provides an exemption certificate in accordance with IC 6-2.5-8-8, a retail merchant shall collect, for each unit of special fuel or kerosene sold, state gross retail tax in an amount equal to the product, rounded to the nearest one-tenth of one cent ($0.001), of:

(1) the price per unit before the addition of state and federal taxes; multiplied by

(2) ~~six~~ **seven** percent ~~(6%).~~ **(7%).**

Unless the exemption certificate is provided, the retail merchant shall collect the state gross retail tax prescribed in this section even if the transaction is exempt from taxation under IC 6-2.5-5.

SECTION 315. IC 6-2.5-7-5, AS AMENDED BY P.L.182-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2008]: Sec. 5. (a) Each retail merchant who dispenses gasoline or special fuel from a metered pump shall, in the manner prescribed in IC 6-2.5-6, report to the department the following information:

(1) The total number of gallons of gasoline sold from a metered pump during the period covered by the report.

(2) The total amount of money received from the sale of gasoline described in subdivision (1) during the period covered by the report.

(3) That portion of the amount described in subdivision (2) which represents state and federal taxes imposed under this article, IC 6-6-1.1, or Section 4081 of the Internal Revenue Code.

(4) The total number of gallons of special fuel sold from a metered pump during the period covered by the report.

(5) The total amount of money received from the sale of special fuel during the period covered by the report.

(6) That portion of the amount described in subdivision (5) that represents state and federal taxes imposed under this article, IC 6-6-2.5, or Section 4041 of the Internal Revenue Code.

(7) The total number of gallons of E85 sold from a metered pump during the period covered by the report.

(b) Concurrently with filing the report, the retail merchant shall remit the state gross retail tax in an amount which equals ~~five~~ **six** and ~~sixty-six~~ **fifty-four** hundredths percent ~~(5.66%)~~ **(6.54%)** of the gross receipts, including state gross retail taxes but excluding Indiana and federal gasoline and special fuel taxes, received by the retail merchant from the sale of the gasoline and special fuel that is covered by the report and on which the retail merchant was required to collect state gross retail tax. The retail merchant shall remit that amount regardless of the amount of state gross retail tax which ~~he~~ **the merchant** has actually collected under this chapter. However, the retail merchant is entitled to deduct and retain the amounts prescribed in subsection (c), IC 6-2.5-6-10, and IC 6-2.5-6-11.

(c) A retail merchant is entitled to deduct from the amount of state gross retail tax required to be remitted under subsection (b) the amount determined under STEP THREE of the following formula:

STEP ONE: Determine:

(A) the sum of the prepayment amounts made during the period covered by the retail merchant's report; minus

(B) the sum of prepayment amounts collected by the retail merchant, in the merchant's capacity as a qualified distributor, during the period covered by the retail merchant's report.

STEP TWO: Subject to subsection (d), for reporting periods ending before July 1, 2020, determine the product of:

(A) eighteen cents ($0.18); multiplied by

(B) the number of gallons of E85 sold at retail by the retail merchant during the period covered by the retail merchant's report.

STEP THREE: Add the amounts determined under STEPS ONE and TWO.

For purposes of this section, a prepayment of the gross retail tax is presumed to occur on the date on which it is invoiced.

(d) The total amount of deductions allowed under subsection (c) STEP TWO may not exceed one million dollars ($1,000,000) for all retail merchants in all reporting periods. A retail merchant is not required to apply for an allocation of deductions under subsection (c) STEP TWO. If the department determines that the sum of:

(1) the deductions that would otherwise be reported under subsection (c) STEP TWO for a reporting period; plus

(2) the total amount of deductions granted under subsection (c) STEP TWO in all preceding reporting periods;

will exceed one million dollars ($1,000,000), the department shall publish in the Indiana Register a notice that the deduction program under subsection (c) STEP TWO is terminated after the date specified in the notice and that no additional deductions will be granted for retail transactions occurring after the date specified in the notice.

SECTION 316. IC 6-2.5-8-1, AS AMENDED BY P.L.219-2007, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) A retail merchant may not make a retail transaction in Indiana, unless the retail merchant has applied for a registered retail merchant's certificate.

(b) A retail merchant may obtain a registered retail merchant's certificate by filing an application with the department and paying a registration fee of twenty-five dollars ($25) for each place of business listed on the application. The retail merchant shall also provide such security for payment of the tax as the department may require under IC 6-2.5-6-12.

(c) The retail merchant shall list on the application the location (including the township) of each place of business where the retail merchant makes retail transactions. However, if the retail merchant does not have a fixed place of business, the retail merchant shall list the retail merchant's residence as the retail merchant's place of business. In addition, a public utility may list only its principal Indiana office as its place of business for sales of public utility commodities or service, but the utility must also list on the application the places of business where it makes retail transactions other than sales of public utility commodities or service.

(d) Upon receiving a proper application, the correct fee, and the security for payment, if required, the department shall issue to the retail merchant a separate registered retail merchant's certificate for each place of business listed on the application. Each certificate shall bear a serial number and the location of the place of business for which it is issued.

(e) If a retail merchant intends to make retail transactions during a calendar year at a new Indiana place of business, the retail merchant must file a supplemental application and pay the fee for that place of business.

(f) A registered retail merchant's certificate is valid for two (2) years after the date the registered retail merchant's certificate is originally issued or renewed. If the retail merchant has filed all returns and remitted all taxes the retail merchant is currently obligated to file or remit, the department shall renew the registered retail merchant's certificate within thirty (30) days after the expiration date, at no cost to the retail merchant.

(g) The department may not renew a registered retail merchant certificate of a retail merchant who is delinquent in remitting sales or use tax. The department, at least sixty (60) days before the date on which a retail merchant's registered retail merchant's certificate expires, shall notify a retail merchant who is delinquent in remitting sales or use tax that the department will not renew the retail merchant's registered retail merchant's certificate.

(h) A retail merchant engaged in business in Indiana as defined in IC 6-2.5-3-1(c) who makes retail transactions that are only subject to the use tax must obtain a registered retail merchant's certificate before making those transactions. The retail merchant may obtain the certificate by following the same procedure as a retail merchant under subsections (b) and (c), except that the retail merchant must also include on the application:

(1) the names and addresses of the retail merchant's principal employees, agents, or representatives who engage in Indiana in the solicitation or negotiation of the retail transactions;

(2) the location of all of the retail merchant's places of business in Indiana, including offices and distribution houses; and

(3) any other information that the department requests.

(i) The department may permit an out-of-state retail merchant to collect the use tax. However, before the out-of-state retail merchant may collect the tax, the out-of-state retail merchant must obtain a registered retail merchant's certificate in the manner provided by this section. Upon receiving the certificate, the out-of-state retail merchant becomes subject to the same conditions and duties as an Indiana retail merchant and must then collect the use tax due on all sales of tangible personal property that the out-of-state retail merchant knows is intended for use in Indiana.

(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.

SECTION 317. IC 6-2.5-10-1, AS AMENDED BY P.L.234-2007, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2008]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit those collections in the following manner:

~~(1) Fifty percent (50%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21.~~

~~(2)~~ **(1)** ~~Forty-nine~~ **Ninety-nine** and ~~sixty-seven~~ **one hundred seventy-eight** thousandths percent ~~(49.067%)~~ **(99.178%)** of the collections shall be paid into the state

general fund.

~~(3)~~ **(2)** ~~Seventy-six~~ **Sixty-seven** hundredths of one percent ~~(0.76%)~~ **(0.67%)** of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

~~(4)~~ **(3)** ~~Thirty-three~~ **Twenty-nine** thousandths of one percent ~~(0.033%)~~ **(0.029%)** of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

~~(5)~~ **(4)** ~~Fourteen-hundredths~~ **One hundred twenty-three thousandths** of one percent ~~(0.14%)~~ **(0.123%)** of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 318. 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~~ **three** thousand ~~five hundred~~ dollars ~~($2,500).~~ **($3,000).**

(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~~ **three** thousand ~~five hundred~~ dollars ~~($2,500).~~ **($3,000).**

(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.

SECTION 319. IC 6-3-4-4.1, AS AMENDED BY P.L.211-2007, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.1. (a) Any individual required by the Internal Revenue Code to file estimated tax returns and to make payments on account of such estimated tax shall file estimated tax returns and make payments of the tax imposed by this article to the department at the time or times and in the installments as provided by Section 6654 of the Internal Revenue Code. However, in applying Section 6654 of the Internal Revenue Code for the purposes of this article, "estimated tax" means the amount which the individual estimates as the amount of the adjusted gross income tax imposed by this article for the taxable year, minus the amount which the individual estimates as the sum of any credits against the tax provided by IC 6-3-3.

(b) Every individual who has adjusted gross income subject to the tax imposed by this article and from which tax is not withheld under the requirements of section 8 of this chapter shall make a declaration of estimated tax for the taxable year. However, no such declaration shall be required if the estimated tax can reasonably be expected to be less than one thousand dollars ($1,000). In the case of an underpayment of the estimated tax as provided in Section 6654 of the Internal Revenue Code, there shall be added to the tax a penalty in an amount prescribed by IC 6-8.1-10-2.1(b).

(c) Every corporation subject to the adjusted gross income tax liability imposed by this article shall be required to report and pay an estimated tax equal to the lesser of:

(1) twenty-five percent (25%) of such corporation's estimated adjusted gross income tax liability for the taxable year; or

(2) the annualized income installment calculated in the manner provided by Section 6655(e) of the Internal Revenue Code as applied to the corporation's liability for adjusted gross income tax.

A taxpayer who uses a taxable year that ends on December 31 shall file the taxpayer's estimated adjusted gross income tax returns and pay the tax to the department on or before April 20, June 20, September 20, and December 20 of the taxable year. If a taxpayer uses a taxable year that does not end on December 31, the due dates for filing estimated adjusted gross income tax returns and paying the tax are on or before the twentieth day of the fourth, sixth, ninth, and twelfth months of the taxpayer's taxable year. The department shall prescribe the manner and forms for such reporting and payment.

(d) The penalty prescribed by IC 6-8.1-10-2.1(b) shall be assessed by the department on corporations failing to make payments as required in subsection (c) or (f). However, no penalty shall be assessed as to any estimated payments of adjusted gross income tax which equal or exceed:

(1) the annualized income installment calculated under subsection (c); or

(2) twenty-five percent (25%) of the final tax liability for the taxpayer's previous taxable year.

In addition, the penalty as to any underpayment of tax on an estimated return shall only be assessed on the difference between the actual amount paid by the corporation on such estimated return and twenty-five percent (25%) of the corporation's final adjusted gross income tax liability for such taxable year.

(e) The provisions of subsection (c) requiring the reporting and estimated payment of adjusted gross income tax shall be applicable only to corporations having an adjusted gross income tax liability which, after application of the credit allowed by IC 6-3-3-2 (repealed), shall exceed two thousand five hundred dollars ($2,500) for its taxable year.

(f) If the department determines that a corporation's:

(1) estimated quarterly adjusted gross income tax liability for the current year; or

(2) average estimated quarterly adjusted gross income tax liability for the preceding year;

exceeds five thousand dollars ($5,000), after the credit allowed by IC 6-3-3-2 (repealed), the corporation shall pay the estimated adjusted gross income taxes due by electronic funds transfer (as defined in IC 4-8.1-2-7) or by delivering in person or overnight by courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.

(g) If a corporation's adjusted gross income tax payment is made by electronic funds transfer, the corporation is not required

to file an estimated adjusted gross income tax return.

(h) An individual filing an estimated tax return and making an estimated tax payment under this section must designate:

(1) the portion of the estimated tax payment that represents estimated state adjusted gross income tax liability; and

(2) the portion of the estimated tax payment that represents estimated local income tax liability under IC 6-3.5.

The department shall adopt guidelines and issue instructions as necessary to assist individuals in making the designations required by this subsection.

SECTION 320. IC 6-3-4-15.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15.7. (a) The payor of a periodic or nonperiodic distribution under an annuity, a pension, a retirement, or other deferred compensation plan, as described in Section 3405 of the Internal Revenue Code, that is paid to a resident of this state shall, upon receipt from the payee of a written request for state income tax withholding, withhold the requested amount from each payment. The request must:

(1) be dated and signed by the payee; ~~and~~

(2) specify the flat whole dollar amount to be withheld from each payment; ~~The request must also~~

(3) designate the portion of the withheld amount that represents estimated state adjusted gross income tax liability and the portion of the withheld amount that represents estimated local income tax liability under IC 6-3.5; and

(4) specify the payee's name, current address, taxpayer identification number, and the contract, policy, or account number to which the request applies.

The request shall remain in effect until the payor receives in writing from the payee a change in or revocation of the request. **The department shall adopt guidelines and issue instructions as necessary to assist individuals in making the designations required by subdivision (3).**

(b) The payor is not required to withhold state income tax from a payment if the amount to be withheld is less than ten dollars ($10) or if the amount to be withheld would reduce the affected payment to less than ten dollars ($10).

(c) The payor is responsible for custody of withheld funds, for reporting withheld funds to the state and to the payee, and for remitting withheld funds to the state in the same manner as is done for wage withholding, including utilization of federal forms and participation by Indiana in the combined Federal/State Filing Program on magnetic media.

SECTION 321. IC 6-3-4-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 16. For individual income tax returns filed after December 31, 2010, the department shall develop procedures to implement a system of crosschecks between:**

(1) employer WH-3 forms (annual withholding tax reports) with accompanying W-2 forms; and

(2) individual taxpayer W-2 forms.

SECTION 322. IC 6-3-4-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 17. Beginning after December 31, 2010, the department and the office of management and budget shall:**

(1) develop a quarterly report that summarizes the amount reported to and processed by the department under section 4.1(h) of this chapter, section 15.7(a)(3) of this chapter, IC 6-3.5-1.1-18(c), IC 6-3.5-6-22(c), IC 6-3.5-7-18(c), and IC 6-3.5-8-22(c) for each county; and

(2) make the quarterly report available to county auditors within forty-five (45) days after the end of the calendar quarter.

SECTION 323. IC 6-3-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) All revenues derived from collection of the adjusted gross income tax imposed on corporations shall be deposited in the state general fund.

(b) All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited ~~as follows:~~

~~(1) Eighty-six percent (86%)~~ in the state general fund.

~~(2) Fourteen percent (14%) in the property tax replacement fund.~~

SECTION 324. 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.~~

SECTION 325. IC 6-3.1-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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.

SECTION 326. IC 6-3.5-1.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. As used in this chapter:

"Adjusted gross income" has the same definition that the term is given in IC 6-3-1-3.5(a), except that in the case of a county taxpayer who is not a resident of a county that has imposed the county adjusted gross income tax, the term includes only adjusted gross income derived from ~~his~~ **the taxpayer's** principal place of business or employment.

"Apartment complex" means real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of at least thirty (30) days.

"Civil taxing unit" means any entity having the power to impose ad valorem property taxes except a school corporation. The term does not include a solid waste management district that is not entitled to a distribution under section 1.3 of this chapter. However, in the case of a consolidated city, the term "civil taxing unit" includes the consolidated city and all special taxing districts, all special service districts, and all entities whose budgets and property tax levies are subject to review under IC 36-3-6-9.

"County council" includes the city-county council of a consolidated city.

"County taxpayer" as it relates to a county for a year means any individual:

(1) who resides in that county on the date specified in section 16 of this chapter; or

(2) who maintains ~~his~~ **the taxpayer's** principal place of business or employment in that county on the date specified in section 16 of this chapter and who does not on that same date reside in another county in which the county adjusted gross income tax, the county option income tax, or the county economic development income tax is in effect.

"Department" refers to the Indiana department of state revenue.

"Homestead" has the meaning set forth in IC 6-1.1-12-37.

"Nonresident county taxpayer" as it relates to a county for a year means any county taxpayer for that county for that year who is not a resident county taxpayer of that county for that year.

"Qualified residential property" refers to any of the following:

(1) An apartment complex.

(2) A homestead.

(3) Residential rental property.

"Resident county taxpayer" as it relates to a county for a year means any county taxpayer who resides in that county on the date specified in section 16 of this chapter.

"Residential rental property" means real property consisting of not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of at least thirty (30) days.

"School corporation" means any public school corporation established under Indiana law.

SECTION 327. IC 6-3.5-1.1-9, AS AMENDED BY P.L.224-2007, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) Revenue derived from the imposition of the county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department 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 county adjusted gross income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), (g), and (h). The ~~department~~ **budget agency** shall provide **the county council** with ~~the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

(1) the amount reported on individual income tax returns processed by the department during the

previous fiscal year;

(2) adjustments for over distributions in prior years;

(3) adjustments for clerical or mathematical errors in prior years;

(4) adjustments for tax rate changes; and

(5) the amount of excess account balances to be distributed under IC 6-3.5-1.1-21.1.

The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter may be used only as specified in those provisions.

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, 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, 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, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, 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) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 10(b) of this chapter.

(f) This subsection applies to a county that:

(1) initially imposes the county adjusted gross income tax; or

(2) increases the county adjusted income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department 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).

(g) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 3.3 of this chapter beginning not later than the tenth month after the month in which additional revenue from the tax authorized under section 3.3 of this chapter is initially collected.

(h) This subsection applies in the year in which a county initially imposes a tax rate under section 24 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 24 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 24 of this chapter; multiplied by

(2) two (2).

SECTION 328. IC 6-3.5-1.1-14, AS AMENDED BY P.L.2-2006, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 14. (a) In determining the amount of property tax replacement credits civil taxing units and school corporations of a county are entitled to receive during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property that was assessed in that county.

(b) If a civil taxing unit or a school corporation is located in more than one (1) county and receives property tax replacement credits from one (1) or more of the counties, then the property tax replacement credits received from each county shall be used only to reduce the property tax rates that are imposed within the county that distributed the property tax replacement credits.

(c) A civil taxing unit shall treat any property tax replacement credits that it receives or is to receive during a particular calendar year as a part of its property tax levy for that same calendar year for purposes of fixing its budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(d) Subject to subsection (e), if a civil taxing unit or school corporation of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which property tax replacement credits are being distributed, the civil taxing unit or school corporation is entitled to use the property tax replacement credits distributed to the civil taxing unit or school corporation for any purpose for which a property tax levy could be used.

(e) A school corporation shall treat any property tax replacement credits that the school corporation receives or is to receive during a particular calendar year as a part of its property tax levy for its ~~general fund,~~ debt service fund, capital projects fund, transportation fund, school bus replacement fund, and special education preschool fund in proportion to the levy for each of these funds for that same calendar year for purposes of fixing its budget. ~~and for purposes of the maximum permissible tuition support levy limits imposed by IC 20-45-3.~~ A school corporation shall allocate the property tax replacement credits described in this subsection to all ~~six (6)~~ **five (5)** funds in proportion to the levy for each fund.

SECTION 329. 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~~ **welfare allocation amount.**

The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter or IC 6-3.5-6 in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund and children with special health care needs county 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.

SECTION 330. IC 6-3.5-1.1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. (a) Except as otherwise provided in this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

(1) definitions;

(2) declarations of estimated tax;

(3) filing of returns;

(4) remittances;

(5) incorporation of the provisions of the Internal Revenue Code;

(6) penalties and interest;

(7) exclusion of military pay credits for withholding; and

(8) exemptions and deductions;

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

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

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted **to the department:**

(1) each time the employer remits to the department the tax that is withheld; and

(2) annually along with the employer's annual withholding report.

SECTION 331. IC 6-3.5-1.1-24, AS ADDED BY P.L.224-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) In a county in which the county adjusted gross income tax is in effect, the county council may, before August 1 of a year, adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

(b) In a county in which neither the county adjusted gross income tax nor the county option income tax is in effect, the county council may, before August 1 of a year, adopt an ordinance to impose a tax rate under this section.

(c) An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted. If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county council first imposes a tax rate under this section.

(1) The county council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two

(2) years.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year in which the tax rate is increased; multiplied by

(B) two (2).

(3) The tax rate that must be imposed in the county from October 1 of the following year through September 30 of the year after the following year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) **(before its repeal),** IC 12-19-7.5-6(b) **(before its repeal),** and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county council increases a tax rate under this section:

(1) The county council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is increased through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) **(before its repeal),** IC 12-19-7.5-6(b) **(before its repeal),** and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(g), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: **For distributions in 2009 and thereafter, the result of this STEP is zero (0).** For distribution to the county for deposit in the county family and children's fund **before 2009,** determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: **For distributions in 2009 and thereafter, the result of this STEP is zero (0).** For distribution to the county for deposit in the county children's psychiatric residential treatment services fund **before 2009,** determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 15 of this chapter.

(h) Notwithstanding sections 3.1 and 4 of this chapter, a county council may not decrease or rescind a tax rate imposed under this chapter.

(i) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(j) The tax levy under this section shall not be considered for purposes of computing the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5) **(before the repeal of those provisions) or for purposes of the credit under IC 6-1.1-20.6.**

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing the budget of the civil taxing unit and for

determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county council imposes a tax rate under this section, the portion of county adjusted gross income tax revenue dedicated to property tax replacement credits under section 11 of this chapter may not be decreased.

(m) In the year following the year in a which a county first imposes a tax rate under this section, one-half (1/2) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o).

(n) A pledge of county adjusted gross income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year.

However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) A county council must each year hold at least one (1) public meeting at which the county council discusses whether the tax rate under this section should be imposed or increased.

~~(q)~~ **(r)** The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

SECTION 332. IC 6-3.5-1.1-25, AS ADDED BY P.L.224-2007, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 25. (a) As used in this section, "public safety" refers to the following:

(1) A police and law enforcement system to preserve public peace and order.

(2) A firefighting and fire prevention system.

(3) Emergency ambulance services (as defined in IC 16-18-2-107).

(4) Emergency medical services (as defined in IC 16-18-2-110).

(5) Emergency action (as defined in IC 13-11-2-65).

(6) A probation department of a court.

(7) Confinement, supervision, services under a community corrections program (as defined in IC 35-38-2.6-2), or other correctional services for a person who has been:

(A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);

(B) convicted of a crime; or

(C) adjudicated as a delinquent child or a child in need of services.

(8) A juvenile detention facility under IC 31-31-8.

(9) A juvenile detention center under IC 31-31-9.

(10) A county jail.

(11) A communications system (as defined in IC 36-8-15-3) or an enhanced emergency telephone system (as defined in IC 36-8-16-2).

(12) Medical and health expenses for jail inmates and other confined persons.

(13) Pension payments for any of the following:

(A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.

(B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

(C) A county sheriff or any other member of the office of the county sheriff.

(D) Other personnel employed to provide a service described in this section.

(b) If a county council has imposed a tax rate **of at least twenty-five hundredths of one percent (0.25%)** under section 24 of this chapter, ~~and has imposed~~ a tax rate **of at least twenty-five hundredths of one percent (0.25%)** under section 26 of this chapter, **or a total combined tax rate of at least twenty-five hundredths of one percent (0.25%) under sections 24 and 26 of this chapter,** the county council may also adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety.

(c) A tax rate under this section may not exceed ~~the lesser of:~~

~~(A)~~ twenty-five hundredths of one percent (0.25%). ~~or~~

~~(B) the tax rate imposed under section 26 of this chapter.~~

(d) If a county council adopts an ordinance to impose a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of

local government finance by certified mail.

(e) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(f) **Except as provided in subsection (k),** the county auditor shall distribute the portion of the certified distribution that is attributable to a tax rate under this section to the county and to each municipality in the county. The amount that shall be distributed to the county or municipality is equal to the result of:

(1) the portion of the certified distribution that is attributable to a tax rate under this section; multiplied by

(2) a fraction equal to:

(A) the attributed allocation amount (as defined in IC 6-3.5-1.1-15) of the county or municipality for the calendar year; divided by

(B) the sum of the attributed allocation amounts of the county and each municipality in the county for the calendar year.

The county auditor shall make the distributions required by this subsection not more than thirty (30) days after receiving the portion of the certified distribution that is attributable to a tax rate under this section. Tax revenue distributed to a county or municipality under this subsection must be deposited into a separate account or fund and may be appropriated by the county or municipality only for public safety purposes.

(g) The department of local government finance may not require a county or municipality receiving tax revenue under this section to reduce the county's or municipality's property tax levy for a particular year on account of the county's or municipality's receipt of the tax revenue.

(h) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); ~~or~~

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5) **(before the repeal of IC 6-1.1-21); or**

(4) the credit under IC 6-1.1-20.6.

(i) The tax rate under this section may be imposed or rescinded at the same time and in the same manner that the county may impose or increase a tax rate under section 24 of this chapter.

(j) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(k) Two (2) or more political subdivisions that are entitled to receive a distribution under this section may adopt resolutions providing that some part or all of those distributions shall instead be paid to one (1) political subdivision in the county to carry out specific public safety purposes specified in the resolutions.

SECTION 333. IC 6-3.5-1.1-26, AS ADDED BY P.L.224-2007, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) A county council may impose a tax rate under this section to provide property tax relief to political subdivisions in the county. A county council is not required to impose any other tax before imposing a tax rate under this section.

(b) A tax rate under this section may be imposed in increments of five hundredths of one percent (0.05%) determined by the county council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded by a county council at the same time and in the same manner that the county council may impose or increase a tax rate under section 24 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county council:

(1) **Except as provided in subsection (j),** the tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers in the county. ~~Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.~~ **The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year. A county council may not adopt an ordinance determining that tax revenue shall be used under this subdivision to provide local property tax replacement credits at a uniform rate to all taxpayers in the county unless the county council has done the following:**

(A) Made available to the public the county council's best estimate of the amount of property tax replacement credits to be provided under this subdivision to homesteads, other residential property, commercial property, industrial property, and agricultural property.

(B) Adopted a resolution or other statement acknowledging that some taxpayers in the county that do not pay the tax rate under this section will receive a property tax replacement credit that is funded with tax revenue from the tax rate under this section.

(2) The tax revenue may be used to uniformly increase **(before January 1, 2009) or uniformly provide (after December 31, 2008)** the homestead credit percentage in the county. 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 homestead credit under IC 6-1.1-20.9 **(before its repeal).** 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. The department of local government finance shall determine the ~~additional~~ homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide ~~additional~~ homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4 **before January 1, 2009, and as defined in section 1 of this chapter after December 31, 2008)** in the county. ~~Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.~~ **The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year.**

(4) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used for any of the following:

(A) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.

(B) To provide local property tax replacement credits in Lake County in the following manner:

(i) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality.

(ii) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county.

(C) To provide property tax credits in the following manner:

(i) Sixty percent (60%) of the tax revenue under this section shall be used as provided in clause (B).

(ii) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax replacement credits against property tax levies of the county and each township and municipality in the county. The percentage of the tax revenue distributed under this item that shall be used as credits against the county's levies or against a particular township's or municipality's levies is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

The Lake County council shall determine whether the credits under clause (A), (B), or (C) shall be provided to homesteads, to all qualified residential property, or to all taxpayers. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of property tax credits under this subdivision. Except as provided in subsection (g), the tax revenue under this section that is used to provide credits under this subdivision shall be treated for all

purposes as property tax levies.

The county council may before October 1 of a year adopt an ordinance changing the purposes for which tax revenue attributable to a tax rate under this section shall be used in the following year.

(g) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); ~~or~~

(3) **before January 1, 2009,** the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5) **(before the repeal of those provisions);** or

(4) the credit under IC 6-1.1-20.6.

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(j) A taxpayer that owns an industrial plant located in Jasper County is ineligible for a local property tax replacement credit under this section against the property taxes due on the industrial plant if the assessed value of the industrial plant as of March 1, 2006, exceeds twenty percent (20%) of the total assessed value of all taxable property in the county on that date. The general assembly finds that the provisions of this subsection are necessary because the industrial plant represents such a large percentage of Jasper County's assessed valuation.

SECTION 334. IC 6-3.5-1.5-1, AS AMENDED BY P.L.1-2008, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The department of local government finance and the department of state revenue shall, before July 1 of each year, jointly calculate the county adjusted income tax rate or county option income tax rate (as applicable) that must be imposed in a county to raise income tax revenue in the following year equal to the sum of the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all ~~political subdivisions~~ **civil taxing units** in the county for the ensuing calendar year (before any adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for the ensuing calendar year); minus

(2) the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all ~~political subdivisions~~ **civil taxing units** in the county for the current calendar year.

In the case of a civil taxing unit that is located in more than one (1) county, the department of local government finance shall, for purposes of making the determination under this subdivision, apportion the civil taxing unit's maximum permissible ad valorem property tax levy among the counties in which the civil taxing unit is located.

STEP TWO: **This STEP applies only to property taxes first due and payable before January 1, 2009.** Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the family and children property tax levy that will be imposed by the county under IC 12-19-7-4 for the ensuing calendar year (before any adjustment under IC 12-19-7-4(b) for the ensuing calendar year); minus

(2) the county's family and children property tax levy imposed by the county under IC 12-19-7-4 for the current calendar year.

STEP THREE: **This STEP applies only to property taxes first due and payable before January 1, 2009.** Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the children's psychiatric residential treatment services property tax levy that will be imposed by the county under IC 12-19-7.5-6 for the ensuing calendar year (before any adjustment under IC 12-19-7.5-6(b) for the ensuing calendar year); minus

(2) the children's psychiatric residential treatment services property tax imposed by the county under IC 12-19-7.5-6 for the current calendar year.

STEP FOUR: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the ensuing calendar year (before any adjustment under IC 12-29-2-2(c) for the ensuing calendar year); minus

(2) the county's maximum community mental health centers property tax levy under IC 12-29-2-2 for the current calendar year.

(b) In the case of a county that wishes to impose a tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the department of local government finance and the department of state revenue shall jointly estimate the amount that will be calculated under subsection (a) in the second year after the tax rate is first imposed. The department of local government finance and the department of state revenue shall calculate the tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the second year after the tax rate is first imposed to raise income tax revenue equal to the

estimate under this subsection.

(c) The department and the department of local government finance shall make the calculations under subsections (a) and (b) based on the best information available at the time the calculation is made.

(d) Notwithstanding IC 6-3.5-1.1-24(h) and IC 6-3.5-6-30(h), if a county has adopted an income tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 to replace property tax levy growth, the part of the tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 that was used before January 1, 2009, to reduce levy growth in the county family and children's fund property tax levy and the children's psychiatric residential treatment services property tax levy shall instead be used for property tax relief in the same manner that a tax rate under IC 6-3.5-1.1-26 or IC 6-3.5-6-30 is used for property tax relief.

SECTION 335. IC 6-3.5-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. As used in this chapter:

"Adjusted gross income" has the same definition that the term is given in IC 6-3-1-3.5. However, in the case of a county taxpayer who is not treated as a resident county taxpayer of a county, the term includes only adjusted gross income derived from ~~his~~ **the taxpayer's** principal place of business or employment.

"Apartment complex" means real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of at least thirty (30) days.

"Civil taxing unit" means any entity, except a school corporation, that has the power to impose ad valorem property taxes. The term does not include a solid waste management district that is not entitled to a distribution under section 1.3 of this chapter. However, in the case of a county in which a consolidated city is located, the consolidated city, the county, all special taxing districts, special service districts, included towns (as defined in IC 36-3-1-7), and all other political subdivisions except townships, excluded cities (as defined in IC 36-3-1-7), and school corporations shall be deemed to comprise one (1) civil taxing unit whose fiscal body is the fiscal body of the consolidated city.

"County income tax council" means a council established by section 2 of this chapter.

"County taxpayer", as it relates to a particular county, means any individual:

(1) who resides in that county on the date specified in section 20 of this chapter; or

(2) who maintains ~~his~~ **the taxpayer's** principal place of business or employment in that county on the date specified in section 20 of this chapter and who does not reside on that same date in another county in which the county option income tax, the county adjusted income tax, or the county economic development income tax is in effect.

"Department" refers to the Indiana department of state revenue.

"Fiscal body" has the same definition that the term is given in IC 36-1-2-6.

"Homestead" has the meaning set forth in IC 6-1.1-12-37.

"Qualified residential property" refers to any of the following:

(1) An apartment complex.

(2) A homestead.

(3) Residential rental property.

"Resident county taxpayer", as it relates to a particular county, means any county taxpayer who resides in that county on the date specified in section 20 of this chapter.

"Residential rental property" means real property consisting of not more than four (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of at least thirty (30) days.

"School corporation" has the same definition that the term is given in IC 6-1.1-1-16.

SECTION 336. IC 6-3.5-6-1.1, AS ADDED BY P.L.207-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1.1. (a) For purposes of allocating the certified distribution made to a county under this chapter among the civil taxing units in the county, the allocation amount for a civil taxing unit is the amount determined using the following formula:

STEP ONE: Determine the total property taxes that are first due and payable to the civil taxing unit during the calendar year of the distribution 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.~~ **welfare allocation amount.**

STEP TWO: Determine the sum of the following:

(A) Amounts appropriated from property taxes to pay the principal of or interest on any debenture or other debt obligation issued after June 30, 2005, other than an obligation described in subsection (b).

(B) Amounts appropriated from property taxes to make payments on any lease entered into after June 30, 2005, other than a lease described in subsection (c).

(C) The proceeds of any property that are:

(i) received as the result of the issuance of a debt obligation described in clause (A) or a lease described in clause (B); and

(ii) appropriated from property taxes for any purpose other than to refund or otherwise refinance a debt obligation or lease described in subsection (b) or (c).

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit or school corporation's certified distribution for the previous calendar year.

The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and,

if the county received a certified distribution under IC 6-3.5-1.1 or this chapter in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund.

(b) Except as provided in this subsection, an appropriation from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit if:

(1) the debt obligation was issued; and

(2) the proceeds appropriated from property taxes;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

(c) Except as provided in this subsection, an appropriation from property taxes to make payments on a lease is not deducted from the allocation amount for a civil taxing unit if:

(1) the lease was issued; and

(2) the proceeds were appropriated from property taxes;

to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation from property taxes related to a lease entered into after June 30, 2005, is deducted if the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if it had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

SECTION 337. IC 6-3.5-6-13, AS AMENDED BY P.L.224-2007, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. (a) A county income tax council of a county in which the county option income tax is in effect may adopt an ordinance to ~~increase the percentage~~ **provide a homestead** credit ~~allowed~~ for homesteads in its county. ~~under IC 6-1.1-20.9-2.~~

(b) A county income tax council may not ~~increase the percentage~~ **provide a homestead** credit ~~allowed for homesteads by an amount~~ **percentage** that exceeds the amount determined in the last STEP of the following formula:

STEP ONE: Determine the amount of the sum of all property tax levies for all taxing units in a county which are to be paid in the county in 2003 as reflected by the auditor's abstract for the 2002 assessment year, adjusted, however, for any postabstract adjustments which change the amount of the levies.

STEP TWO: Determine the amount of the county's estimated property tax replacement under IC 6-1.1-21-3(a) **(before its repeal)** for property taxes first due and payable in 2003.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the amount of the county's total county levy (as defined in IC 6-1.1-21-2(g) **before its repeal)** for property taxes first due and payable in 2003.

STEP FIVE: Subtract the STEP FOUR amount from the STEP ONE amount.

STEP SIX: Subtract the STEP FIVE result from the STEP THREE result.

STEP SEVEN: Divide the STEP THREE result by the STEP SIX result.

STEP EIGHT: Multiply the STEP SEVEN result by eight-hundredths (0.08).

STEP NINE: Round the STEP EIGHT product to the nearest one-thousandth (0.001) and express the result as a percentage.

(c) The ~~increase of the~~ homestead credit percentage must be uniform for all homesteads in a county.

(d) In the ordinance that ~~increases~~ **establishes** the homestead credit percentage, a county income tax council may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) An ordinance may be adopted under this section after March 31 but before August 1 of a calendar year.

(f) An ordinance adopted under this section takes effect on January 1 of the next succeeding calendar year.

(g) Any ordinance adopted under this section for a county is repealed for a year if on January 1 of that year the county option income tax is not in effect.

SECTION 338. IC 6-3.5-6-17, AS AMENDED BY P.L.224-2007, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department 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 county option income tax

made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), (e), and (f). The ~~department~~ **budget agency** shall provide **the county council** with ~~the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

(1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;

(2) adjustments for over distributions in prior years;

(3) adjustments for clerical or mathematical errors in prior years;

(4) adjustments for tax rate changes; and

(5) the amount of excess account balances to be distributed under IC 6-3.5-6-17.3.

The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter may be used only as specified in those provisions.

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, 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, 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, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, 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 county that:

(1) initially imposed the county option income tax; or

(2) increases the county option income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department 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 in the year a county initially imposes a tax rate under section 30 of this chapter. Notwithstanding any other provision, the department shall adjust the part of the county's certified distribution that is attributable to the tax rate under section 30 of this chapter to provide for a distribution in the immediately following calendar year equal to the result of:

(1) the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county initially imposes a tax rate under section 30 of this chapter; multiplied by

(2) the following:

(A) In a county containing a consolidated city, one and five-tenths (1.5).

(B) In a county other than a county containing a consolidated city, two (2).

(g) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

(h) Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(i) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 339. 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
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,~~ **the welfare allocation amount;** 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.~~ **welfare allocation amount.**

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,~~ **welfare allocation amount;** 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.~~ **welfare allocation amount.**

(c) The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, thirty-five million dollars ($35,000,000).

SECTION 340. IC 6-3.5-6-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 22. (a) Except as otherwise provided in subsection (b) and the other provisions of this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

(1) definitions;
(2) declarations of estimated tax;
(3) filing of returns;
(4) deductions or exemptions from adjusted gross income;
(5) remittances;
(6) incorporation of the provisions of the Internal Revenue Code;

(7) penalties and interest; and

(8) exclusion of military pay credits for withholding;

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

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

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted **to the department:**

(1) each time the employer remits to the department the tax that is withheld; and

(2) annually along with the employer's ~~other~~ **annual** withholding report.

SECTION 341. IC 6-3.5-6-30, AS ADDED BY P.L.224-2007, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 30. (a) In a county in which the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

(b) In a county in which neither the county option adjusted gross income tax nor the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose a tax rate under this section.

(c) An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted. If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county income tax council first imposes a tax rate under this section:

(1) The county income tax council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; multiplied by

(B) the following:

(i) In a county containing a consolidated city, one and five-tenths (1.5).

(ii) In a county other than a county containing a consolidated city, two (2).

(3) The tax rate that must be imposed in the county from October 1 of the following year through September 30 of the year after the following year is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) **(before its repeal),** IC 12-19-7.5-6(b) **(before its repeal),** and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county income tax council increases a tax rate under this section.

(1) The county income tax council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is increased through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) **(before its repeal),** IC 12-19-7.5-6(b) **(before its repeal),** and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(g), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: **For distributions in 2009 and thereafter, the result of this STEP is zero (0).** For distribution to the county for deposit in the county family and children's fund **before 2009,** determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer

under this section.

STEP FOUR: **For distributions in 2009 and thereafter, the result of this STEP is zero (0).** For distribution to the county for deposit in the county children's psychiatric residential treatment services fund **before 2009,** determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 18 of this chapter.

(h) Notwithstanding sections 12 and 12.5 of this chapter, a county income tax council may not decrease or rescind a tax rate imposed under this chapter.

(i) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(j) The tax levy under this section shall not be considered for purposes of computing the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5) **(before the repeal of those provisions) or for purposes of the credit under IC 6-1.1-20.6.**

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing its budget and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county income tax council imposes a tax rate under this section, the county option income tax rate dedicated to locally funded homestead credits in the county may not be decreased.

(m) In the year following the year in which a county first imposes a tax rate under this section:

(1) one-third (1/3) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county containing a consolidated city; and

(2) one-half (1/2) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county not containing a consolidated city.

(n) A pledge of county option income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year.

However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) A county income tax council must each year hold at least one (1) public meeting at which the county council discusses whether the tax rate under this section should be imposed or increased.

~~(q)~~ **(r)** The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

~~(r)~~ **(s)** Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the additional tax rate under this section.

SECTION 342. IC 6-3.5-6-31, AS ADDED BY P.L.224-2007, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 31. (a) As used in this section, "public safety" refers to the following:

(1) A police and law enforcement system to preserve public peace and order.

(2) A firefighting and fire prevention system.

(3) Emergency ambulance services (as defined in

IC 16-18-2-107).

(4) Emergency medical services (as defined in IC 16-18-2-110).

(5) Emergency action (as defined in IC 13-11-2-65).

(6) A probation department of a court.

(7) Confinement, supervision, services under a community corrections program (as defined in IC 35-38-2.6-2), or other correctional services for a person who has been:

(A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);

(B) convicted of a crime; or

(C) adjudicated as a delinquent child or a child in need of services.

(8) A juvenile detention facility under IC 31-31-8.

(9) A juvenile detention center under IC 31-31-9.

(10) A county jail.

(11) A communications system (as defined in IC 36-8-15-3) or an enhanced emergency telephone system (as defined in IC 36-8-16-2).

(12) Medical and health expenses for jail inmates and other confined persons.

(13) Pension payments for any of the following:

(A) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.

(B) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

(C) A county sheriff or any other member of the office of the county sheriff.

(D) Other personnel employed to provide a service described in this section.

(b) The county income tax council may adopt an ordinance to impose an additional tax rate under this section to provide funding for public safety if:

(1) the county income tax council has imposed a tax rate under section 30 of this chapter, in the case of a county containing a consolidated city; or

(2) the county income tax council has imposed a tax rate **of at least twenty-five hundredths of one percent (0.25%)** under section 30 of this chapter, ~~and has also imposed~~ a tax rate **of at least twenty-five hundredths of one percent (0.25%)** under section 32 of this chapter, **or a total combined tax rate of at least twenty-five hundredths of one percent (0.25%) under sections 30 and 32 of this chapter,** in the case of a county other than a county containing a consolidated city.

(c) A tax rate under this section may not exceed the following:

(1) Five-tenths of one percent (0.5%), in the case of a county containing a consolidated city.

(2) ~~The lesser of:~~

~~(A)~~ Twenty-five hundredths of one percent (0.25%), ~~or~~

~~(B) the tax rate imposed under section 32 of this chapter;~~

in the case of a county other than a county containing a consolidated city.

(d) If a county income tax council adopts an ordinance to impose a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(f) **Except as provided in subsection (l),** the county auditor shall distribute the portion of the certified distribution that is attributable to a tax rate under this section to the county and to each municipality in the county. The amount that shall be distributed to the county or municipality is equal to the result of:

(1) the portion of the certified distribution that is attributable to a tax rate under this section; multiplied by

(2) a fraction equal to:

(A) the total property taxes being collected in the county by the county or municipality for the calendar year; divided by

(B) the sum of the total property taxes being collected in the county by the county and each municipality in the county for the calendar year.

The county auditor shall make the distributions required by this subsection not more than thirty (30) days after receiving the portion of the certified distribution that is attributable to a tax rate under this section. Tax revenue distributed to a county or municipality under this subsection must be deposited into a separate account or fund and may be appropriated by the county or municipality only for public safety purposes.

(g) The department of local government finance may not require a county or municipality receiving tax revenue under this section to reduce the county's or municipality's property tax levy for a particular year on account of the county's or municipality's receipt of the tax revenue.

(h) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); ~~or~~

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5) **(before the repeal of IC 6-1.1-21); or**

(4) the credit under IC 6-1.1-20.6.

(i) The tax rate under this section may be imposed or rescinded at the same time and in the same manner that the

county may impose or increase a tax rate under section 30 of this chapter.

(j) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(k) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the additional tax rate under this section.

(l) Two (2) or more political subdivisions that are entitled to receive a distribution under this section may adopt resolutions providing that some part or all of those distributions shall instead be paid to one (1) political subdivision in the county to carry out specific public safety purposes specified in the resolutions.

SECTION 343. IC 6-3.5-6-32, AS ADDED BY P.L.224-2007, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) A county income tax council may impose a tax rate under this section to provide property tax relief to political subdivisions in the county. A county income tax council is not required to impose any other tax before imposing a tax rate under this section.

(b) A tax rate under this section may be imposed in increments of five hundredths of one percent (0.05%) determined by the county income tax council. A tax rate under this section may not exceed one percent (1%).

(c) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(d) If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded at the same time and in the same manner that the county income tax council may impose or increase a tax rate under section 30 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county income tax council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to ~~civil taxing units and school corporations in the county. The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:~~

~~(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision, multiplied by~~

~~(B) the following fraction:~~

~~(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.~~

~~(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.~~

~~The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.~~ **all taxpayers in the county. The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year. A county income tax council may not adopt an ordinance determining that tax revenue shall be used under this subdivision to provide local property tax replacement credits at a uniform rate to all taxpayers in the county unless the county council has done the following:**

(A) Made available to the public the county council's best estimate of the amount of property tax replacement credits to be provided under this subdivision to homesteads, other residential property, commercial property, industrial property, and agricultural property.

(B) Adopted a resolution or other statement acknowledging that some taxpayers in the county that do not pay the tax rate under this section will receive a property tax replacement credit that is funded with tax revenue from the tax rate under this section.

(2) The tax revenue may be used to uniformly increase **(before January 1, 2009) or uniformly provide (after December 31, 2008)** the homestead credit percentage in the county. 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 homestead credit under IC 6-1.1-20.9 **(before its repeal).** 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. The department of local government finance shall determine the ~~additional~~ homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide ~~additional~~ homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4 **before January 1, 2009, and as defined in section 1 of this chapter after December 31, 2008)** in the county. ~~The amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive under this subdivision during a calendar year equals the product of:~~

~~(A) the tax revenue attributable to a tax rate under this section that is dedicated to property tax replacement credits under this subdivision; multiplied by~~

~~(B) the following fraction:~~

~~(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.~~

~~(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.~~

~~The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.~~ **The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year.**

(4) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used for any of the following:

(A) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.

(B) To provide local property tax replacement credits in Lake County in the following manner:

(i) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality.

(ii) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county.

(C) To provide property tax credits in the following manner:

(i) Sixty percent (60%) of the tax revenue under this section shall be used as provided in clause (B).

(ii) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax replacement credits against property tax levies of the county and each township and municipality in the county. The percentage of the tax revenue distributed under this item that shall be used as credits against the county's levies or against a particular township's or municipality's levies is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

The Lake County council shall determine whether the credits under clause (A), (B), or (C) shall be provided to homesteads, to all qualified residential property, or to all taxpayers. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of property tax credits under this subdivision. Except as provided in subsection (g), the tax revenue under this section that is used to provide credits under this subdivision shall be treated for all purposes as property tax levies.

The county income tax council may before October 1 of a year adopt an ordinance changing the purposes for which tax revenue attributable to a tax rate under this section shall be used in the following year.

(g) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other

provision of this chapter; ~~or~~

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); **or**

(3) the credit under IC 6-1.1-20.6.

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(j) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the tax rate under this section.

SECTION 344. IC 6-3.5-7-5, AS AMENDED BY HEA 1137-2008, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on March 31 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on March 31 of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) and section 28 of this chapter, the county economic development income tax may be imposed at a rate of:

(1) one-tenth percent (0.1%);

(2) two-tenths percent (0.2%);

(3) twenty-five hundredths percent (0.25%);

(4) three-tenths percent (0.3%);

(5) thirty-five hundredths percent (0.35%);

(6) four-tenths percent (0.4%);

(7) forty-five hundredths percent (0.45%); or

(8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), (s), (v), (w), ~~or~~ (x), or (y), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), (u), (w), (x), or (y), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after March 31 but before August 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect October 1 of this year.".

(e) Any ordinance adopted under this chapter takes effect ~~July~~ **October** 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the

county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1 **before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008)** or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county, resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 **or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-1-11.**

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic

development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(v) This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(w) An additional county economic development income tax rate imposed under section 28 of this chapter may not be considered in calculating any limit under this section on the sum of:

(1) the county economic development income tax rate plus the county adjusted gross income tax rate; or

(2) the county economic development tax rate plus the county option income tax rate.

(x) The income tax rate limits imposed by subsection (c) or ~~(x)~~ **(y)** or any other provision of this chapter do not apply to:

(1) a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or

(2) a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

For purposes of computing the maximum combined income tax rate under subsection (c) or ~~(x)~~ **(y)** or any other provision of this chapter that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this chapter, a county's county adjusted gross income tax rate or county option income tax rate for a particular year does not include the county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

(y) This subsection applies to Monroe County. Except as provided in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

SECTION 345. IC 6-3.5-7-11, AS AMENDED BY P.L.207-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) Revenue derived from the imposition of the county economic development income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the sum of the amount of county economic development income tax revenue that the department determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department 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 county economic development income tax made in the state fiscal year plus the amount of interest in the county's account that has been accrued and has not been included in a certification made in a preceding year. The amount certified is the county's certified distribution, which shall be distributed on the dates specified in section 16 of this chapter for the following calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), and (g). The ~~department~~ **budget agency** shall provide **the county council** with ~~the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

(1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;

(2) adjustments for over distributions in prior years;

(3) adjustments for clerical or mathematical errors in prior years;

(4) adjustments for tax rate changes; and

(5) the amount of excess account balances to be distributed under IC 6-3.5-7-17.3.

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, 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, 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) After reviewing the recommendation of the budget agency, the department shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, 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) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 16(b) of this chapter.

(f) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the amount of any tax increase imposed under section 25 or 26 of this chapter to provide additional homestead credits as provided in those provisions.

(g) This subsection applies to a county that:

(1) initially imposed the county economic development income tax; or

(2) increases the county economic development income rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (b)(1) through (b)(2) in the manner provided in subsection (c).

SECTION 346. IC 6-3.5-7-12, AS AMENDED BY P.L.232-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) Except as provided in sections 23, 25, 26, 27, and 28 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of: ~~the following:~~

(A) total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) 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.~~ **the welfare allocation amount.**

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus **the welfare allocation amount. The welfare allocation amount is** an amount equal to the **sum of the** property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and, if the county received a certified distribution under this chapter in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund.**

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) Except as provided in sections 25 and 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

(1) The county.

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The department of local government finance shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of sections 15, 25, and 26 of this chapter.

SECTION 347. IC 6-3.5-7-13.1, AS AMENDED BY P.L.1-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 25, 26, and 27 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) **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.

(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 homestead credit under IC 6-1.1-20.9 for homesteads in the county, city, or town **(for property taxes first due and payable before January 1, 2009) or to provide a homestead credit for homesteads in the county, city, or town (for property taxes first due and payable after December 31, 2008).**

(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.

(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.

(D) The department of local government finance shall determine the ~~additional~~ homestead credit percentage for a particular year based on the amount of county

economic development income tax revenue that will be used under this subdivision to provide ~~additional~~ homestead credits in that year.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E); or

(N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

(d) If there are bonds outstanding that have been issued under section 14 of this chapter or leases in effect under section 21 of this chapter, a county, city, or town may not expend money from its economic development income tax fund for a purpose authorized under subsection (b)(3) in a manner that would adversely affect owners of the outstanding bonds or payment of any lease rentals due.

SECTION 348. IC 6-3.5-7-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. (a) Except as otherwise provided in this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

(1) definitions;

(2) declarations of estimated tax;

(3) filing of returns;

(4) remittances;

(5) incorporation of the provisions of the Internal Revenue Code;

(6) penalties and interest;

(7) exclusion of military pay credits for withholding; and

(8) exemptions and deductions;

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

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

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted **to the department:**

(1) each time the employer remits to the department the tax that is withheld; and

(2) annually along with the employer's annual withholding report.

SECTION 349. IC 6-3.5-7-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 23. (a) This section applies only to a county having a population of more than fifty-five thousand (55,000) but less than sixty-five thousand (65,000).

(b) The county council may by ordinance determine that, in order to promote the development of libraries in the county and thereby encourage economic development, it is necessary to use economic development income tax revenue to replace library property taxes in the county. However, a county council may adopt an ordinance under this subsection only if all territory in the county is included in a library district.

(c) If the county council makes a determination under subsection (b), the county council may designate the county economic development income tax revenue generated by the tax rate adopted under section 5 of this chapter, or revenue generated by a portion of the tax rate, as revenue that will be used to replace public library property taxes imposed by public libraries in the county. The county council may not designate for library property tax replacement purposes any county economic development income tax revenue that is generated by a tax rate of more than fifteen-hundredths percent (0.15%).

(d) The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the portion of the tax rate designated for property tax replacement credits under subsection (c) shall be deposited in the library property tax replacement fund before certified distributions are made under section 12 of this chapter. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund.

(e) The amount of county economic development income tax revenue dedicated to providing library property tax replacement credits shall, in the manner prescribed in this section, be allocated to public libraries operating in the county and shall be used by those public libraries as property tax replacement credits. The amount of property tax replacement credits that each public library in the county is entitled to receive during a calendar year under this section equals the lesser of:

(1) the product of:

(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund;

multiplied by

(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of county economic development income tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess shall remain in the library property tax replacement fund and shall be used for library property tax replacement purposes in the following calendar year.

(f) Notwithstanding subsection (e), if a public library did not impose a property tax levy during the previous calendar year, that public library is entitled to receive a part of the property tax replacement credits to be distributed for the calendar year. The amount of property tax replacement credits the public library is entitled to receive during the calendar year equals the product of:

(1) the amount of revenue deposited in the library property tax replacement fund; multiplied by

(2) a fraction. The numerator of the fraction equals the budget of the public library for that calendar year. The denominator of the fraction equals the aggregate budgets of public libraries in the county for that calendar year.

If for a calendar year a public library is allocated a part of the property tax replacement credits under this subsection, then the amount of property tax credits distributed to other public libraries in the county for the calendar year shall be reduced by the amount to be distributed as property tax replacement credits under this subsection. The department of local government finance shall make any adjustments required by this subsection and provide the adjustments to the county auditor.

(g) The department of local government finance shall inform the county auditor of the amount of property tax replacement credits that each public library in the county is entitled to receive under this section. The county auditor shall certify to each public library the amount of property tax replacement credits that the public library is entitled to receive during that calendar year. The county auditor shall also certify these amounts to the county treasurer.

(h) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed. The amount that must be allocated to each fund equals:

(1) the amount of property tax replacement credits provided to the public library under this section; multiplied by

(2) the amount determined in STEP THREE of the following formula:

STEP ONE: Determine the property taxes that would have been collected for each fund by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP TWO: Determine the sum of the total property taxes that would have been collected for all funds by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP THREE: Divide the STEP ONE amount by the STEP TWO amount.

However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(i) For each public library that receives property tax credits under this section, the department of local government finance shall certify to the county auditor the property tax rate applicable to each fund after the property tax replacement credits are allocated.

(j) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(k) ~~The property tax replacement credits that are received under this section do not reduce the total county tax levy that is used to compute the state property tax replacement credit under IC 6-1.1-21.~~ For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 350. IC 6-3.5-7-26, AS AMENDED BY P.L.224-2007, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 26. (a) This section applies only to homestead and property tax replacement credits for property taxes first due and payable after calendar year 2006.

(b) The following definitions apply throughout this section:

(1) "Adopt" includes amend.

(2) "Adopting entity" means:

(A) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or

(B) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(3) "Homestead" refers to tangible property that is eligible for a homestead credit under IC 6-1.1-20.9 **or the standard deduction under 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 under IC 6-1.1-20.9 **or the standard deduction under 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.

(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:

(1) increase:

~~(1)~~ **(A)** if the ordinance grants a credit described in subsection (c)(2)(A) or (c)(2)(C), the homestead credit allowed in the county under IC 6-1.1-20.9 for a year; or

~~(2)~~ **(B)** if the ordinance grants a credit described in subsection (c)(2)(B) or (c)(2)(D), the property tax replacement credit allowed in the county under IC 6-1.1-21-5 for a year for the residential property;

for property taxes first due and payable before January 1, 2009; or

(2) provide:

(A) if the ordinance grants a credit described in subsection (c)(2)(A) or (c)(2)(C), a homestead credit for homesteads; or

(B) if the ordinance grants a credit described in subsection (c)(2)(B) or (c)(2)(D), a property tax replacement credit for residential property;

for property taxes first due and payable after December 31, 2008;

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 **or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-1-11.** The amount of ~~an additional~~ **a** 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 **(before its repeal)** 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 **under this section** 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 **under this section** 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 **under this section** 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 **under this section** for the year; and

(2) except as provided in subsection (l), ~~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 **in 2006** 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 **in 2006.**

(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 **under this section** for the year; and

(2) except as provided in subsection (l), ~~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 **in 2006** 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 **in 2006.**

(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 **provided under this section** 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 **under this section.**

(l) Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of:

(1) homestead credit determined under subsection (i)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county; or

(2) residential property tax replacement credit determined under subsection (j)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the residential property in the county.

SECTION 351. IC 6-5.5-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) On or before February 1, May 1, August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year.

(b) For purposes of determining distributions under subsection (c), the department of local government finance shall determine a state welfare allocation **and tuition support allocation** for each county calculated as follows:

(1) ~~For 2000 and each year thereafter,~~ The state welfare

allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

~~(A)~~ **(i)** the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by

~~(B)~~ **(ii)** the amounts appropriated by all the taxing units in the county in the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to ~~all the taxing units in~~ the county under subsection ~~(b)~~ **(c)** without regard to this subdivision.

STEP FIVE: Determine the result of:

~~(A)~~ **(i)** the STEP FOUR amount; multiplied by

~~(B)~~ **(ii)** the STEP THREE result.

STEP SIX: For 2006, 2007, and 2008, determine the result of:

(i) the tax rate imposed by the county in the year for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by

(ii) the aggregate tax rate imposed by the county unit in the year plus, in the case of Marion County, the aggregate tax rate imposed by the health and hospital corporation in the year.

STEP SEVEN: Determine the sum of the STEP SIX amounts.

STEP EIGHT: Divide the STEP SEVEN result by three (3).

STEP NINE: Determine the amount that would otherwise be distributed to the county under subsection (c) without regard to this subdivision.

STEP TEN: Determine the result of:

(i) the STEP EIGHT amount; multiplied by

(ii) the STEP NINE result.

STEP ELEVEN: Determine the sum of the STEP FIVE amount and the STEP TEN amount.

(2) The tuition support allocation for each school corporation equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For 2006, 2007, and 2008, determine the result of:

(i) the tax rate imposed by the school corporation in the year for the tuition support levy under IC 6-1.1-19-1.5 (repealed) or IC 20-45-3-11 (repealed) for the school corporation's general fund plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund; divided by

(ii) the aggregate tax rate imposed by the school corporation in the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to the school corporation under subsection (c) without regard to this subdivision.

STEP FIVE: Determine the result of:

(i) the STEP FOUR amount; multiplied by

(ii) the STEP THREE result.

~~(2)~~ **(3)** The state welfare allocation **and tuition support allocation** shall be deducted from the distributions otherwise payable under subsection (c) to the **county** taxing unit ~~that is a county~~ **and school corporations in the county** and shall be deposited in a ~~special account within the state general~~ fund, **as directed by the budget agency.**

(c) A taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:

(1) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the department of local government finance, from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus

(3) in the case of a taxing unit that is a county, the amount that would have been received by the taxing unit in the year of the distribution, as determined by the department of local government finance from property taxes that:

(A) were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and

(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

(d) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between:

(A) one-half (1/2) of the taxes that the department estimates will be paid under this article during the year;

minus

(B) the sum of all the guaranteed distributions, before the subtraction of all state welfare allocations **and tuition support allocations** under subsection ~~(a),~~ **(b),** for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (c)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in the county; divided by

(B) the sum of the amounts received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in all counties.

STEP THREE: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the amount determined in STEP TWO.

STEP FOUR: Determine the greater of zero (0) or the difference between:

(A) the amount of supplemental distribution determined in STEP THREE for the county; minus

(B) the amount of refunds granted under IC 6-5-10-7 (repealed) that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13 (repealed).

For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.

(e) Except as provided in ~~subsection~~ **subsections** (g) **and (h),** the amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

(A) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; divided by

(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

STEP TWO: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the supplemental distribution for the county, as determined in subsection (d), STEP FOUR.

(f) The county auditor shall distribute the guaranteed and supplemental distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

(g) The amount of a supplemental distribution paid to a taxing unit that is a county shall be reduced by an amount equal to:

~~(1) the amount the county would receive under subsection (c) without regard to this subsection minus~~

~~(2)~~ **(1)** an amount equal to:

(A) the amount ~~under subdivision (1)~~ **the county would receive under subsection (e) without regard to this subsection;** multiplied by

(B) the result of the following:

(i) Determine the amounts appropriated by the county in 1997, 1998, and 1999 ~~from~~ **for** the county's county welfare fund and county welfare administration fund, divided by the total amounts appropriated by all the taxing units in the county in the year.

(ii) Divide the amount determined in item (i) by three (3); **plus**

(2) the amount the county would receive under subsection (e) without regard to this subsection multiplied by the result determined under the following formula:

(A) Determine the result of:

(i) the tax rate imposed by the county in 2006, 2007, and 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by

(ii) the aggregate tax rate imposed by the county in the year plus, in the case of Marion County, the aggregate tax rate imposed by the health and hospital corporation in the year.

(B) Divide the clause (A) amount by three (3).

(h) The amount of a supplemental distribution paid to a school corporation shall be reduced by an amount equal to:

(1) the amount the school corporation would receive under subsection (e) without regard to this subsection; minus

(2) an amount equal to:

(A) the amount described in subdivision (1); multiplied by

(B) the result of the following formula:

(i) Determine the tax rate imposed by the school corporation in 2006, 2007, and 2008 for the tuition support levy under IC 6-1.1-19-1.5 (repealed) or IC 20-45-3-11 (repealed) for the school corporation's general fund plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund, divided by the aggregate tax rate imposed by the school corporation in the year.

(ii) Divide the item (i) amount by three (3).

(i) The amounts deducted under subsections (g) and (h) shall be deposited in a state fund, as directed by the budget agency.

SECTION 352. 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.

SECTION 353. IC 6-6-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) **As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund.** The county auditor shall determine the total amount of excise taxes collected for each taxing ~~unit~~ **district** in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of ~~each~~ **the** taxing ~~unit~~ **units** in the same manner and at the same time as property taxes are apportioned and distributed. However, for purposes of determining distributions under this section for ~~2000~~ **2009** and each year thereafter, ~~the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following STEPS:~~

~~STEP ONE: For 1997, 1998, and 1999, determine the result of:~~

~~(i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare administration fund; divided by~~

~~(ii) the total amounts appropriated by all the taxing units in the county in the year.~~

~~STEP TWO: Determine the sum of the results determined in STEP ONE.~~

~~STEP THREE: Divide the STEP TWO result by three (3).~~

~~STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision.~~

~~STEP FIVE: Determine the result of:~~

~~(i) the STEP FOUR amount; multiplied by~~

~~(ii) the STEP THREE result.~~

~~The~~ **a** state welfare **and tuition support** allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare **and tuition support** allocation to the treasurer of state for deposit, ~~in a special account within the state general fund.~~ **as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP FOUR of the following formula:**

STEP ONE: Determine the result of the following:

(A) Separately for 1997, 1998, and 1999 for each taxing district in the county, determine the result of:

(i) the amount appropriated in the year by the county from the county's county welfare fund and county welfare administration fund; divided by

(ii) the total amounts appropriated by all taxing units in the county for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

STEP TWO: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tax rate imposed in the taxing district for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district after subtracting the STEP ONE (D)

amount for the same taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP THREE: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tuition support levy tax rate imposed in the taxing district plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district after subtracting the STEP ONE (D) amount for the same taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP FOUR: Determine the sum of the STEP ONE, STEP TWO, and STEP THREE amounts for the county.

If the boundaries of a taxing district change after the years for which a ratio is calculated under STEP ONE, STEP TWO, or STEP THREE, the budget agency shall establish a ratio for the new taxing district that reflects the tax rates imposed in the predecessor taxing districts.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from the assessor's records, to the extent such verification can be so made. The assessor shall further identify and verify from the assessor's records the several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

SECTION 354. IC 6-6-5.5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 20. (a) On or before May 1, **subject to subsections (c) and (d),** the auditor of state shall distribute to each county auditor an amount equal to fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(b) On or before December 1, **subject to subsections (c) and (d),** the auditor of state shall distribute to each county auditor an amount equal to the greater of the following:

(1) Fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(2) The product of the county's distribution percentage multiplied by the total commercial vehicle excise tax revenue deposited in the commercial vehicle excise tax fund.

(c) Before distributing the amounts under subsections (a) and (b), the auditor of state shall deduct for a county unit an amount for deposit in a state fund, as directed by the budget agency, equal to the result determined under STEP FIVE of the following formula:

STEP ONE: Separately for 2006, 2007, and 2008, determine the result of:

(A) the tax rate imposed by the county in the year for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by

(B) the aggregate tax rate imposed by the county unit and, in the case of Marion County, the health and hospital corporation in the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to the county under subsection (a) or (b), as appropriate, without regard to this subsection.

STEP FIVE: Determine the result of:

(A) the STEP THREE amount; multiplied by

(B) the STEP FOUR result.

(d) Before distributing the amounts under subsections (a) and (b), the auditor of state shall deduct for a school corporation an amount for deposit in a state fund, as directed by the budget agency, equal to the result determined under STEP FIVE of the following formula:

STEP ONE: Separately for 2006, 2007, and 2008, determine the result of:

(A) the tax rate imposed by the school corporation in the year for the tuition support levy under IC 6-1.1-19-1.5 (repealed) or IC 20-45-3-11 (repealed) for the school corporation's general fund plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund; divided by

(B) the aggregate tax rate imposed by the school corporation in the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of commercial vehicle excise tax that would otherwise be distributed to the school corporation under subsection (a) or (b), as appropriate, without regard to this subsection.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

~~(c)~~ **(e)** Upon receipt, the county auditor shall distribute to the taxing units an amount equal to the product of the taxing unit's distribution percentage multiplied by the total distributed to the county under this section. The amount determined shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

~~(d)~~ **(f)** In the event that sufficient funds are not available in the commercial vehicle excise tax fund for the distributions required by subsection (a) and subsection (b)(1), the auditor of state shall transfer funds from the commercial vehicle excise tax reserve fund.

~~(e)~~ **(g)** The auditor of state shall, not later than July 1 of each year, furnish to each county auditor an estimate of the amounts to be distributed to the counties under this section during the next calendar year. Before August 1, each county auditor shall furnish to the proper officer of each taxing unit of the county an estimate of the amounts to be distributed to the taxing units under this section during the next calendar year and the budget of each taxing unit shall show the estimated amounts to be received for each fund for which a property tax is proposed to be levied.

SECTION 355. IC 6-6-6.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 21. (a) The department shall allocate each aircraft excise tax payment collected by it to the county in which the aircraft is usually located when not in operation or to the aircraft owner's county of residence if based out of state. The department shall distribute to each county treasurer on a quarterly basis the aircraft excise taxes which were collected by the department during the preceding three (3) months and which the department has allocated to that county. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall be made in April.

(b) Concurrently with making a distribution of aircraft excise taxes, the department shall send an aircraft excise tax report to the county treasurer and the county auditor. The department shall prepare the report on the form prescribed by the state board of accounts. The aircraft excise tax report must include aircraft identification, owner information, and excise tax payment, and must indicate the county where the aircraft is normally kept when not in operation. The department shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by it.

(c) Except as provided in section 21.5 of this chapter, each county treasurer shall deposit money received by him under this chapter in a separate fund to be known as the "aircraft excise tax fund". The money in the aircraft excise tax fund shall be distributed to the taxing units of the county in the manner prescribed in subsection (d).

(d) **As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund.** In order to distribute the money in the county aircraft excise tax fund to the taxing units of the county, the county auditor shall first allocate the money in the fund among the taxing districts of the county. In making these allocations, the county auditor shall allocate to a taxing district the excise taxes collected with respect to aircraft usually located in the taxing district when not in operation. **Subject to this subsection,** the money allocated to a taxing district shall be apportioned and distributed among the taxing units of that taxing district in the same manner and at the same time that the property taxes are apportioned and distributed. **For purposes of determining the distribution for a year under this section for a taxing unit, a state welfare and tuition support allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare and tuition support allocation to the treasurer of state for deposit as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP THREE of the following formula:**

STEP ONE: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tax rate imposed in the taxing district for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP TWO: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tuition support levy tax rate imposed in the taxing district plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP THREE: Determine the sum of the STEP ONE and STEP TWO amounts for the county.

If the boundaries of a taxing district change after the years for which a ratio is calculated under STEP ONE or STEP TWO, the budget agency shall establish a ratio for the new taxing district that reflects the tax rates imposed in the predecessor taxing districts.

(e) Within thirty (30) days following the receipt of excise taxes from the department, the county treasurer shall file a report with the county auditor concerning the aircraft excise taxes collected by the county treasurer. The county treasurer shall file the report on the form prescribed by the state board of accounts. The county treasurer shall, in the manner and at the times prescribed in IC 6-1.1-27, make a settlement with the county auditor for the aircraft excise taxes collected by the county treasurer. The county treasurer shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by him.

SECTION 356. 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.

SECTION 357. IC 6-6-11-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 31. (a) A boat excise tax fund is established in each county. Each county treasurer shall deposit in the fund the taxes received under this chapter.

(b) **As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund.** The excise tax money in the county boat excise tax fund shall be distributed to the taxing units of the county. The county auditor shall allocate the money in the fund among the taxing ~~units~~ **districts** of the county based on the tax situs of each boat. **Subject to this subsection,** the money allocated to the taxing units shall be apportioned and distributed among the funds of the taxing units in the same manner and at the same time that property taxes are apportioned and distributed. **For purposes of determining the distribution for a year under this section for a taxing unit, a state welfare and tuition support allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare and tuition support allocation to the treasurer of state for deposit as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP THREE of the following formula:**

STEP ONE: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tax rate imposed in the taxing district for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, children with special health care needs county fund, plus, in the case of Marion County, the tax rate imposed by the health and hospital corporation that was necessary to raise thirty-five million dollars ($35,000,000) from all taxing districts in the county; divided by

(ii) the aggregate tax rate imposed in the taxing

district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP TWO: Determine the result of the following:

(A) Separately for 2006, 2007, and 2008 for each taxing district in the county, determine the result of:

(i) the tuition support levy tax rate imposed in the taxing district plus the tax rate imposed by the school corporation for the school corporation's special education preschool fund in the district; divided by

(ii) the aggregate tax rate imposed in the taxing district for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

(i) the amount of excise taxes allocated to the taxing district that would otherwise be available for distribution to taxing units in the taxing district; multiplied by

(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing districts in the county.

STEP THREE: Determine the sum of the STEP ONE and STEP TWO amounts for the county.

If the boundaries of a taxing district change after the years for which a ratio is calculated under STEP ONE or STEP TWO, the budget agency shall establish a ratio for the new taxing district that reflects the tax rates imposed in the predecessor taxing districts.

SECTION 358. 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.

SECTION 359. IC 6-8.1-7-1, AS AMENDED BY P.L.219-2007, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) This subsection does not apply to the disclosure of information concerning a conviction on a tax evasion charge. Unless in accordance with a judicial order or as otherwise provided in this chapter, the department, its employees, former employees, counsel, agents, or any other person may not divulge the amount of tax paid by any taxpayer, terms of a settlement agreement executed between a taxpayer and the department, investigation records, investigation reports, or any other information disclosed by the reports filed under the provisions of the law relating to any of the listed taxes, including required information derived from a federal return, except to:

(1) members and employees of the department;

(2) the governor;

(3) the attorney general or any other legal representative of the state in any action in respect to the amount of tax due under the provisions of the law relating to any of the listed taxes; or

(4) any authorized officers of the United States;

when it is agreed that the information is to be confidential and to be used solely for official purposes.

(b) The information described in subsection (a) may be revealed upon the receipt of a certified request of any designated officer of the state tax department of any other state, district, territory, or possession of the United States when:

(1) the state, district, territory, or possession permits the exchange of like information with the taxing officials of the state; and

(2) it is agreed that the information is to be confidential and to be used solely for tax collection purposes.

(c) The information described in subsection (a) relating to a person on public welfare or a person who has made application for public welfare may be revealed to the director of the division of family resources, and to any director of a ~~county~~ **local** office of ~~family and children~~ **the division of family resources** located in Indiana, upon receipt of a written request from either director

for the information. The information shall be treated as confidential by the directors. In addition, the information described in subsection (a) relating to a person who has been designated as an absent parent by the state Title IV-D agency shall be made available to the state Title IV-D agency upon request. The information shall be subject to the information safeguarding provisions of the state and federal Title IV-D programs.

(d) The name, address, Social Security number, and place of employment relating to any individual who is delinquent in paying educational loans owed to a postsecondary educational institution may be revealed to that institution if it provides proof to the department that the individual is delinquent in paying for educational loans. This information shall be provided free of charge to approved postsecondary educational institutions (as defined by IC 21-7-13-6(a)). The department shall establish fees that all other institutions must pay to the department to obtain information under this subsection. However, these fees may not exceed the department's administrative costs in providing the information to the institution.

(e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502 concerning the number of gallons of gasoline sold by a distributor and IC 6-6-2.5 concerning the number of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt of a written request for the information.

(f) The information described in subsection (a) may be revealed upon the receipt of a written request from the administrative head of a state agency of Indiana when:

(1) the state agency shows an official need for the information; and

(2) the administrative head of the state agency agrees that any information released will be kept confidential and will be used solely for official purposes.

SECTION 360. IC 7.1-5-10-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. A permittee who holds a permit to sell at retail shall not cash a check issued by the ~~county~~ **local** office of ~~family and children~~ **the division of family resources** or by a charitable organization if any part of the proceeds of the check are to be used to purchase an alcoholic beverage.

SECTION 361. IC 8-6-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Whenever the separation of grades at the intersection of a railroad or railroads (as defined in IC 8-3-1-2) and a public street or highway is constructed, the railroad or railroads shall pay five (5) percent of the cost of the grade separation as provided in this chapter.

(b) This chapter shall apply to an existing crossing, a new crossing, or the reconstruction of an existing grade separation.

(c) If more than one (1) railroad (as defined in IC 8-3-1-2) is involved in a separation, the railroads involved shall divide the amount to be paid by the railroads by agreement between the railroads. If the railroads fail to agree, the circuit court of the county in which the crossing is located shall have jurisdiction, upon the application of a party, to determine the division of the amount to be paid by the railroads. The decision of the court is final, unless one (1) or more parties deeming themselves aggrieved by the decision of the court shall appeal therefrom to the court of appeals of Indiana within thirty (30) days, or within additional time not exceeding ninety (90) days, as may be granted by the circuit court. The appeal shall be taken in substantially the same manner as an appeal in a civil case from the circuit court.

(d) If a grade separation shall involve a state highway that is a part of the state highway system of Indiana, or a street or highway selected by the Indiana department of transportation as a route of a highway in the state highway system, the state, out of the funds of the Indiana department of transportation or funds appropriated for the use of the Indiana department of transportation, shall pay ninety-five percent (95%) of the cost of the grade separation.

(e) Before the Indiana department of transportation shall proceed with a grade separation within a city or town, the Indiana department of transportation shall first obtain the consent of the city, by a resolution adopted by the board or officials of the city having jurisdiction over improvement of the streets of the city, and any material modification of the plans upon which the consent was granted shall first be approved by the city by a similar resolution.

(f) If such grade separation is on a highway or street not a part of the highways under the jurisdiction of the Indiana department of transportation, or a part of a route selected by it, but is within any city or town of the state, the city or town shall pay one-half (1/2) of ninety-five percent (95%) of the total of such cost and the county in which the crossing is located shall be liable for and pay one-half (1/2) of the ninety-five percent (95%).

(g) If a grade separation that involves a state highway that is a part of the state highway system of Indiana, or a street or highway selected by the Indiana department of transportation as a route of a highway in the state highway system, necessitates the grade separation on other highways or streets, not a part of the highways under the jurisdiction of the Indiana department of transportation but within any city of the state of Indiana, then of the total cost of the grade separation on a highway or street not under the jurisdiction of the Indiana department of transportation but necessitated by the grade separation involving a highway or street which is a part of the state highway system, the city shall pay one-fourth (1/4) of ninety-five percent (95%) and the county in which the crossing is located shall be liable for and pay one-fourth (1/4) of the ninety-five percent (95%) of the total of the costs and the state out of the funds of the Indiana department of transportation or funds appropriated for the use of the Indiana department of transportation, shall be liable for and pay one-half (1/2) of the remaining portion.

(h) If a crossing is not within any city or town and does not involve a highway under the jurisdiction of the Indiana department of transportation, then the county in which the

crossing is located shall pay the ninety-five percent (95%) of the total cost which is not paid by the railroad or railroads.

(i) The division of the cost of grade separation applies when the grade separation replaces and eliminates an existing grade crossing at which active warning devices are in place or ordered to be installed by a state regulatory agency, but when the grade separation does not replace nor eliminate an existing grade crossing the state, county or municipality, as the case may be, shall bear and pay one hundred percent (100%) of the cost of the grade separation.

(j) In estimating and computing the cost of the grade separation, there shall be considered as a part of costs all expenses reasonably necessary for preliminary engineering, rights-of-way and all work required to comply with the plans and specifications for the work, including all changes in the highway and the grade thereof and the approaches to the grade separation, as well as all changes in the roadbed, grade, rails, ties, bridges, buildings, and other structural changes in a railroad as may be necessary to effect the grade separation and to restore the railroad facilities aforesaid to substantially the same condition as before the separation.

(k) The required railroad share of the cost shall be based on the costs for preliminary engineering, right-of-way, and construction within the limits described below:

(1) Where a grade crossing is eliminated by grade separation, the structure and approaches for the number of lanes on the existing highway and in accordance with the current design standards of the governmental entity having jurisdiction over the highway involved.

(2) Where another facility, such as a highway or waterway, requiring a bridge structure is located within the limits of a grade separation project, the estimated cost of a theoretical structure and approaches as described under subdivision (1) to eliminate the railroad-highway grade crossing without considering the presence of the waterway or other highway.

(3) Where a grade crossing is eliminated by railroad or highway relocation, the actual cost of the relocation project, or the estimated cost of a structure and approaches as described under subdivision (1), whichever is less.

(l) If the Indiana department of transportation or any city, town, or county is unable to reach an agreement with a railroad company after determining that construction or reconstruction of a grade separation, which replaces or eliminates the need for a grade crossing, is necessary to protect travelers on the roads and streets of the state, the appropriate unit or combination of units of government shall give a written notice of its intention to proceed with the construction or reconstruction of a grade separation to the superintendent or regional engineer of the railroad company. The notice of intention shall be made by the adoption of a resolution stating the need for the grade separation. If, after thirty (30) days, the railroad has not agreed to a division of inspections, plans and specifications, the number and type of jobs to be completed by each agency, a division of costs, and other necessary conditions, the Indiana department of transportation, city, town, or county may proceed with the grade separation exercising any and all of its powers to construct or reconstruct a bridge and, notwithstanding other provisions of this chapter, may pay for up to one hundred percent (100%) of the cost of the project. If the railroad is unable, for good cause, to pay the share of the cost required by this section, the city, town, or county may certify the amount owed by the railroad to the county auditor who shall prepare a special tax duplicate to be collected and settled for by the county treasurer in the same manner and at the same time as property taxes are collected. ~~except that such tax assessment shall not authorize a payment or credit from the property tax replacement fund created by IC 6-1.1-21.~~ However, before the Indiana department of transportation, city, town, or county undertakes to do the work themselves they shall notify an agent of the railroad as to the time and place of the work.

SECTION 362. IC 8-14-9-12, AS AMENDED BY P.L.219-2007, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. All bonds and interest on bonds issued under this chapter are exempt from taxation as provided under IC 6-8-5-1. All general laws relating to:

(1) the filing of a petition requesting the issuance of bonds;

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds, **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds, in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

(3) the appropriation of the proceeds of the bonds and the approval of the appropriation by the department of local government finance; and

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

are applicable to proceedings under this chapter.

SECTION 363. IC 8-18-21-13, AS AMENDED BY P.L.224-2007, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The annual operating budget of a toll road authority is subject to:

(1) review by the county board of tax adjustment; ~~(before January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008)~~ and ~~then~~

(2) review by the department of local government finance; as in the case of other political subdivisions.

SECTION 364. IC 8-22-3-16, AS AMENDED BY P.L.219-2007, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) The board may issue general obligation bonds of the authority for the purpose of procuring funds to pay the cost of acquiring real property, or constructing, enlarging, improving, remodeling, repairing, or equipping buildings, structures, runways, or other facilities, for use as or in connection with or for administrative purposes of the airport. The issuance of the bonds must be authorized by ordinance of the board providing for the amount,

terms, and tenor of the bonds and for the time and character of notice and the mode of making sale. If one (1) airport is owned by the authority, an ordinance authorizing the issuance of bonds for a separate second airport is subject to approval as provided in this section. The bonds bear interest and are payable at the times and places that the board determines but running not more than twenty-five (25) years after the date of their issuance, and they must be executed in the name of the authority by the president of the board and attested by the secretary who shall affix to each of the bonds the official seal of the authority. The interest coupons attached to the bonds may be executed by placing on them the facsimile signature of the president of the board.

(b) The issuance of general obligation bonds must be approved by resolution of the following body:

(1) When the authority is established by an eligible entity, by its fiscal body.

(2) When the authority is established by two (2) or more eligible entities acting jointly, by the fiscal body of each of those entities.

(3) When the authority was established under IC 19-6-2 **(before its repeal),** by the mayor of the consolidated city, and if a second airport is to be funded, also by the city-county council.

(4) When the authority was established under IC 19-6-3 **(before its repeal),** by the county council.

(c) The airport director shall manage and supervise the preparation, advertisement, and sale of the bonds, subject to the authorizing ordinance. Before the sale of the bonds, the airport director shall cause notice of the sale to be published once each week for two (2) consecutive weeks in two (2) newspapers of general circulation published in the district, setting out the time and place where bids will be received, the amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold to the highest bidder, in accordance with the procedures for selling public bonds. After the bonds have been properly sold and executed, the airport director shall deliver them to the treasurer of the authority and take a receipt for them, and shall certify to the treasurer the amount which the purchaser is to pay for them, together with the name and address of the purchaser. On payment of the purchase price, the treasurer shall deliver the bonds to the purchaser, and the treasurer and airport director or superintendent shall report their actions to the board.

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

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

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

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

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

(5) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds, **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds, in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a); and

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

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

(e) Bonds issued under this chapter are not a corporate obligation or indebtedness of any eligible entity but are an indebtedness of the authority as a municipal corporation. An action to question the validity of the bonds issued or to prevent their issue must be instituted not later than the date set for sale of the bonds, and all of the bonds after that date are incontestable.

SECTION 365. IC 8-22-3.5-9, AS AMENDED BY P.L.97-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) As used in this section, "base assessed value" means:

(1) the net assessed value of all the tangible property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the commission's resolution adopted under section 5 or 9.5 of this chapter, notwithstanding the date of the final action taken under section 6 of this chapter; plus

(2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) A resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

(c) The allocation provision must:

(1) apply to the entire airport development zone; and

(2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

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

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

(2) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units.

(e) All of the property tax proceeds in excess of those

described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

(1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private entities in the training of employees for the qualified airport development project.

(2) The commission may determine that a portion of tax proceeds shall be allocated to a debt service fund and dedicated to the payment of principal and interest on revenue bonds or a loan contract of the airport authority for a qualified airport development project, to the payment of leases for a qualified airport development project, or to the payment of principal and interest on bonds issued by an eligible entity to pay for qualified airport development projects in the airport development zone or serving the airport development zone.

(3) The commission may determine that a part of the tax proceeds shall be allocated to a project fund and used to pay expenses incurred by the commission for a qualified airport development project that is in the airport development zone or is serving the airport development zone.

(4) Except as provided in subsection (f), all remaining tax proceeds after allocations are made under subdivisions (1), (2), and (3) shall be allocated to a project fund and dedicated to the reimbursement of expenditures made by the commission for a qualified airport development project that is in the airport development zone or is serving the airport development zone.

(f) ~~If the~~ **Before July 15 of each year, the commission shall do the following:**

(1) Determine the amount, if any, by which tax proceeds allocated to the project fund in subsection (e)(3) **in the following year will** exceed the amount necessary to satisfy amounts required under subsection (e). ~~the excess in the project fund over that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).~~

(2) Provide a written notice to the county auditor and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(A) state the amount, if any, of excess tax proceeds that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subsection (d); or

(B) state that the commission has determined that there are no excess tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subsection (d).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess tax proceeds determined by the commission.

(g) When money in the debt service fund and in the project fund is sufficient to pay all outstanding principal and interest (to the earliest date on which the obligations can be redeemed) on revenue bonds issued by the airport authority for the financing of qualified airport development projects, all lease rentals payable on leases of qualified airport development projects, and all costs and expenditures associated with all qualified airport development projects, money in the debt service fund and in the project fund in excess of those amounts shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(h) Property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection (e)(2).

(i) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

(j) Notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, 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 tangible property as valued without regard to this section; or

(2) the base assessed value.

SECTION 366. 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.

SECTION 367. IC 8-22-3.6-3, AS AMENDED BY P.L.224-2007, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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~~ 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~~ **the commissioner of the department of local government finance** 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~~ 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,~~ 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.~~

(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.

SECTION 368. IC 10-13-3-27, AS AMENDED BY P.L.216-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) Except as provided in subsection (b), on request, a law enforcement agency shall release a limited criminal history to or allow inspection of a limited criminal history by noncriminal justice organizations or individuals only if the subject of the request:

(1) has applied for employment with a noncriminal justice organization or individual;

(2) has applied for a license and has provided criminal history data as required by law to be provided in connection with the license;

(3) is a candidate for public office or a public official;

(4) is in the process of being apprehended by a law enforcement agency;

(5) is placed under arrest for the alleged commission of a crime;

(6) has charged that the subject's rights have been abused repeatedly by criminal justice agencies;

(7) is the subject of a judicial decision or determination with respect to the setting of bond, plea bargaining, sentencing, or probation;

(8) has volunteered services that involve contact with, care of, or supervision over a child who is being placed, matched, or monitored by a social services agency or a nonprofit corporation;

(9) is currently residing in a location designated by the department of child services (established by IC 31-25-1-1) or by a juvenile court as the out-of-home placement for a child at the time the child will reside in the location;

(10) has volunteered services at a public school (as defined in IC 20-18-2-15) or nonpublic school (as defined in IC 20-18-2-12) that involve contact with, care of, or supervision over a student enrolled in the school;

(11) is being investigated for welfare fraud by an investigator of the division of family resources or a ~~county~~ **local** office of ~~family and children,~~ **the division of family resources;**

(12) is being sought by the parent locator service of the child support bureau of the department of child services;

(13) is or was required to register as a sex or violent offender under IC 11-8-8; or

(14) has been convicted of any of the following:

(A) Rape (IC 35-42-4-1), if the victim is less than eighteen (18) years of age.

(B) Criminal deviate conduct (IC 35-42-4-2), if the victim is less than eighteen (18) years of age.

(C) Child molesting (IC 35-42-4-3).

(D) Child exploitation (IC 35-42-4-4(b)).

(E) Possession of child pornography (IC 35-42-4-4(c)).

(F) Vicarious sexual gratification (IC 35-42-4-5).

(G) Child solicitation (IC 35-42-4-6).

(H) Child seduction (IC 35-42-4-7).

(I) Sexual misconduct with a minor as a felony (IC 35-42-4-9).

(J) Incest (IC 35-46-1-3), if the victim is less than eighteen (18) years of age.

However, limited criminal history information obtained from the National Crime Information Center may not be released under this section except to the extent permitted by the Attorney General of the United States.

(b) A law enforcement agency shall allow inspection of a limited criminal history by and release a limited criminal history to the following noncriminal justice organizations:

(1) Federally chartered or insured banking institutions.

(2) Officials of state and local government for any of the following purposes:

(A) Employment with a state or local governmental entity.

(B) Licensing.

(3) Segments of the securities industry identified under 15 U.S.C. 78q(f)(2).

(c) Any person who knowingly or intentionally uses limited criminal history for any purpose not specified under this section commits a Class A misdemeanor.

SECTION 369. IC 11-10-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The earnings of an offender employed under this chapter shall be surrendered to the department. This amount shall be distributed in the following order:

(1) Not less than twenty percent (20%) of the offender's gross earnings to be given to the offender or retained by the department. If retained by the department, the amount, with accrued interest if interest on the amount is earned, must be returned to the offender not later than at the time of the offender's release on parole or discharge.

(2) State and federal income taxes and Social Security deductions.

(3) The expenses of room and board, as fixed by the department and the budget agency, in facilities operated by the department, or, if the offender is housed in a facility not operated by the department, the amount paid by the department to the operator of the facility or other appropriate authority for room and board and other incidentals as established by agreement between the department and the appropriate authority.

(4) The support of the offender's dependents, when directed by the offender or ordered by the court to pay this support. If the offender's dependents are receiving welfare assistance, the appropriate ~~county~~ **local** office of ~~family and children~~ **the division of family resources** or welfare department in another state shall be notified of these disbursements.

(5) Ten percent (10%) of the offender's gross earnings, to be deposited in the violent crime victims compensation fund established by IC 5-2-6.1-40.

(b) Any remaining amount shall be given to the offender or retained by the department in accord with subsection (a)(1).

(c) The department may, when special circumstances warrant or for just cause, waive the collection of room and board charges by or on behalf of a facility operated by the department or, if the offender is housed in a facility not operated by the department, authorize payment of room and board charges from other available funds.

SECTION 370. IC 11-10-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The earnings of an offender employed in a work release program under this chapter, less payroll deductions required by law and court ordered deductions for satisfaction of a judgment against the offender, shall be surrendered to the department or its designated representative. The remaining earnings shall be distributed in the following order:

(1) State and federal income taxes and Social Security deductions not otherwise withheld.

(2) The cost of membership in an employee organization.

(3) Ten percent (10%) of the offender's gross earnings, to be deposited in the violent crime victims compensation fund established by IC 5-2-6.1-40.

(4) Not less than fifteen percent (15%) of the offender's gross earnings, if that amount of the gross is available after the above deductions, to be given to the offender or retained by the department. If retained by the department, the amount, with accrued interest, must be returned to the offender not later than at the time of the offender's release on parole or discharge.

(5) The expense of room and board, as fixed by the department and the budget agency, in facilities operated by the department, or, if the offender is housed in a facility not operated by the department, the amount paid by the department to the operator of the facility or other appropriate authority for room and board and other incidentals as established by agreement between the department and the appropriate authority.

(6) Transportation cost to and from work, and other work related incidental expenses.

(7) Court ordered costs or fines imposed as a result of conviction of an offense under Indiana law, unless the costs or fines are being paid through other means.

(b) After the amounts prescribed in subsection (a) are deducted, the department may, out of the remaining amount:

(1) when directed by the offender or ordered by the court, pay for the support of the offender's dependents (if the offender's dependents are receiving welfare assistance, the appropriate ~~county~~ **local** office of ~~family and children~~ **the division of family resources** or welfare department in another state shall be notified of these disbursements); and

(2) with the consent of the offender, pay to the offender's victims or others any unpaid obligations of the offender.

(c) Any remaining amount shall be given to the offender or retained by the department in accord with subsection (a)(4).

(d) The department may, when special circumstances warrant or for just cause, waive the collection of room and board charges by or on behalf of a facility operated by the department or, if the offender is housed in a facility not operated by the department, authorize payment of room and board charges from other available funds.

SECTION 371. IC 11-12-2-2, AS AMENDED BY P.L.34-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) To qualify for financial aid under this chapter, a county must establish a community corrections advisory board by resolution of the county executive or, in a county having a consolidated city, by the city-county council. A community corrections advisory board consists of:

(1) the county sheriff or the sheriff's designee;

(2) the prosecuting attorney or the prosecuting attorney's designee;

(3) the director of the ~~county~~ **local** office of ~~family and children~~ **the division of family resources** or the director's designee;

(4) the executive of the most populous municipality in the county or the executive's designee;

(5) two (2) judges having criminal jurisdiction, if available, appointed by the circuit court judge or the judges' designees;

(6) one (1) judge having juvenile jurisdiction, appointed by the circuit court judge;

(7) one (1) public defender or the public defender's designee, if available, or one (1) attorney with a substantial criminal defense practice appointed by the county executive or, in a county having a consolidated city, by the city-county council;

(8) one (1) victim, or victim advocate if available, appointed by the county executive or, in a county having a consolidated city, by the city-county council;

(9) one (1) ex-offender, if available, appointed by the county executive or, in a county having a consolidated city, by the city-county council; and

(10) the following members appointed by the county executive or, in a county having a consolidated city, by the city-county council:

(A) One (1) member of the county fiscal body or the member's designee.

(B) One (1) probation officer.

(C) One (1) educational administrator.

(D) One (1) representative of a private correctional

agency, if such an agency exists in the county.

(E) One (1) mental health administrator, or, if there is none available in the county, one (1) psychiatrist, psychologist, or physician.

(F) Four (4) lay persons, at least one (1) of whom must be a member of a minority race if a racial minority resides in the county and a member of that minority is willing to serve.

(b) Designees of officials designated under subsection (a)(1) through (a)(7) and (a)(10)(A) serve at the pleasure of the designating official.

(c) Members of the advisory board appointed by the county executive or, in a county having a consolidated city, by the city-county council, shall be appointed for a term of four (4) years. The criminal defense attorney, the ex-offender, and the victim or victim advocate shall be appointed for a term of four (4) years. Other members serve only while holding the office or position held at the time of appointment. The circuit court judge may fill the position of the judge having juvenile court jurisdiction by self appointment if the circuit court judge is otherwise qualified. A vacancy occurring before the expiration of the term of office shall be filled in the same manner as original appointments for the unexpired term. Members may be reappointed.

(d) Two (2) or more counties, by resolution of their county executives or, in a county having a consolidated city, by the city-county council, may combine to apply for financial aid under this chapter. If counties so combine, the counties may establish one (1) community corrections advisory board to serve these counties. This board must contain the representation prescribed in subsection (a), but the members may come from the participating counties as determined by agreement of the county executives or, in a county having a consolidated city, by the city-county council.

(e) The members of the community corrections advisory board shall, within thirty (30) days after the last initial appointment is made, meet and elect one (1) member as chairman and another as vice chairman and appoint a secretary-treasurer who need not be a member. A majority of the members of a community corrections advisory board may provide for a number of members that is:

(1) less than a majority of the members; and

(2) at least six (6);

to constitute a quorum for purposes of transacting business. The affirmative votes of at least five (5) members, but not less than a majority of the members present, are required for the board to take action. A vacancy in the membership does not impair the right of a quorum to transact business.

(f) The county executive and county fiscal body shall provide necessary assistance and appropriations to the community corrections advisory board established for that county. Appropriations required under this subsection are limited to amounts received from the following sources:

(1) Department grants.

(2) User fees.

(3) Other funds as contained within an approved plan.

Additional funds may be appropriated as determined by the county executive and county fiscal body.

SECTION 372. 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).

However, amounts owed to the state for commitments of delinquent offenders for periods before January 1, 2009, must be paid by the county.

(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.~~

~~(c) 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)~~ **(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.

SECTION 373. IC 11-12-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Any earnings of a person employed under this chapter, less payroll deductions required by law and court ordered deductions for satisfaction of a judgment against that person, shall be collected by the county sheriff, probation department, ~~county~~ **local** office of ~~family and children,~~ **the division of family resources,** or other agency designated by the sentencing or committing court. Unless otherwise ordered by the court, the remaining earnings shall be distributed in the following order:

(1) To pay state and federal income taxes and Social Security deductions not otherwise withheld.

(2) To pay the cost of membership in an employee organization.

(3) Not less than fifteen percent (15%) of the person's gross earnings, if that amount of the gross is available after the above deductions, to be given to that person or retained for the person, with accrued interest, until the person's release or discharge.

(4) To pay for the person's room and board provided by the county.

(5) To pay transportation costs to and from work, and other work related incidental expenses.

(6) To pay court ordered costs, fines, or restitution.

(b) After the amounts prescribed in subsection (a) are deducted, the remaining amount may be used to:

(1) when directed by the person or ordered by the court, pay for the support of the person's dependents (if the person's dependents are receiving welfare assistance, the appropriate **local** office of ~~family and children~~ **the division of family resources** or welfare department in another state shall be notified of such disbursements); and

(2) with the consent of the person, pay to the person's victims or others any unpaid obligations of that person.

(c) Any remaining amount shall be given to the person or retained for the person according to subsection (a)(3).

(d) The collection of room and board under subsection (a)(4) may be waived.

SECTION 374. IC 11-13-6-5.5, AS AMENDED BY P.L.173-2006, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) This section shall not be construed to limit victims' rights granted by IC 35-40 or any other law.

(b) As used in this section, "sex offense" refers to a sex offense described in IC 11-8-8-5.

(c) As used in this section, "victim" means a person who has suffered direct harm as a result of a delinquent act that would be a sex offense if the delinquent offender were an adult. The term includes a victim's representative appointed under IC 35-40-13.

(d) Unless a victim has requested in writing not to be notified, the department shall notify the victim involved in the adjudication of a delinquent offender committed to the department for a sex offense of the delinquent offender's:

(1) discharge from the department of correction;

(2) release from the department of correction under any temporary release program administered by the department;

(3) release on parole;

(4) parole release hearing under this chapter;

(5) parole violation hearing under this chapter; or

(6) escape from commitment to the department of correction.

(e) The department shall make the notification required under subsection (d):

(1) at least forty (40) days before a discharge, release, or hearing occurs; and

(2) not later than twenty-four (24) hours after the escape of a delinquent offender from commitment to the department of correction.

The department shall supply the information to a victim at the address supplied to the department by the victim. A victim is responsible for supplying the department with any change of address or telephone number of the victim.

(f) The probation officer ~~or caseworker~~ preparing the predispositional report under IC 31-37-17 shall inform the victim before the predispositional report is prepared of the right of the victim to receive notification from the department under subsection (d). The probation department ~~or county office of family and children~~ shall forward the most recent list of the addresses or telephone numbers, or both, of victims to the department. The probation department ~~or county office of family and children~~ shall supply the department with the information required by this section as soon as possible but not later than five (5) days after the receipt of the information. A victim is responsible for supplying the department with the correct address and telephone number of the victim.

(g) Notwithstanding IC 11-8-5-2 and IC 4-1-6, a delinquent offender may not have access to the name and address of a victim. Upon the filing of a motion by a person requesting or objecting to the release of victim information or representative information, or both, that is retained by the department, the court shall review in camera the information that is the subject of the motion before ruling on the motion.

(h) The notice required under subsection (d) must specify whether the delinquent offender is being discharged, is being released under a temporary release program administered by the department, is being released on parole, is having a parole release hearing, is having a parole violation hearing, or has escaped. The notice must contain the following information:

(1) The name of the delinquent offender.

(2) The date of the delinquent act.

(3) The date of the adjudication as a delinquent offender.

(4) The delinquent act of which the delinquent offender was adjudicated.

(5) The disposition imposed.

(6) The amount of time for which the delinquent offender was committed to the department.

(7) The date and location of the interview (if applicable).

SECTION 375. 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 376. 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 377. 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 378. 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 379. 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 380. 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 381. IC 12-7-2-124.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 124.6. "Local director" refers to a director of a local office of the division of family resources.**

SECTION 382. IC 12-7-2-124.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 124.8. "Local office" refers to a county or district office of the division of family resources.**

SECTION 383. 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 384. 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 385. 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 386. 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 387. IC 12-15-2-16, AS AMENDED BY

P.L.145-2006, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 388. IC 12-16-7.5-4.5, AS AMENDED BY P.L.218-2007, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.5. (a) Not later than October 31 following the end of each state fiscal year, the division shall:

(1) calculate for each county the total amount of payable claims submitted to the division during the state fiscal year attributed to:

(A) patients who were residents of the county; and

(B) patients:

(i) who were not residents of Indiana;

(ii) whose state of residence could not be determined by the division; and

(iii) who were residents of Indiana but whose county of residence in Indiana could not be determined by the division;

and whose medical condition that necessitated the care or service occurred in the county;

(2) notify each county of the amount of payable claims attributed to the county under the calculation made under subdivision (1); and

(3) with respect to payable claims attributed to a county under subdivision (1):

(A) calculate the total amount of payable claims submitted during the state fiscal year for:

(i) each hospital;

(ii) each physician; and

(iii) each transportation provider; and

(B) determine the amount of each payable claim for each hospital, physician, and transportation provider listed in clause (A).

(b) For the state fiscal years beginning after June 30, 2005, but before July 1, 2007, and before November 1 following the end of a state fiscal year, the division shall allocate the funds transferred from a county's hospital care for the indigent fund to the state hospital care for the indigent fund under IC 12-16-14 during or for the following state fiscal years:

(1) For the state fiscal year ending June 30, 2006, as required under the following STEPS:

STEP ONE: Determine the total amount of funds transferred from all counties' hospital care for the indigent funds by the counties to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year from all counties under subsection (a), determine the amount that is the lesser of:

(A) the amount of total physician payable claims and total transportation provider payable claims; or

(B) three million dollars ($3,000,000).

The amount determined under this STEP shall be used by the division to make payments under section 5 of this chapter.

STEP THREE: Transfer an amount equal to the sum of:

(A) the non-federal share of the payments made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b);

(B) the amount transferred under IC 12-15-20-2(8)(F); and

(C) the non-federal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5;

to the Medicaid indigent care trust fund for funding the transfer to the office and the non-federal share of the payments identified in this STEP.

STEP FOUR: Transfer an amount equal to sixty-one million dollars ($61,000,000) less the sum of:

(A) the amount determined in STEP TWO; and

(B) the amount transferred under STEP THREE;

to the Medicaid indigent care trust fund for funding the non-federal share of payments under clause (B) of STEP FIVE of IC 12-15-15-1.5(b).

STEP FIVE: Transfer to the Medicaid indigent care trust fund for the programs referenced at IC 12-15-20-2(8)(D)(vi) and funded in accordance with IC 12-15-20-2(8)(H) the amount determined under STEP ONE, less the sum of the amount:

(A) determined in STEP TWO;

(B) transferred in STEP THREE; and

(C) transferred in STEP FOUR.

(2) For the state fiscal year ending June 30, 2007, as required under the following steps:

STEP ONE: Determine the total amount of funds transferred from all counties' hospital care for the indigent funds by the counties to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year from all counties under subsection (a), determine the amount that is the lesser of:

(A) the amount of total physician payable claims and total transportation provider payable claims; or

(B) three million dollars ($3,000,000).

The amount determined under this STEP shall be used

by the division for making payments under section 5 of this chapter or for the non-federal share of Medicaid payments for physicians and transportation providers, as determined by the office.

STEP THREE: Transfer an amount equal to the sum of:

(A) the non-federal share of five million dollars ($5,000,000) for the payment made under clause (A) of STEP FIVE of IC 12-15-15-1.5(b);

(B) the amount transferred under IC 12-15-20-2(8)(F); and

(C) the non-federal share of the payments made under IC 12-15-15-9 and IC 12-15-15-9.5;

to the Medicaid indigent care trust fund for funding the transfer to the office and the non-federal share of the payments identified in this STEP.

STEP FOUR: Transfer an amount equal to the amount determined under STEP ONE less the sum of:

(A) the amount determined in STEP TWO; and

(B) the amount transferred under STEP THREE;

to the Medicaid indigent care trust fund for funding the non-federal share of payments under clause (B) of STEP FIVE of IC 12-15-15-1.5(b).

(c) For the state fiscal years beginning after June 30, 2007, before November 1 following the end of the state fiscal year, the division shall allocate the funds transferred ~~from a county's hospital care for the indigent fund~~ to the state hospital care for the indigent fund ~~under IC 12-16-14 during or~~ for the state fiscal year as required under the following STEPS:

STEP ONE: Determine the total amount of funds transferred ~~from a county's hospital care for the indigent fund by the county~~ to the state hospital care for the indigent fund ~~under IC 12-16-14 during or~~ for the state fiscal year.

STEP TWO: ~~Of the total amount of payable claims submitted to the division during the state fiscal year attributed to the county under subsection (a),~~ Determine the amount ~~of total physician payable claims, and total transportation provider payable claims. Of the amounts determined for physicians and transportation providers, calculate the sum of those amounts as a percentage of an amount equal to the sum of the total payable physician claims and total payable transportation provider claims attributed to all the counties submitted to the division during the state fiscal year.~~ **specified in STEP THREE.**

STEP THREE: ~~Multiply~~ **The amount to be used under STEP TWO is** three million dollars ($3,000,000). ~~by the percentage calculated under STEP TWO.~~

STEP FOUR: Transfer to the Medicaid indigent care trust fund for purposes of IC 12-15-20-2(8)(G) an amount equal to the amount calculated under STEP ONE, minus an amount equal to the amount ~~calculated~~ **specified** under STEP THREE.

STEP FIVE: The division shall retain an amount equal to the amount remaining in the state hospital care for the indigent fund after the transfer in STEP FOUR for purposes of making payments under section 5 of this chapter or for the non-federal share of Medicaid payments for physicians and transportation providers, as determined by the office.

(d) The costs of administering the hospital care for the indigent program, including the processing of claims, shall be paid from the funds transferred to the state hospital care for the indigent fund.

SECTION 389. IC 12-16-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. ~~(a)~~ The state hospital care for the indigent fund is established.

~~(b) Before the fifth day of each month, all money contained in a county hospital care for the indigent fund at the end of the preceding month shall be transferred to the state hospital care for the indigent fund.~~

SECTION 390. IC 12-16-14-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. ~~(a)~~ The state hospital care for the indigent fund ~~consists of~~ **includes** the following:

(1) The money transferred to the state hospital care for the indigent fund from ~~the~~ **a** county. ~~hospital care for the indigent funds.~~

(2) Any contributions to the fund from individuals, corporations, foundations, or others for the purpose of providing hospital care for the indigent.

~~(3) The money advanced to the fund under IC 12-16-15.~~

~~(4)~~ **(3)** The appropriations made ~~specifically~~ to the fund by the general assembly.

~~(b) This section does not obligate the general assembly to appropriate money to the state hospital care for the indigent fund.~~

SECTION 391. IC 12-16-17 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

Chapter 17. Health and Hospital Corporation of Marion County

Sec. 1. The office of the secretary of family and social services shall annually transfer forty million dollars ($40,000,000) to a hospital corporation established under IC 16-22-8 from the state general fund for the purposes of the hospital corporation.

Sec. 2. A transfer required in a calendar year under section 1 of this chapter shall be made in four (4) equal installments before April 30, July 31, September 30, and December 31.

Sec. 3. The maximum permissible property tax levy that a hospital corporation established under IC 16-22-8 would otherwise be permitted to impose under IC 6-1.1-18.5-3 shall be reduced by thirty-five million dollars ($35,000,000) in a calendar year in which section 1 of this chapter provides for a transfer.

SECTION 392. IC 12-19-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. ~~A county office~~ **The division shall establish local offices** of family ~~and children is established~~ **resources** in each county **or district designated by the division.**

SECTION 393. 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.~~ **local office.**

~~(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.~~

~~(c) Each county~~ **(b) A local** director must be a citizen of the United States.

SECTION 394. 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 395. 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 396. 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 397. 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 398. 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 399. 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 400. 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 for the following:**

(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 401. 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 402. IC 12-19-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. (a) ~~A county office~~ **The division** may receive and administer a gift, devise, or bequest of personal property, including the income from real property, that is

~~(1)~~ to or for the benefit of ~~a home or an institution in which dependent or neglected children are cared for under the supervision of the county office; or~~

~~(2) for the benefit of children who are committed to the care or supervision of the county~~ **an individual receiving payments or services through a local** office.

~~(b) A county 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)~~ **(b)** The ~~following~~ **division** shall ~~be kept in~~ **establish** a special fund ~~and~~ **or an account in a trust fund for the money received under this section. The expenses of administering the fund or account shall be paid from money in the fund or account. The money** may not be commingled with ~~any other fund or with~~ money received from taxation.

~~(1) All money received by the county office under this section.~~

~~(2) All money, proceeds, or income realized from real property or other investments.~~

(c) The treasurer of state shall invest the money in the fund or account not currently needed to meet the obligations of the fund or account in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund or account.

(d) Money in the fund or account at the end of a state fiscal year does not revert to the state general fund.

~~(d)~~ **(e)** 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)~~ **in the fund or account** may be expended by the ~~county office~~ **division** in any manner consistent with the purposes of the ~~fund's creation~~ **fund or account created under this section** and with the intention of the donor.

SECTION 403. 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 office may receive and administer money available to or for the benefit of a person receiving payments or services from the county office. The following applies to all money received under this section: (1) The money shall be kept in a special fund known as~~ The ~~county~~ family ~~and children~~ **resources** trust clearance fund ~~and~~ **is established to administer money available to or for the benefit of an individual receiving payments or services through a local office. The fund shall be administered by the division. Separate accounts in the fund shall be established, as appropriate, to carry out the purposes of the donors of the money deposited in the fund.**

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

(d) Money in the fund 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)~~ **(1)** The purpose of the ~~county family and children trust clearance~~ fund or with the intention of the donor of the money.

~~(B)~~ **(2)** Indiana law.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 404. 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 405. 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.

SECTION 406. IC 12-19-1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 21. **(a)** Notwithstanding any other law, after December 31, 1999, a county may not impose any of the following:

(1) A property tax levy for a county welfare fund.

(2) A property tax levy for a county welfare administration fund.

(b) Notwithstanding any other law, after December 31, 2008, a county may not impose any of the following:

(1) A property tax levy for a county medical assistance to wards fund.

(2) A property tax levy for a county family and children's services fund.

(3) A property tax levy for a children's psychiatric residential treatment services fund.

(4) A property tax levy for a children with special health care needs county fund.

SECTION 407. 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 408. 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 409. 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 410. 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 411. 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 412. 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 413. IC 12-19-7-1, AS AMENDED BY P.L.145-2006, SECTION 109, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "child services" means the following:

(1) Child welfare services specifically provided for children who are:
(A) adjudicated to be:
(i) children in need of services; or
(ii) delinquent children; or
(B) recipients of or are eligible for:
(i) informal adjustments;
(ii) service referral agreements; and
(iii) adoption assistance;
including the costs of using an institution or facility in Indiana for providing educational services as described in either IC 20-33-2-29 (if applicable) or IC 20-26-11-13 (if applicable), all services required to be paid by a county under IC 31-40-1-2, and all costs required to be paid by a county under IC 20-26-11-12.
(2) Assistance awarded by a county to a destitute child under IC 31-26-2.
(3) Child welfare services as described in IC 31-26-3 **(before its repeal) or child welfare programs under IC 31-26-3.5.**

SECTION 414. IC 12-19-7-1.5, AS AMENDED BY P.L.145-2006, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) The division or the department of child services may transfer any of the following to a county family and children's fund:

(1) Money transferred under P.L.273-1999, SECTION 126, to the division from a county welfare fund on or after July 1, 2000, without regard to the county from which the money was transferred.
(2) Money appropriated to the division or department for any of the following:
(A) Assistance awarded by the department or a county office to a destitute child under IC 31-26-2.
(B) Child welfare services as described in IC 31-26-3 **(before its repeal) or child welfare programs under IC 31-26-3.5.**
(C) Any other services for which the expenses were paid from a county welfare fund before January 1, 2000.

(b) Money transferred under subsection (a)(1) or (a)(2) must be used for purposes described in subsection (a)(2).

SECTION 415. 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 416. 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 417. IC 12-26-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. A juvenile court that commits a child under this article shall require the ~~county office~~ **department of child services for a child who is a child in need of services** or the probation department for the court to report to the court on the progress made in implementing the commitment at least every six (6) months. If the committed child is a child in need of services, the ~~county office~~ **department of child services** shall perform case reviews of the child's commitment under IC 31-34-21.

SECTION 418. 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 419. IC 12-29-1-5, AS AMENDED BY HEA 1137-2008, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (after December 31, 2008).~~

(5) **Before July 1, 2008,** the right of taxpayers and voters to remonstrate against the issuance of bonds.

(6) After June 30, 2008:

(A) the right of taxpayers and voters to remonstrate against the issuance of bonds, in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds, in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

SECTION 420. IC 12-29-2-18, AS AMENDED BY P.L.219-2007, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. 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.

(5) The right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

SECTION 421. IC 13-18-8-2, AS AMENDED BY P.L.224-2007, SECTION 103, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 (after December 31, 2008).~~ **July 1, 2008).**

SECTION 422. IC 13-21-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15. (a) A district located in a county having a population of more than thirty-two thousand (32,000) but less than thirty-three thousand (33,000) may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district establishes that all of the following conditions exist:

(1) The district is in the process of constructing a landfill.

(2) A higher property tax rate is necessary to pay the fees charged by out of county landfills to dispose of solid waste generated in the district during the design and construction phases of the landfill being established by the district.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section. Any additional levy granted under this section

~~(1) is not part of the total county tax levy (as defined in IC 6-1.1-21-2), and~~

~~(2)~~ may not exceed seven and thirty-three hundredths cents ($0.0733) on each one hundred dollars ($100) of assessed valuation of property in the district.

(c) The department of local government finance shall establish the tax rate if a higher tax rate is permitted.

(d) A property tax rate imposed under this section expires not later than December 31, 1997.

SECTION 423. IC 13-21-3-15.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 15.5. (a) A district may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district with respect to 2001 property taxes payable in 2002:

(1) imposed the maximum property tax rate established under section 12 of this chapter; and

(2) collected property tax revenue in an amount less than the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section.

(c) An additional levy granted under this section

~~(1) is not part of the total county tax levy (as defined in IC 6-1.1-21-2); and~~

~~(2)~~ may not exceed the rate calculated to result in a property tax levy equal to the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(d) The department of local government finance shall establish the tax rate if a higher tax rate is permitted.

SECTION 424. IC 14-23-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. ~~Annually~~ **(a) Before January 1, 2009,** there shall **annually** be levied, ~~and collected~~ as other ~~state~~ **ad valorem property** taxes are levied, ~~and collected~~ the amount of sixteen hundredths of one cent ($0.0016) upon each one hundred dollars ($100) worth of taxable property in Indiana. **An ad valorem property tax may not be levied under this section for property taxes first due and payable after December 31, 2008.**

(b) The ad valorem property tax imposed under this section shall be collected as other ad valorem property taxes are collected. The county in which the property tax is levied shall transfer the amounts collected from the levy to the treasurer of state for deposit in the fund.

(c) The money collected resulting from one hundred fifty-seven thousandths of one cent ($0.00157) of the rate shall be paid into the fund. The money collected resulting from three thousandths of one cent ($0.00003) is appropriated to the budget agency for purposes of department of local government finance data base management.

(d) This section expires January 1, 2009.

SECTION 425. IC 14-27-6-40, AS AMENDED BY P.L.219-2007, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 40. The provisions of IC 5-1 and IC 6-1.1-20 relating to the following apply to proceedings under this chapter:

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

(2) The giving of notice of determination to issue bonds.

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

(4) The approval of the appropriation by the department of local government finance.

(5) The right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

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

SECTION 426. IC 14-30-2-19, AS AMENDED BY P.L.224-2007, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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 (after December 31, 2008)~~ had approved the budget.

SECTION 427. IC 14-30-4-16, AS AMENDED BY P.L.224-2007, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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 428. IC 14-33-9-1, AS AMENDED BY P.L.224-2007, SECTION 106, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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~~ **and,** after December 31, 2008, **the fiscal body of each county** 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~~ **and,** after December 31, 2008, **the fiscal body** of that county.

SECTION 429. IC 14-33-11-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) Before offering bonds for sale, the board shall give notice in the same manner as is ~~provided~~ **required by IC 6-1.1-20** for the sale of bonds by municipal corporations.

(b) Persons affected are entitled to:

(1) remonstrate against issuance of the bonds **(in the case of a preliminary determination made before July 1, 2008, to issue bonds); or**

(2) vote on the proposed issuance of bonds in an election on a local public question (in the case of a preliminary determination made after June 30, 2008, to issue bonds).

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

SECTION 430. IC 14-33-11-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. If the board is denied the right to issue bonds as a result of remonstrance proceedings **or an election on a local public question held under IC 6-1.1-20-3.6:**

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

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

SECTION 431. IC 15-13-8-3, AS ADDED BY SEA 190, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The fund consists of the following:

(1) Revenue from the property tax imposed under IC 15-13-9 **before January 1, 2009.**

(2) Appropriations made by the general assembly.

(3) Interest accruing from investment of money in the fund.

(4) Certain proceeds from the operation of the fair.

(b) The fund is divided into the following accounts:

(1) Agricultural fair revolving contingency account.

(2) Other accounts established by the commission.

(c) The money credited to the agricultural fair revolving contingency account may be used only to pay start-up expenses for the fair each year. Money used to pay the start-up expenses from the account must be replaced using proceeds from the operation of the fair before the proceeds may be used for any other purpose.

SECTION 432. IC 15-13-9-1, AS ADDED BY SEA 190, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. A tax is imposed upon all the taxable property in Indiana at a rate of eight hundredths of a cent ($0.0008) for each one hundred dollars ($100) of assessed valuation **for property taxes first due and payable before January 1, 2009. The state may not impose an ad valorem property tax under this section for property taxes first due and payable after December 31, 2008.**

SECTION 433. IC 15-13-9-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 5. This chapter expires January 1, 2009.**

SECTION 434. IC 16-22-6-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 20. (a) If the execution of the original or a modified lease is authorized, notice of the signing shall be published on behalf of the county one (1) time in a newspaper of general circulation and published in the county. Except as provided in subsection (b), at least ten (10) taxpayers in the county whose tax rate will be affected by the proposed lease may file a petition with the county auditor not more than thirty (30) days after publication of notice of the execution of the lease. The petition must set forth the objections to the lease and facts showing that the execution of the lease is unnecessary or unwise or that the lease rental is not fair and reasonable.

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

SECTION 435. IC 16-22-8-43, AS AMENDED BY P.L.194-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 43. (a) The corporation may issue general obligation bonds to procure funds to pay the cost of acquiring real property or constructing, enlarging, improving, remodeling, repairing, or equipping buildings for use as a hospital, a health care facility, or an administrative facility. The issuance of the bonds shall be authorized by a board resolution providing for the amount, terms, and tenor of the bonds, for the time and character of notice, and the mode of making the sale. The bonds shall be payable not more than forty (40) years after the date of issuance. The bonds shall be executed in the name of the corporation by the executive director.

(b) The executive director shall manage and supervise the preparation, advertisement, and sale of bonds, subject to the provisions of the authorizing resolution. Before the sale of the bonds, the executive director shall publish notice of the sale in accordance with IC 5-3-1, setting out the time and place where bids will be received, the amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold to the highest and best bidder. After the bonds have been sold and executed, the executive director shall deliver the bonds to the treasurer of the corporation and take the treasurer's receipt, and shall certify to the treasurer the amount that the purchaser is to pay, together with the name and address of the purchaser. On payment of the purchase price, the treasurer shall deliver the bonds to the purchaser, and the treasurer and executive director shall report the actions to the board.

(c) IC 5-1 and IC 6-1.1-20 apply to the following proceedings:

(1) Notice and filing of the petition requesting the issuance of the bonds.

(2) Notice of determination to issue bonds.

(3) Notice of hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appeal and be heard.

(4) Approval by the department of local government finance.

(5) The right to:

(A) remonstrate **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

(6) Sale of bonds at public sale for not less than the par value.

(d) The bonds are the direct general obligations of the corporation and are payable out of unlimited ad valorem taxes levied and collected on all the taxable property within the county of the corporation. All officials and bodies having to do with the levying of taxes for the corporation shall see that sufficient levies are made to meet the principal and interest on the bonds at the time fixed for payment.

(e) The bonds are exempt from taxation for all purposes but the interest is subject to the adjusted gross income tax.

SECTION 436. IC 16-33-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. Whenever the circuit court having jurisdiction finds, upon application by the ~~county~~ **local** office of ~~family and children,~~ **the division of family resources,** that the parent or guardian of a client placed in the center is unable to meet the costs that the parent or guardian is required to pay for the services of the center, the court shall order payment of the costs from the county general fund.

SECTION 437. IC 16-33-4-12, AS AMENDED BY P.L.145-2006, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) An application for admission to the home may be made by a responsible parent, a guardian, a representative of the court, or the ~~county office of family and children.~~ **department of child services.**

(b) If an application is submitted by a person other than a responsible parent or guardian, the superintendent of the home shall cooperate with ~~the appropriate county office of family and children, either directly or through~~ the department of child services to ensure that an appropriate case study is made upon application and continued throughout the period the child resides at the home.

SECTION 438. IC 16-33-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The superintendent is responsible for the care, control, and training of children admitted to and living in the home from the day a child is admitted to the home until the child is:

(1) eighteen (18) years of age; or

(2) discharged from the home.

(b) The superintendent shall make certain in the case of every child in the home that:

(1) there is a responsible parent;

(2) there is a responsible relative; or

(3) if a responsible parent or relative is not available, the child is a ward of the ~~county office of family and children in the county of residence~~ **department of child services** from which there is a representative;

who is regularly and frequently concerned with the welfare of the child.

(c) If:

(1) the parent or parents have been deprived of the custody and control of a child by order of the court; and

(2) custody has been given by the court to ~~a county office of family and children,~~ **the department of child services;**

the wardship shall be retained by the ~~county office of family and children.~~ **department of child services.**

SECTION 439. IC 16-33-4-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) Either parent, a guardian, a relative, or ~~a county office of family and children,~~ **the department of child services** applying for the admission of a child to the home shall, in securing admittance of the child, place the child in the home for the length of time determined to be in the best interests of the child.

(b) A child shall be returned at any time to the:

(1) parent or parents;

(2) relative; or

(3) ~~county office of family and children~~ **department of child services** that placed the child in the home;

if removal of the child from the home is applied for upon written application. The superintendent may require not more than thirty (30) days notice when a discharge is requested.

(c) If the superintendent finds that a child does not adjust to institutional living or is not educable, the superintendent:

(1) may:

(A) with the approval of the state health commissioner; and

(B) upon proper notification;

discharge the child to the applicant placing the child in the home; and

(2) shall cooperate with the ~~appropriate county office of family and children~~ **department of child services** for further disposition of the case as necessary.

SECTION 440. IC 16-33-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. A child admitted to the home may not be permanently removed from the home and placed elsewhere without the express approval of the:

(1) parent or parents who;

(2) guardian who;

(3) relative who; or

(4) ~~county office of family and children~~ **department of child services** that;

applied for admission of the child to the home.

SECTION 441. IC 16-33-4-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. Either parent, a guardian, a relative, a representative of the ~~county office of family and children,~~ **department of child services,** or other person approved by the superintendent may visit a child

being maintained in the home at times or places the superintendent prescribes.

SECTION 442. IC 16-33-4-17, AS AMENDED BY P.L.145-2006, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Each child, the estate of the child, the parent or parents of the child, or the guardian of the child, individually or collectively, are liable for the payment of the costs of maintenance of the child of up to one hundred percent (100%) of the per capita cost, except as otherwise provided. The cost shall be computed annually by dividing the total annual cost of operation for the fiscal year, exclusive of the cost of education programs, construction, and equipment, by the total child days each year. The maintenance cost shall be referred to as maintenance charges. The charge may not be levied against any of the following:

(1) The department of child services. ~~or the county office of family and children~~

(2) A county or any person or office, to be derived from county tax sources.

~~(2)~~ **(3)** A child orphaned by reason of the death of the natural parents.

(b) The billing and collection of the maintenance charges as provided for in subsection (a) shall be made by the superintendent of the home based on the per capita cost for the preceding fiscal year. All money collected shall be deposited in a fund to be known as the Indiana soldiers' and sailors' children's home maintenance fund. The fund shall be used by the state health commissioner for the:

(1) preventative maintenance; and

(2) repair and rehabilitation;

of buildings of the home that are used for housing, food service, or education of the children of the home.

(c) The superintendent of the home may, with the approval of the state health commissioner, agree to accept payment at a lesser rate than that prescribed in subsection (a). The superintendent of the home shall, in determining whether or not to accept the lesser amount, take into consideration the amount of money that is necessary to maintain or support any member of the family of the child. All agreements to accept a lesser amount are subject to cancellation or modification at any time by the superintendent of the home with the approval of the state health commissioner.

(d) A person who has been issued a statement of amounts due as maintenance charges may petition the superintendent of the home for a release from or modification of the statement and the superintendent shall provide for hearings to be held on the petition. The superintendent of the home may, with the approval of the state health commissioner and after the hearing, cancel or modify the former statement and at any time for due cause may increase the amounts due for maintenance charges to an amount not to exceed the maximum cost as determined under subsection (a).

(e) The superintendent of the home may arrange for the establishment of a graduation or discharge trust account for a child by arranging to accept a lesser rate of maintenance charge. The trust fund must be of sufficient size to provide for immediate expenses upon graduation or discharge.

(f) The superintendent may make agreements with instrumentalities of the federal government for application of any monetary awards to be applied toward the maintenance charges in a manner that provides a sufficient amount of the periodic award to be deposited in the child's trust account to meet the immediate personal needs of the child and to provide a suitable graduation or discharge allowance. The amount applied toward the settlement of maintenance charges may not exceed the amount specified in subsection (a).

(g) The superintendent of the home may do the following:

(1) Investigate, either with the superintendent's own staff or on a contractual or other basis, the financial condition of each person liable under this chapter.

(2) Make determinations of the ability of:

(A) the estate of the child;

(B) the legal guardian of the child; or

(C) each of the responsible parents of the child;

to pay maintenance charges.

(3) Set a standard as a basis of judgment of ability to pay that shall be recomputed periodically to do the following:

(A) Reflect changes in the cost of living and other pertinent factors.

(B) Provide for unusual and exceptional circumstances in the application of the standard.

(4) Issue to any person liable under this chapter statements of amounts due as maintenance charges, requiring the person to pay monthly, quarterly, or otherwise as may be arranged, an amount not exceeding the maximum cost as determined under this chapter.

SECTION 443. 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 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 family and children's fund~~ **department** 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 444. IC 16-34-2-1.1, AS AMENDED BY P.L.36-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. (a) An abortion shall not be performed except with the voluntary and informed consent of the pregnant woman upon whom the abortion is to be performed. Except in the case of a medical emergency, consent to an abortion is voluntary and informed only if the following conditions are met:

(1) At least eighteen (18) hours before the abortion and in the presence of the pregnant woman, the physician who is to perform the abortion, the referring physician or a physician assistant (as defined in IC 25-27.5-2-10), an advanced practice nurse (as defined in IC 25-23-1-1(b)), or a midwife (as defined in IC 34-18-2-19) to whom the responsibility has been delegated by the physician who is to perform the abortion or the referring physician has orally informed the pregnant woman of the following:

(A) The name of the physician performing the abortion.

(B) The nature of the proposed procedure or treatment.

(C) The risks of and alternatives to the procedure or treatment.

(D) The probable gestational age of the fetus, including an offer to provide:

(i) a picture or drawing of a fetus;

(ii) the dimensions of a fetus; and

(iii) relevant information on the potential survival of an unborn fetus;

at this stage of development.

(E) The medical risks associated with carrying the fetus to term.

(F) The availability of fetal ultrasound imaging and auscultation of fetal heart tone services to enable the pregnant woman to view the image and hear the heartbeat of the fetus and how to obtain access to these services.

(2) At least eighteen (18) hours before the abortion, the pregnant woman will be orally informed of the following:

(A) That medical assistance benefits may be available for prenatal care, childbirth, and neonatal care from the ~~county~~ **local** office of ~~family and children.~~ **the division of family resources.**

(B) That the father of the unborn fetus is legally required to assist in the support of the child. In the case of rape, the information required under this clause may be omitted.

(C) That adoption alternatives are available and that adoptive parents may legally pay the costs of prenatal care, childbirth, and neonatal care.

(3) The pregnant woman certifies in writing, before the abortion is performed, that the information required by subdivisions (1) and (2) has been provided.

(b) Before an abortion is performed, the pregnant woman may, upon the pregnant woman's request, view the fetal ultrasound imaging and hear the auscultation of the fetal heart tone if the fetal heart tone is audible.

SECTION 445. IC 16-34-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) All abortions performed after a fetus is viable shall be:

(1) governed by section 1(a)(3) and 1(b) of this chapter;

(2) performed in a hospital having premature birth intensive care units, unless compliance with this requirement would result in an increased risk to the life or health of the mother; and

(3) performed in the presence of a second physician as provided in subsection (b).

(b) An abortion may be performed after a fetus is viable only if there is in attendance a physician, other than the physician performing the abortion, who shall take control of and provide immediate care for a child born alive as a result of the abortion. During the performance of the abortion, the physician performing the abortion, and after the abortion, the physician required by this subsection to be in attendance, shall take all reasonable steps in keeping with good medical practice, consistent with the procedure used, to preserve the life and health of the viable unborn child. However, this subsection does not apply if compliance would result in an increased risk to the life or health of the mother.

(c) Any fetus born alive shall be treated as a person under the law, and a birth certificate shall be issued certifying the child's birth even though the child may subsequently die, in which event a death certificate shall be issued. Failure to take all reasonable steps, in keeping with good medical practice, to preserve the life and health of the live born person shall subject the responsible persons to Indiana laws governing homicide, manslaughter, and civil liability for wrongful death and medical malpractice.

(d) If, before the abortion, the mother, and if married, her husband, has or have stated in writing that she does or they do not wish to keep the child in the event that the abortion results in a live birth, and this writing is not retracted before the abortion, the child, if born alive, shall immediately upon birth become a ward of the ~~county office of family and children.~~ **department of child services.**

SECTION 446. IC 16-35-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **Notwithstanding the repeal of IC 16-35-3,** all money contained in **or received for deposit in** the children with special health care needs county fund established in each county under

IC 16-35-3 **(repealed)** shall be transferred at the end of each month to the children with special health care needs state fund.

SECTION 447. IC 16-35-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The children with special health care needs state fund consists of the following:

(1) Money transferred ~~to the fund from the children with special health care needs county fund~~ under ~~IC 16-35-3.~~ **section 2 of this chapter.**

(2) Contributions to the fund from individuals, corporations, foundations, or other persons for the purpose of providing money to assist children with special health care needs.

(3) Appropriations made specifically to the fund by the general assembly.

SECTION 448. IC 16-39-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. If an emergency exists in which a child is alleged to be a child in need of services under IC 31-34-1 and the ~~county office of family and children~~ **department of child services** seeks access to the mental health records of the parent, guardian, or custodian of the child as a part of a preliminary inquiry under IC 31-34-7, the ~~county office~~ **department of child services** may file a verified petition, which sets forth the facts the ~~county office~~ **department of child services** alleges constitute an emergency, seeking an emergency hearing under this section. A request for access to a patient's mental health record under this section shall be heard by the **juvenile** court having jurisdiction under IC 31-30 through IC 31-40. Notice of a hearing to be conducted under this section shall be served not later than twenty-four (24) hours before the hearing to all persons entitled to receive notice under section 4 of this chapter. If actual notice cannot be given, the ~~county office~~ **department of child services** shall file with the court an affidavit stating that verbal notice or written notice left at the last known address of the respondent was attempted not less than twenty-four (24) hours before the hearing. A hearing under this section shall be held not later than forty-eight (48) hours after the petition for an emergency hearing is filed. The **juvenile** court shall enter written findings concerning the release or denial of the release of the mental health records of the parent, guardian, or custodian. The **juvenile** court shall order the release of the mental health records if the court finds the following by a preponderance of the evidence:

(1) Other reasonable methods of obtaining the information sought are not available or would not be effective.

(2) The need for disclosure in the best interests of the child outweighs the potential harm to the patient caused by a necessary disclosure. In weighing the potential harm to the patient, the **juvenile** court shall consider the impact of disclosure on the provider-patient relationship and the patient's rehabilitative process.

SECTION 449. IC 16-40-1-2, AS AMENDED BY P.L.99-2007, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in subsection (b), each:

(1) physician;

(2) superintendent of a hospital;

(3) director of a local health department;

(4) director of a ~~county~~ **local** office of ~~family and children,~~ **the department of child services;**

(5) director of the division of disability and rehabilitative services;

(6) superintendent of a state institution serving individuals with a disability; or

(7) superintendent of a school corporation;

who diagnoses, treats, provides, or cares for a person with a disability shall report the disabling condition to the state department within sixty (60) days.

(b) Each:

(1) physician holding an unlimited license to practice medicine; or

(2) optometrist licensed under IC 25-24-1;

shall file a report regarding a person who is blind or has a visual impairment with the office of the secretary of family and social services in accordance with IC 12-12-9.

SECTION 450. IC 20-19-2-8, AS ADDED BY P.L.65-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) In addition to any other powers and duties prescribed by law, the state board shall adopt rules under IC 4-22-2 concerning, but not limited to, the following matters:

(1) The designation and employment of the employees and consultants necessary for the department. The state board shall fix the compensation of employees of the department, subject to the approval of the budget committee and the governor under IC 4-12-2.

(2) The establishment and maintenance of standards and guidelines ~~other than building, space, and site requirements,~~ for media centers, libraries, instructional materials centers, or any other area or system of areas in a school where a full range of information sources, associated equipment, and services from professional media staff are accessible to the school community. With regard to library automation systems, the state board may only adopt rules that meet the standards established by the state library board for library automation systems under IC 4-23-7.1-11(b).

(3) The establishment and maintenance of standards for student personnel and guidance services.

(4) The establishment and maintenance of minimum standards for driver education programs (including classroom instruction and practice driving) and equipment. Classroom instruction standards established under this subdivision must include instruction about:

(A) railroad-highway grade crossing safety; and

(B) the procedure for participation in the human organ donor program.

(5) The inspection of all public schools in Indiana to determine the condition of the schools. The state board shall establish standards governing the accreditation of

public schools. Observance of:

(A) IC 20-31-4;

(B) IC 20-28-5-2;

(C) IC 20-28-6-3 through IC 20-28-6-7;

(D) IC 20-28-9-7 and IC 20-28-9-8;

(E) IC 20-28-11; and

(F) IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-6, and IC 20-32-8;

is a prerequisite to the accreditation of a school. Local public school officials shall make the reports required of them and otherwise cooperate with the state board regarding required inspections. Nonpublic schools may also request the inspection for classification purposes. Compliance with the building and site guidelines adopted by the state board is not a prerequisite of accreditation.

(6) Subject to section 9 of this chapter, the adoption and approval of textbooks under IC 20-20-5.

(7) The distribution of funds and revenues appropriated for the support of schools in the state.

(8) The state board may not establish an accreditation system for nonpublic schools that is less stringent than the accreditation system for public schools.

(9) A separate system for recognizing nonpublic schools under IC 20-19-2-10. Recognition of nonpublic schools under this subdivision constitutes the system of regulatory standards that apply to nonpublic schools that seek to qualify for the system of recognition.

(10) The establishment and enforcement of standards and guidelines concerning the safety of students participating in cheerleading activities.

(b) Before final adoption of any rule, the state board shall make a finding on the estimated fiscal impact that the rule will have on school corporations.

SECTION 451. IC 20-19-2-12, AS AMENDED BY P.L.1-2006, SECTION 313, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) The state board shall, **in the manner provided by IC 4-22-2,** adopt **rules setting forth** nonbinding guidelines for the selection of school sites and the construction, alteration, and repair of school buildings, **athletic facilities, and other categories of facilities related to the operation and administration of school corporations.** The nonbinding guidelines ~~(1)~~ must include:

(1) preferred location and building practices for school corporations, including standards for enhancing health, **student safety, accessibility,** energy efficiency, ~~cost~~ **operating** efficiency, and instructional efficacy; ~~and~~

(2) ~~may include~~ guidelines concerning minimum acreage, cost per square foot ~~and~~ **or cost per ADM (as defined in IC 20-18-2-2), technology infrastructure, building materials,** per student square footage, **and other general space requirements, including space for academics, administration and staff support, arts education and auditoriums, libraries, cafeterias, athletics and physical education, transportation facilities, and maintenance and repair facilities; and**

(3) additional guidelines that the state board considers necessary for efficient and cost effective construction of school facilities.

The building law compliance officer appointed under IC 10-19-7-4, the office of management and budget, and the department of local government finance shall, upon request of the board, provide technical assistance as necessary for the development of the guidelines.

(b) The state board shall annually compile, in a document capable of easy revision, the:

(1) guidelines described in subsection (a); and

(2) rules of the:

(A) fire prevention and building safety commission; and

(B) state department of health;

that govern site selection and the construction, alteration, and repair of school buildings.

(c) **A school corporation shall consider the guidelines adopted under subsection (a) when developing plans and specifications for a facility described in subsection (a).** Before submitting completed written plans and specifications for the selection of a school building site or the construction or alteration of a school building to the division of fire and building safety for issuance of a design release under IC 22-15-3, a school corporation shall **do the following:**

(1) Submit the proposed plans and specifications to the department. Within thirty (30) days after the department receives the plans and specifications, the department shall:

(A) review the plans and specifications to determine whether they comply with the guidelines adopted under subsection (a); and

(B) provide written recommendations concerning the plans and specifications to the school corporation, which must include findings as to any material differences between the plans and specifications and the guidelines adopted under subsection (a).

~~(1)~~ **(2) After the earlier of:**

(A) receipt of the recommendations provided under subdivision (1)(B); or

(B) the date that is thirty (30) days after the date the department received the plans and specifications under subdivision (1)(A);

issue a public document that describes **the recommendations, if any, and** any material differences between the plans and specifications prepared by the school corporation and the guidelines adopted under subsection (a), as determined under the guidelines adopted by the state board. ~~and~~

~~(2)~~ **(3)** After publishing a notice of the public hearing under IC 5-3-1, conduct a public hearing to receive public comment concerning the school corporation's plans and specifications.

After the public hearing and without conducting another public hearing under this subsection, the governing body may revise the

plans and specifications or submit the plans and specifications to the division of fire and building safety without making changes. The school corporation shall revise the public document described in subdivision ~~(1)~~ **(2)** to identify any changes in the plans and specifications after the public document's initial preparation.

SECTION 452. IC 20-19-2-13, AS ADDED BY P.L.1-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 13. The state board may not approve or disapprove plans and specifications for the construction, alteration, or repair of school buildings, except as necessary under the following:

(1) The terms of a federal grant or a federal law.

(2) IC 20-35-4-2 concerning the authorization of a special school for children with disabilities.

However, the state board shall adopt guidelines concerning plans and specifications as required by section 12 of this chapter.

SECTION 453. IC 20-19-3-8, AS ADDED BY P.L.1-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. **(a)** The department may not approve or disapprove plans and specifications for the construction, alteration, or repair of school buildings, except as necessary under the following:

(1) The terms of a federal grant or a federal law.

(2) IC 20-35-4-2 concerning the authorization of a special school for children with disabilities.

(b) Notwithstanding subsection (a), the department shall do the following:

(1) Receive and review plans and specifications as required by IC 20-19-2-12.

(2) Establish a central clearinghouse for access by school corporations that may want to use a prototype design in the construction of school facilities. The department shall compile necessary publications and may establish a computer data base to distribute information on prototype designs to school corporations. Architects and engineers registered to practice in Indiana may submit plans and specifications for a prototype design to the clearinghouse. The plans and specifications may be accessed by any person. However, the following provisions apply to a prototype design submitted to the clearinghouse:

(A) The original architect of record or engineer of record retains ownership of and liability for a prototype design.

(B) A school corporation or other person may not use a prototype design without the site-specific, written permission of the original architect of record or engineer of record.

(C) An architect's or engineer's liability under clause (A) is subject to the requirements of clause (B).

The state board may adopt rules under IC 4-22-2 to implement this subdivision.

SECTION 454. IC 20-20-34-1, AS ADDED BY P.L.2-2006, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. This chapter applies to each school corporation. ~~imposing a property tax under IC 20-46-2 for a calendar year for the school corporation's special education preschool fund.~~

SECTION 455. IC 20-20-34-2, AS ADDED BY P.L.2-2006, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) The auditor of state shall distribute to each school corporation an amount equal to ~~the result of the following formula:~~

~~STEP ONE: Determine~~ the product of:

~~(A)~~ **(1)** two thousand seven hundred fifty dollars ($2,750); multiplied by

~~(B)~~ **(2)** the number of special education preschool children who are students in the school corporation, as annually determined by the department.

~~STEP TWO: Determine the greater of zero (0) or the remainder of:~~

~~(A) the STEP ONE amount; minus~~

~~(B) the property tax required by IC 20-46-2.~~

(b) A distribution under this section is in addition to any distribution of federal funds that are made available to the state for special education preschool programs.

SECTION 456. IC 20-20-36 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

Chapter 36. Levy Replacement Grant

Sec. 1. As used in this chapter, "credit" refers to a credit granted under IC 6-1.1-20.6.

Sec. 2. As used in this chapter, "circuit breaker replacement amount" refers to the amount determined under section 5 of this chapter.

Sec. 3. As used in this chapter, "grant" refers to a grant distributed under this chapter.

Sec. 4. (a) Notwithstanding any other provision, a school corporation is eligible for a grant under this chapter in a particular year only if for that year the school corporation's total property tax revenue is expected to be reduced by more than two percent (2%) because of the application of credits in that year.

(b) Subject to subsection (a), an eligible school corporation is entitled to a grant in:

(1) 2009 equal to the eligible school corporation's circuit breaker replacement amount for property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates; and

(2) 2010 equal to the eligible school corporation's circuit breaker replacement amount for property taxes imposed for the March 1, 2009, and January 15, 2010, assessment dates.

Sec. 5. (a) An eligible school corporation's circuit breaker replacement amount for 2009 is equal to the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the amount of credits granted

against the eligible school corporation's combined levy for the eligible school corporation's debt service fund, capital projects fund, transportation fund, school bus replacement fund, and racial balance fund.

STEP TWO: Determine the sum of the STEP ONE amounts for all eligible school corporations in Indiana.

STEP THREE: Divide fifty million dollars ($50,000,000) by the STEP TWO amount, rounding to the nearest ten thousandth (0.0001).

STEP FOUR: Multiply the STEP THREE result by the STEP ONE amount, rounding to the nearest dollar ($1).

(b) An eligible school corporation's circuit breaker replacement amount for 2010 is equal to the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the amount of credits granted against the eligible school corporation's combined levy for the school corporation's debt service fund, capital projects fund, transportation fund, school bus replacement fund, and racial balance fund.

STEP TWO: Determine the sum of the STEP ONE amounts for all eligible school corporations in Indiana.

STEP THREE: Divide seventy million dollars ($70,000,000) by the STEP TWO amount, rounding to the nearest ten thousandth (0.0001).

STEP FOUR: Multiply the STEP THREE result by the STEP ONE amount, rounding to the nearest dollar ($1).

Sec. 6. The department shall administer the grant program.

Sec. 7. (a) Not later than May 1 of a calendar year, the budget agency shall certify to the department an initial estimate of the circuit breaker replacement amount attributable to each school corporation for the calendar year.

(b) Not later than November 1 of a calendar year, the budget agency shall certify to the department a final estimate of the circuit breaker replacement amount attributable to each eligible school corporation for the calendar year.

(c) The budget agency shall compute an amount certified under this section using the best information available to the budget agency at the time the certification is made.

Sec. 8. Subject to section 9 of this chapter, the department shall distribute a grant to an eligible school corporation equal to fifty percent (50%) of the eligible school corporation's estimated circuit breaker replacement amount for the calendar year in two (2) installments. An installment shall be paid not later than:

(1) June 20; and

(2) December 20;

of the calendar year.

Sec. 9. Based on the final estimate of the circuit breaker replacement amount certified to the department by the budget agency, the department shall settle any overpayment or underpayment of circuit breaker replacement amounts to an eligible school corporation. The department may offset overpayments of circuit breaker replacement amounts for a particular calendar year against:

(1) a grant; or

(2) state tuition support distribution;

that the eligible school corporation would otherwise be entitled to receive.

Sec. 10. An eligible school corporation shall deposit and use the amount received from a grant as follows:

(1) An amount equal to the revenue lost to the eligible school corporation's debt service fund as the result of the granting of credits shall be deposited in the eligible school corporation's debt service fund for purposes of the debt service fund.

(2) Any part of a grant remaining after making the deposit required under subdivision (1) may be deposited in any combination of the eligible school corporation's capital projects fund, transportation fund, school bus replacement fund, and racial balance fund, as determined by the school corporation.

SECTION 457. IC 20-21-2-8, AS ADDED BY P.L.1-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. Upon the presentation of satisfactory evidence showing that:

(1) there is a school age individual with a visual disability residing in a county;

(2) the individual is entitled to the facilities of the school;

(3) the individual's parent wishes the individual to participate in the school's educational program but is unable to pay the expenses of maintaining the individual at the school; and

(4) the individual is entitled to placement in the school under section 6 of this chapter;

a court with jurisdiction shall, upon application by the ~~county~~ **local** office of **the division of** family ~~and children,~~ **resources,** order the individual to be sent to the school at the expense of the county. The expenses include the expenses described in section 10 of this chapter and shall be paid from the county general fund.

SECTION 458. IC 20-22-2-8, AS ADDED BY P.L.1-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. Upon the presentation of satisfactory evidence showing that:

(1) there is a school age individual with a hearing disability residing in a county;

(2) the individual is entitled to the facilities of the school;

(3) the individual's parent wishes the individual to participate in the school's educational program but is unable to pay the expenses of maintaining the individual at the school; and

(4) the individual is entitled to placement in the school under section 6 of this chapter;

a court with jurisdiction shall, upon application by the ~~county~~ **local** office of **the division of** family ~~and children,~~ **resources,** order the individual to be sent to the school at the expense of the county. The expenses include the expenses described in section 10 of this chapter and shall be paid from the county general fund.

SECTION 459. IC 20-23-4-42, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JANUARY 1, 2009]: Sec. 42. (a) The ~~state board shall enforce the rules compiled under IC 20-19-2-8 that establish~~ procedures ~~and standards~~ **set forth in IC 20-19-2-12 concerning the review of, and public hearings concerning, plans and specifications** for the construction of, addition to, or remodeling of school facilities ~~The commission shall~~ apply ~~these rules~~ equally to facilities to be used or leased by both community school corporations and school corporations that are not community school corporations.

~~(b) A school building or an addition to a school building may not be constructed and a lease of a school building for a term of more than one (1) year may not be entered into by a school corporation other than a community school corporation or by two (2) or more school corporations jointly without the approval of the state board. For purposes of this subsection, "community school corporation" does not include a community school corporation governed by an interim board of school trustees.~~

~~(c)~~ **(b)** An action ~~to question any approval referred to in this section or~~ to enjoin school construction or the performance of any of the terms and conditions of a lease or the execution, sale, or delivery of bonds, on the ground that any approval should not have been granted, may not be instituted at any time later than fifteen (15) days after approval has been granted.

SECTION 460. 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 461. 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 462. 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 463. 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 464. 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 465. IC 20-25-8-3, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. Each school shall report to the ~~county~~ **local** office of ~~family and children~~ **the department of child services** the names of foster parents who have not completed a compact under this chapter.

SECTION 466. IC 20-26-7-17, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 17. (a) A school corporation may:

(1) purchase buildings or lands, or both, for school purposes; and

(2) improve the buildings or lands, or both.

(b) An existing building, other than a building obtained under IC 5-17-2 (before its repeal) or IC 4-13-1.7, permitting the purchase of suitable surplus government buildings, may not be purchased for use as a school building unless the building was originally constructed for use by the school corporation and used for that purpose for at least five (5) years preceding the acquisition as provided in this section through section 19 of this chapter.

(c) Notwithstanding this section through section 19 of this chapter limiting the purchase of school buildings, a school corporation may:

(1) purchase suitable buildings or lands, or both, adjacent to school property for school purposes; and

(2) improve the buildings or lands, or both, after giving notice to the taxpayers of the intention of the school corporation to purchase.

The taxpayers of the school corporation have the same right of appeal ~~to the department of local government finance~~ under the same procedure as provided for in IC 6-1.1-20-5 through IC 6-1.1-20-6.

SECTION 467. IC 20-26-7-18, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. A school corporation may issue and sell bonds under the general statutes governing the issuance of bonds to purchase and improve buildings or lands, or both. All laws relating to **approval (if required) in a local public question under IC 6-1.1-20,** the filing of petitions, remonstrances, and objecting petitions, giving notices of the filing of petitions, the determination to issue bonds, and the appropriation of the proceeds of the bonds are applicable to the issuance of bonds under sections 17 through 19 of this chapter.

SECTION 468. IC 20-26-9-12, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) School cities, school townships, school towns, and joint districts may:

(1) establish, equip, operate, and maintain school kitchens and school lunchrooms for the improvement of the health of students and for the advancement of the educational work of their respective schools;

(2) employ all necessary directors, assistants, and agents; and

(3) appropriate funds for the school lunch program.

Participation in a school lunch program under this chapter is discretionary with the governing board of a school corporation.

(b) If federal funds are not available to operate a school lunch program:

(1) the state may not participate in a school lunch program; and

(2) money appropriated by the state for that purpose and not expended shall immediately revert to the state general fund.

(c) Failure on the part of the state to participate in the school lunch program does not invalidate any appropriation made or school lunch program carried on by a school corporation by means of gifts or money ~~raised by tax levy under this chapter.~~ **appropriated from state tuition support distributions received by the school corporation.**

SECTION 469. IC 20-26-11-9, AS AMENDED BY P.L.145-2006, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) This section applies to each student:

(1) described in section 8(a) of this chapter;

(2) who is placed in a home or facility in Indiana that is outside the school corporation where the student has legal settlement; and

(3) for which the state is not obligated to pay transfer tuition.

(b) Not later than ten (10) days after the department of child services ~~or a county office of family and children~~ places or changes the placement of a student, the department of child services ~~or the county office of family and children~~ that placed the student shall notify the school corporation where the student has legal settlement and the school corporation where the student will attend school of the placement or change of placement. Before June 30 of each year, a county that places a student in a home or facility shall notify the school corporation where a student has legal settlement and the school corporation in which a student will attend school if a student's placement will continue

for the ensuing school year. The notifications required under this subsection must be made by:

(1) ~~the county office (as defined in IC 12-7-2-45) if the county office or~~ the department of child services, **if the department of child services** placed or consented to the placement of the student; or

(2) if subdivision (1) does not apply, the court or other agency making the placement.

SECTION 470. IC 20-26-11-12, AS AMENDED BY P.L.145-2006, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 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 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 of child services** shall pay ~~from the county family and children's fund~~ to the public school corporation in which the child is enrolled, the amount of transfer tuition specified in subsection (c).

(c) The transfer tuition for which ~~a county office~~ **the department of child services** is obligated under subsection (b) is equal to the following:

(1) The amount under a written agreement among the ~~county office,~~ **department of child services,** the institution or other facility, and the governing body of the public school corporation in the other state that specifies the amount and method of computing transfer tuition.

(2) The full tuition fee charged by the transferee corporation, if subdivision (1) does not apply. However, the amount of the full tuition fee must not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(d) If a child is:

(1) placed by ~~a court order~~ **or with the consent of 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 of child services** shall pay ~~from the county family and children's fund,~~ in an amount and in the manner specified in a written agreement between the ~~county office~~ **department of child services** and the institution or other facility.

(e) ~~An agreement described in subsection (c) or (d) is subject to the approval of the director of the department of child services. However,~~ For purposes of IC 4-13-2, ~~the~~ **an** agreement **described in subsection (c) or (d)** shall not be treated as a contract.

SECTION 471. 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), the calendar year in which the school year ends:

(A) State tuition support distributions.

(B) Property tax levies **under IC 20-45-7 and IC 20-45-8.**

(C) Excise tax revenue (as defined in IC 20-43-1-12) received for deposit in the calendar year in which the school year begins.

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana ~~under a court order,~~ **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 472. 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.

(c) The information required under this section shall be reported in the format and on the forms specified by the state board.

(d) Not later than November 30 of each year the department shall compile the information required from school corporations under this section and submit the compiled information in the form specified by the office of the secretary of family and social services to the office of the secretary of family and social services.

~~(e) Not later than November 30 of each year each county office shall submit the following information to the office of the secretary of family and social services for each child who is described in IC 12-19-7-1(1) and is placed in another state or is a student in a school outside the school corporation where the child has legal settlement:~~

~~(1) The name of the child.~~

~~(2) The name of the school corporation where the child has legal settlement.~~

~~(3) The last known address of the custodial parent or guardian of the child.~~

~~(4) Any other information required by the office of the secretary of family and social services.~~

~~(f)~~ **(e)** Not later than December 31 of each year, the office of the secretary of family and social services shall submit a report to the members of the budget committee and the executive director of the legislative services agency that compiles and analyzes the information required from school corporations under this section. The report must identify the types of state and local funding changes that are needed to provide adequate state and local money to educate transfer students. A report submitted under this subsection to the executive director of the legislative services agency must be in an electronic format under IC 5-14-6.

SECTION 473. IC 20-26-11-23, AS AMENDED BY P.L.2-2006, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 23. (a) If a transfer is ordered to commence in a school year, where the transferor corporation has net additional costs over savings (on account of any transfer ordered) allocable to the calendar year in which the school year begins, and where the transferee corporation does not have budgeted funds for the net additional costs, the net additional costs may be recovered by one (1) or more of the following methods in addition to any other methods provided by applicable law:

(1) An emergency loan made under IC 20-48-1-7 to be paid, out of the debt service levy and fund, or a loan from any state fund made available for the net additional costs.

(2) An advance in the calendar year of state funds, which would otherwise become payable to the transferee corporation after such calendar year under law.

(3) A grant or grants in the calendar year from any funds of the state made available for the net additional costs.

(b) The net additional costs must be certified by the department of local government finance, and any grant shall be made solely after affirmative recommendation of the school property tax control board. Repayment of any advance or loan from the state shall be made ~~in accordance with IC 20-45-6-3. The use of any of the methods in this section does not subject the transferor corporation to IC 20-45-6-5 or IC 20-45-6-6.~~ **from state tuition support distributions or other money available to the school corporation.**

SECTION 474. IC 20-31-11-6, AS AMENDED BY P.L.2-2006, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) A

public school that receives a monetary award under this chapter may expend that award for any educational purpose for that school, except:

(1) athletics;

(2) salaries for school personnel; or

(3) salary bonuses for school personnel.

(b) A monetary award may not be used to determine

~~(1) the maximum permissible tuition support levy under IC 20-45-3; or~~

~~(2)~~ the state tuition support under IC 20-43

of the school corporation in which the school receiving the monetary award is located.

SECTION 475. 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 approval 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.

SECTION 476. IC 20-40-4-4, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. **(a)** The fund consists of the ~~following:~~

~~(1) The levy.~~

~~(2)~~ distributions to the school corporation from the state under IC 20-20-34.

(b) A school corporation may not impose a special education preschool property tax levy after December 31, 2008.

SECTION 477. IC 20-40-8-1, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. As used in this chapter, "calendar year distribution" means the sum of the following:

(1) A school corporation's:

(A) state tuition support; and

(B) maximum permissible tuition support levy (as defined in IC 20-45-1-15 **before its repeal)**;

for the calendar year.

(2) The school corporation's excise tax revenue (as defined in IC 20-43-1-12) for the immediately preceding calendar year.

SECTION 478. IC 20-40-8-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 21. Money in the fund may be transferred to another fund to replace property tax revenues lost to the fund as a result of the granting of circuit breaker credits under IC 6-1.1-20.6. A school corporation shall make a transfer of money under this section if the fund experiencing a shortfall is a debt service fund and money is not transferred from any other fund to cover the shortfall. The amount transferred must be equal to the amount of the shortfall that is not replaced from other funds.**

SECTION 479. IC 20-40-12-6, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. Subject to the approval of the commissioner of insurance, the governing body of the school corporation may:

(1) transfer to the fund an amount of money in

~~(A)~~ the general fund budget; ~~and~~

~~(B) the general fund tax levy and rate;~~

(2) transfer money from the general fund to the fund;

(3) appropriate money from the general fund for the fund; or

(4) transfer money from the capital projects fund to the fund, to the extent that money in the capital projects fund may be used for property or casualty insurance.

SECTION 480. 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 481. IC 20-43-2-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. The department shall distribute the amount appropriated by the general assembly for distribution as state tuition support in accordance with this article. If the appropriations for distribution as state tuition support are more than required under this article, ~~one-half (1/2) of~~ any excess shall revert to the state general fund. ~~and one-half (1/2) of any excess shall revert to the property tax replacement fund.~~ The appropriations for state tuition support shall be made each calendar year under a schedule set by the budget agency and approved by the governor. However, the schedule must provide:

(1) for at least twelve (12) payments;

(2) that one (1) payment shall be made at least every forty (40) days; and

(3) the total of the payments in each calendar year must equal the amount required under this article.

SECTION 482. IC 20-43-2-2, AS AMENDED BY P.L.234-2007, SECTION 235, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. The maximum state distribution for a calendar year for all school corporations **for the purposes described in section 3 of this chapter** is:

(1) three billion eight hundred twelve million five hundred thousand dollars ($3,812,500,000) in 2007;

(2) three billion nine hundred sixty million nine hundred thousand dollars ($3,960,900,000) in 2008; and

(3) ~~four~~ **six** billion ~~one~~ **five** hundred ~~nineteen~~ **nine** million ~~six hundred thousand~~ dollars ~~($4,119,600,000)~~ **($6,509,000,000)** in 2009.

SECTION 483. IC 20-43-3-1, AS AMENDED BY P.L.234-2007, SECTION 237, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. If a computation under this article results in a fraction and a rounding rule is not specified, the fraction shall be rounded as follows:

~~(1) All tax rates shall be computed by rounding the rate to the nearest one-hundredth of a cent ($0.0001).~~

~~(2)~~ **(1)** All calculations related to the complexity index shall be computed by rounding to the nearest ten thousandth (0.0001).

~~(3)~~ **(2)** All ~~tax levies and~~ tuition support distributions shall be computed by rounding the levy or tuition support distribution to the nearest dollar ($1) amount.

~~(4)~~ **(3)** The fraction calculated in IC 20-43-2-4 shall be computed by rounding to the nearest one millionth (0.000001).

~~(5)~~ **(4)** If a calculation is not covered by subdivision (1), (2), **or** (3), ~~or (4),~~ the result of the calculation shall be rounded to the nearest one hundredth (0.01).

SECTION 484. IC 20-43-3-3, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. Not later than January 15 each year, the department of local government finance shall certify to the department the amount of each school corporation's excise tax revenue for the immediately preceding year. ~~In 2006, the department of local government finance shall certify to the department the amount of each school corporation's excise tax revenue for both 2004 and 2005.~~ The department may rely on the excise tax revenue amounts certified by the department of local government finance under this section in making calculations under this article. **This section expires July 1, 2009.**

SECTION 485. IC 20-43-3-4, AS AMENDED BY HEA 1137-2008, SECTION 123, IS 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 2007.**

STEP TWO: Subtract from the STEP ONE result an amount equal to 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) A school corporation's previous year revenue must be reduced if:

(1) the school corporation's state tuition support for special education or 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 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 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 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 December 31, 2008);** multiplied by

(2) two (2).

SECTION 486. IC 20-43-3-6, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) For purposes of this section, "school corporation" does not include a charter school.

(b) Adjusted assessed valuation of any school corporation that is used in computing a school corporation's state tuition support for a calendar year must be the assessed valuation in the school corporation, adjusted as provided in IC 6-1.1-34.

(c) The amount of the valuation described in subsection (b) must also be adjusted downward by the department of local government finance to the extent it consists of real or personal property owned by a railroad or other corporation under the jurisdiction of a federal court under the federal bankruptcy laws (11 U.S.C. 101 et seq.) if as a result of the corporation being involved in a bankruptcy proceeding the corporation is delinquent in payment of its Indiana real and personal property taxes for the year to which the valuation applies. If the railroad or other corporation in some subsequent calendar year makes payment of the delinquent taxes, the state superintendent shall prescribe adjustments in the distributions of state tuition support that subsequently become due to a school corporation affected by the delinquency. The adjustment must ensure that the school

corporation will not have been unjustly enriched under P.L.382-1987(ss).

(d) The amount of the valuation described in subsection (b) must also be adjusted downward by the department of local government finance to the extent it consists of real or personal property described in ~~IC 6-1.1-17-0.5(b).~~ **IC 6-1.1-17-0.5.**

SECTION 487. IC 20-43-4-1, AS AMENDED BY HEA 1137-2008, SECTION 124, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 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 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 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 career and technical education grant, an eligible pupil includes a student enrolled in a charter school.

SECTION 488. 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 489. IC 20-43-6-5, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. A school corporation's basic tuition support for a calendar year is ~~the difference between:~~

~~(1)~~ **equal to** the school corporation's total regular program tuition support for the calendar year. ~~minus~~

~~(2) the school corporation's local contribution for the calendar year.~~

SECTION 490. IC 20-43-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 11.5. New Facility Adjustment

Sec. 1. (a) A school corporation may appeal to the department of local government finance under IC 6-1.1-19 for a new facility adjustment to increase the school corporation's tuition support distribution for the following year by the amount described in section 2 of this chapter.

(b) Upon the demonstration by the school corporation to the department of local government finance that an adjustment is necessary to pay increased costs to open:

(1) a new school facility; or

(2) 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 department of local government finance may grant the appeal. If the department of local government finance grants an appeal, it shall determine the amount of the new facility adjustment to be distributed to the school corporation under this chapter. In determining the amount of a new facility

adjustment, the department of local government finance shall consider the extent to which a part of tuition support distributions offsets any increased costs described in subdivision (1) or (2).

Sec. 2. (a) If a school corporation's appeal under this chapter is granted, the department shall, subject to amounts appropriated, distribute to the school corporation the amount of the new facility adjustment approved by the department of local government finance.

(b) A new facility adjustment is in addition to the amount of the state tuition support distribution to which the school corporation is entitled under this article.

SECTION 491. IC 20-44-3-3, AS ADDED BY P.L.2-2006, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. ~~(a)~~ A school corporation's levy excess is valid.

~~(b) The general fund portion of a school corporation's levy excess may not be contested on the grounds that it exceeds the school corporation's maximum permissible tuition support levy limit for the applicable calendar year.~~

SECTION 492. IC 20-45-7-20, AS AMENDED BY P.L.224-2007, SECTION 114, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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 493. IC 20-45-8-20, AS AMENDED BY P.L.224-2007, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 (after December 31, 2008)~~ and the department of local government finance.

SECTION 494. IC 20-46-1-7, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 **distribution** under IC 20-43 or the determination of ~~the school corporation's maximum permissible tuition support levy under IC 20-45-3.~~ **any other property tax levy imposed by the school corporation.**

SECTION 495. 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 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 and IC 20-45-6-2.~~

~~(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.~~ **(a) Subject to this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot for either of the following purposes:**

(1) The governing body of the school corporation determines that it cannot, in a calendar year, carry out its public educational duty unless it imposes a referendum tax levy under this chapter.

(2) The governing body of the school corporation determines that a referendum tax levy under this chapter should be imposed to replace property tax revenue that the school corporation will not receive because of the application of the credit under IC 6-1.1-20.6.

(b) The governing body of the school corporation shall certify a copy of the resolution to the county fiscal body of each county in which the school corporation is located.

SECTION 496. 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 ~~tax control board recommendation~~ **referendum tax levy** 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; and~~

~~(3) the appellant school corporation requests that the tax control board take the steps necessary to cause a referendum to be conducted.~~

SECTION 497. 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. **If a school corporation adopts a resolution under section 8 of this chapter,** the ~~tax control board shall act~~ **county fiscal body must** 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 498. 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~~ **county fiscal body** under this chapter, call a meeting of the county election board to make arrangements for the referendum.

SECTION 499. IC 20-46-1-14, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. (a) The referendum shall be held in the next primary or general election in which all the registered voters who are residents of the appellant school corporation are entitled to vote after certification of the question under IC 3-10-9-3. However, if the referendum would be held at a primary or general election more than six (6) months after certification by the ~~tax control board,~~ **county fiscal body,** the referendum shall be held at a special election to be conducted not less than ninety (90) days after the question is certified to the circuit court clerk or clerks by the ~~tax control board.~~ **county fiscal body.**

(b) The school corporation shall advise each affected county election board of the date on which the school corporation desires that the referendum be held, and, if practicable, the referendum shall be held on the day specified by the school corporation.

(c) The referendum shall be held under the direction of the county election board, which shall take all steps necessary to carry out the referendum.

(d) If a primary election, general election, or special election is held during the sixty (60) days preceding or following the special election described in this section and is held in an election district that includes some, but not all, of the school corporation, the county election board may also adopt orders to specify when the registration period for the elections cease and resume under IC 3-7-13-10.

(e) Not less than ten (10) days before the date on which the referendum is to be held, the county election board shall cause notice of the question that is to be voted upon at the referendum to be published in accordance with IC 5-3-1.

(f) If the referendum is not conducted at a primary or general election, the appellant school corporation in which the referendum is to be held shall pay all the costs of holding the referendum.

SECTION 500. IC 20-46-1-15, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. Each county election board shall cause:

(1) the question certified to the circuit court clerk by the ~~tax control board~~ **county fiscal body** to be placed on the ballot in the form prescribed by IC 3-10-9-4; and

(2) an adequate supply of ballots and voting equipment to be delivered to the precinct election board of each precinct in which the referendum is to be held.

SECTION 501. 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.~~ **county fiscal body.** Upon receiving the certification of all the votes cast in the referendum, the ~~tax control board~~ **county fiscal body** 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, upon being notified by the tax control board of the result of the referendum,~~ **county fiscal body** 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 502. IC 20-46-1-18, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. **(a)** A school corporation's levy may not be considered in the determination of the school corporation's state tuition support **distribution** under IC 20-43 or the determination of ~~the school corporation's maximum permissible tuition support levy under IC 20-45-3.~~ **any other property tax levy imposed by the school corporation.**

SECTION 503. IC 20-46-1-19, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 19. If a majority of the persons who voted in the referendum did not vote "yes" on the referendum question:

(1) the school corporation may not make any levy for its ~~general~~ **referendum tax levy** fund; ~~other than a levy permitted under IC 20-45,~~ and

(2) another referendum under this section may not be held for one (1) year after the date of the referendum.

SECTION 504. IC 20-46-5-6, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) This section does not apply to a school corporation located in South Bend, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(b) Before a governing body may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year:

(1) conduct a public hearing on; and

(2) pass a resolution to adopt;

a plan.

(c) This section expires January 1, 2009.

SECTION 505. IC 20-46-5-7, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) **Except as provided in subsection (b),** this section applies only to a school corporation located in South Bend.

(b) After December 31, 2009, this section applies to all school corporations.

~~(b)~~ **(c) This subsection expires January 1, 2010.** This section does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

~~(c)~~ **(d)** Before the governing body of the school corporation may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year:

(1) conduct a public hearing on; and

(2) pass a resolution to adopt;

a plan.

SECTION 506. IC 20-46-5-8, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) The department of local government finance shall prescribe the format of the plan.

(b) A plan must apply to at least the ~~ten (10)~~ **twelve (12)** budget years immediately following the year the plan is adopted.

(c) A plan must at least include the following:

(1) An estimate for each year to which it applies of the nature and amount of proposed expenditures from the fund.

(2) A presumption that the minimum useful life of a school bus is not less than ~~ten (10)~~ **twelve (12)** years.

(3) An identification of:

(A) the source of all revenue to be dedicated to the proposed expenditures in the upcoming budget year; and

(B) the amount of property taxes to be collected in that year and the unexpended balance to be retained in the fund for expenditures proposed for a later year.

(4) If the school corporation is seeking to:

(A) acquire; or

(B) contract for transportation services that will provide;

additional school buses or school buses with a larger seating capacity as compared with the number and type of school buses from the prior school year, evidence of a demand for increased transportation services within the school corporation. Clause (B) does not apply if contracted transportation services are not paid from the fund.

(5) If the school corporation is seeking to:

(A) replace an existing school bus earlier than ~~ten (10)~~ **twelve (12)** years after the existing school bus was originally acquired; or

(B) require a contractor to replace a school bus;

evidence that the need exists for the replacement of the school bus. Clause (B) does not apply if contracted transportation services are not paid from the fund.

(6) Evidence that the school corporation that seeks to acquire additional school buses under this section is acquiring or contracting for the school buses only for the purposes specified in subdivision (4) or for replacement purposes.

SECTION 507. IC 20-46-6-8, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) This section does not apply to a school corporation that is located in South Bend, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(b) Before a governing body may collect property taxes for a capital projects fund in a particular year, the governing body must:

(1) after January 1; and

(2) not later than September 20;

of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a resolution to adopt the proposed or amended plan.

(c) This section expires January 1, 2009.

SECTION 508. IC 20-46-6-9, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) **Except as provided in subsection (b),** this section applies only to a school corporation that is located in South Bend.

(b) After December 31, 2009, this section applies to all school corporations.

~~(b)~~ **(c) This subsection expires January 1, 2010.** This ~~subsection~~ **section** does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

~~(c)~~ **(d)** Before the governing body of the school corporation may collect property taxes for a fund in a particular year, the governing body must:

(1) after January 1; and

(2) before February 2;

of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a resolution to adopt the proposed or amended plan.

SECTION 509. IC 20-46-7-8, AS AMENDED BY P.L.224-2007, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. **(a) This section does not apply to the following:**

(1) Bonds or lease rental agreements for which a school corporation:

(A) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(B) in the case of bonds or lease rental agreements not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the bonds or lease rental agreement after June 30, 2008.

(2) Repayment from the debt service fund of loans made after June 30, 2008, for the purchase of school buses under IC 20-27-4-5.

~~(a)~~ **(b)** 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)~~ **(c)** 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)~~ **(d)** 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 **(before its repeal) or IC 20-46-5.**

~~(d)~~ **(e)** 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 under IC 6-1.1-29.5 after December 31, 2008.~~

SECTION 510. IC 20-46-7-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 8.5. (a) Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance are not required before a school corporation may issue or enter into bonds, a lease, or any other obligation, if the school corporation:**

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds, leases, or other obligations not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the bonds, lease rental agreement, or other obligations after June 30, 2008.

(b) A school corporation is not required to obtain the approval of the department of local government finance before the school corporation may repay from the debt service fund any loans made after June 30, 2008, for the purchase of school buses under IC 20-27-4-5.

(c) This subsection applies after June 30, 2008. Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance are not required before a school corporation may construct, alter, or repair a capital project.

SECTION 511. IC 20-46-7-9, AS AMENDED BY P.L.224-2007, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) This section applies only to an obligation ~~described in~~ **subject to** 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 under IC 6-1.1-29.5 after December 31, 2008.~~

for which a school corporation:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds or lease rental agreements not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the bonds or lease rental agreement after June 30, 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 512. IC 20-46-7-10, AS AMENDED BY P.L.224-2007, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) This section applies only to an obligation described in section 8 of this chapter. 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 under IC 6-1.1-29.5 after December 31, 2008.~~ **for which the school corporation:**

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds or lease rental agreements not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the bonds or lease rental agreement after June 30, 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.

SECTION 513. IC 20-46-7-11, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. **(a)** 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.

(b) The authority of the department of local government finance to determine whether to approve or disapprove a school building construction project does not after June 30, 2008, include the authority to review or approve the financing of the school building construction project.

SECTION 514. IC 20-46-7-12, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. ~~The department of local government finance 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~~ **Except as provided by IC 5-1-14-10, the maximum term or repayment period for bonds issued by a school corporation for** 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)~~ **exceed twenty (20)** years after the date of the issuance of the bonds.

SECTION 515. IC 20-47-2-13, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. (a) If the execution of the lease as originally agreed upon or as modified by agreement is authorized by the governing body or bodies of the school corporation or corporations, the governing body shall give notice of the signing of the lease by publication one (1) time in:

(1) a newspaper of general circulation printed in the English language in the school corporation;

(2) a newspaper described in subdivision (1) in each school corporation if the proposed lease is a joint lease; or

(3) if no such newspaper is published in the school

corporation, in any newspaper of general circulation published in the county.

(b) **This subsection does not apply to a lease for which a school corporation after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease after June 30, 2008.** Within thirty (30) days after the publication of notice under subsection (a), fifty (50) or more taxpayers in the school corporation or corporations who:

(1) will be affected by the proposed lease; and

(2) are of the opinion that:

(A) necessity does not exist for the execution of the lease; or

(B) the proposed rental provided for in the lease is not a fair and reasonable rental;

may file a petition in the office of the county auditor of the county in which the school corporation or corporations are located. The petition must set forth the taxpayers' objections to the lease and facts showing that the execution of the lease is unnecessary or unwise or that the lease rental is not fair and reasonable, as the case may be.

(c) Upon the filing of a petition under subsection (b), the county auditor shall immediately certify a copy of the petition, together with any other data that is necessary to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and data, if any, the department of local government finance shall fix a time, date, and place for the hearing of the matter, which may not be less than five (5) nor more than thirty (30) days thereafter. The department of local government finance shall

(1) conduct the hearing in the school corporation or corporations, or in the county where the school corporation or corporations are located; and

(2) give notice of the hearing to the members of the governing body or bodies of the school corporation or corporations and to the first fifty (50) taxpayers who signed the petition under subsection (b) by a letter signed by the commissioner or deputy commissioner of the department of local government finance and enclosed with full prepaid postage addressed to the taxpayer petitioners at their usual place of residence, at least five (5) days before the hearing.

The decision of the department of local government finance on the appeal, upon the necessity for the execution of the lease and as to whether the rental is fair and reasonable, is final.

SECTION 516. IC 20-47-2-14, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. An action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease may not be instituted at any time later than:

(1) thirty (30) days after publication of notice of the execution of the lease by the governing body or bodies of the school corporation or corporations; or

(2) if an appeal **is allowed under section 13 of this chapter and** has been taken to the department of local government finance, thirty (30) days after the decision of the department of local government finance.

SECTION 517. IC 20-47-3-5, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) Except as provided in ~~subsection~~ **subsections** (d) **and (e),** a lease must provide that the school corporation or corporations have an option to:

(1) renew the lease for a further term on like conditions; and

(2) purchase the property covered by the lease;

with the terms and conditions of the purchase to be specified in the lease, subject to the approval of the department of local government finance.

(b) If the option to purchase the property covered by the lease is exercised, the school corporation or corporations, to procure funds to pay the purchase price, may issue and sell bonds under the provisions of the general statute governing the issue and sale of bonds of the school corporation or corporations. The purchase price may not be more than the purchase price set forth in the lease plus:

(1) two percent (2%) of the purchase price as prepayment penalty for purchase within the first five (5) years of the lease term; or

(2) one percent (1%) of the purchase price as prepayment penalty for purchase in the second five (5) years of the lease term;

and thereafter the purchase shall be without prepayment penalty.

(c) However:

(1) if the school corporation or corporations have not exercised an option to purchase the property covered by the lease at the expiration of the lease; and

(2) upon the full discharge and performance by the school corporation or corporations of their obligations under the lease;

the property covered by the lease becomes the absolute property of the school corporation or corporations, and the lessor corporation shall execute proper instruments conveying to the school corporation or corporations good and merchantable title to that property.

(d) The following provisions apply to a school corporation that is located in Dubois County and enters into a lease with a religious organization or the organization's agent as authorized under section 4 of this chapter:

(1) The lease is not required to include on behalf of the school corporation an option to purchase the property covered by the lease.

(2) The lease must include an option to renew the lease.

(3) The property covered by the lease is not required to become the absolute property of the school corporation as provided in subsection (c).

(e) In the case of a lease for which a school corporation:

(1) after June 30, 2008, makes a preliminary

determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease after June 30, 2008;

the terms and conditions of the purchase that are specified in the lease are not subject to the approval of the department of local government finance.

SECTION 518. IC 20-47-3-8, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. **(a) Except as provided in subsection (b),** a school corporation or corporations may, in anticipation of the acquisition of a site and the construction and erection of a school building or buildings, and, subject to the approval of the department of local government finance, enter into a lease with a lessor corporation before the actual acquisition of the site and the construction and erection of the building or buildings. However, the lease entered into by the school corporation or school corporations may not provide for the payment of any lease rental by the lessee or lessees until the building or buildings are ready for occupancy, at which time the stipulated lease rental may begin. The lessor corporation shall furnish a bond to the approval of the lessee or lessees conditioned on the final completion of the building or buildings within a period not to exceed one (1) year from the date of the execution of the lease, unavoidable delays excepted.

(b) In the case of a lease for which a school corporation:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of a lease not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease after June 30, 2008;

the approval of the department of local government finance is not required.

SECTION 519. IC 20-47-3-11, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) If the execution of the lease as originally agreed upon or as modified by agreement is authorized by the governing body or bodies of the school corporation or corporations, the governing body shall give notice of the signing of the lease by publication one (1) time in:

(1) a newspaper of general circulation printed in the English language in the school corporation;

(2) a newspaper described in subdivision (1) in each school corporation if the proposed lease is a joint lease; or

(3) if no such newspaper is published in the school corporation, in any newspaper of general circulation published in the county.

(b) **This subsection does not apply to leases for which a school corporation after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5, or, in the case of leases not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the lease after June 30, 2008.** Within thirty (30) days after the publication of notice under subsection (a), ten (10) or more taxpayers in the school corporation or corporations who:

(1) will be affected by the proposed lease; and

(2) are of the opinion that:

(A) no necessity exists for the execution of the lease; or

(B) the proposed rental provided for in the lease is not a fair and reasonable rental;

may file a petition in the office of the county auditor of the county in which the school corporation or corporations are located. The petition must set forth the taxpayers' objections to the lease and facts showing that the execution of the lease is unnecessary or unwise, or that the lease rental is not fair and reasonable, as the case may be.

(c) Upon the filing of a petition under subsection (b), the county auditor shall immediately certify a copy of the petition and any other data that is necessary to present the questions involved to the department of local government finance. Upon receipt of the certified petition and data, if any, the department of local government finance shall fix a date, time, and place for the hearing of the matter, which may not be less than five (5) nor more than thirty (30) days after receipt of the petition and data, if any. The department of local government finance shall:

(1) conduct the hearing in the school corporation or corporations or in the county where the school corporation or corporations are located; and

(2) give notice of the hearing to the members of the governing body or bodies of the school corporation or corporations and to the first ten (10) taxpayer petitioners upon the petition by a letter signed by the commissioner or deputy commissioner of the department of local government finance, and enclosed with full prepaid postage addressed to the taxpayer petitioners at their usual place of residence, at least five (5) days before the hearing.

The decision of the department of local government finance on the appeal, upon the necessity for the execution of the lease, and as to whether the rental is fair and reasonable, is final.

SECTION 520. IC 20-47-3-12, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. An action to contest the validity of the lease or to enjoin the performance of any of the terms and conditions of the lease may not be instituted at any time later than:

(1) thirty (30) days after publication of notice of the execution of the lease by the governing body or bodies of the school corporation or corporations; or

(2) if an appeal **is allowed under section 11 of this chapter and** has been taken to the department of local government finance, thirty (30) days after the decision of the department of local government finance.

SECTION 521. IC 20-47-4-6, AS ADDED BY P.L.2-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2008]: Sec. 6. (a) A lessor corporation may acquire and finance an existing school building, other than as provided in section 5 of this chapter, and lease the existing school building to a school corporation. A school corporation shall comply with:

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

(2) the petition and remonstrance provisions under IC 6-1.1-20 **(if required); and**

(3) the local public question provisions under IC 6-1.1-20 (if required).

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

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

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

SECTION 522. IC 20-48-1-4, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. **(a)** Bonds issued by a school corporation must be sold at:

(1) not less than par value;

(2) public sale as provided by IC 5-1-11; and

(3) any rate or rates of interest determined by the bidding.

(b) This subsection does not apply to bonds for which a school corporation:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the bonds after June 30, 2008.

If the net interest cost exceeds eight percent (8%) per year, the bonds must not be issued until the issuance is approved by the department of local government finance.

SECTION 523. IC 20-48-1-8, AS AMENDED BY P.L.219-2007, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. The provisions of all general statutes and rules relating to:

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

(2) giving notice of determination to issue bonds;

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

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

~~(5)~~ **(4)** the right of taxpayers and voters to remonstrate against **or vote on, as applicable,** the issuance of bonds;

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

SECTION 524. IC 20-48-1-9, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 9. (a) If the governing body of a school corporation finds and declares that an emergency exists to borrow money with which to pay current expenses from a particular fund before the receipt of revenues from taxes levied or state tuition support distributions for the fund, the governing body may issue warrants in anticipation of the receipt of the revenues.

(b) The principal of warrants issued under subsection (a) is payable solely from the fund for which the taxes are levied or from the school corporation's general fund in the case of anticipated state tuition support distributions. However, the interest on the warrants may be paid from the debt service fund, from the fund for which the taxes are levied, or the general fund in the case of anticipated state tuition support distributions.

(c) The amount of principal of temporary loans maturing on or before June 30 for any fund may not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund at the June settlement.

(d) The amount of principal of temporary loans maturing after June 30 and on or before December 31 may not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund at the December settlement.

~~(e) At each settlement, the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund includes allocations to the fund from the property tax replacement fund.~~

~~(f)~~ **(e)** The county auditor or the auditor's deputy shall determine the estimated amount of taxes and state tuition support distributions to be collected or received and distributed. The warrants evidencing a loan in anticipation of tax revenue or state tuition support distributions may not be delivered to the purchaser of the warrant and payment may not be made on the warrant before January 1 of the year the loan is to be repaid. However, the proceedings necessary for the loan may be held and carried out before January 1 and before the approval. The loan may be made even though a part of the last preceding June or December settlement has not been received.

~~(g)~~ **(f)** Proceedings for the issuance and sale of warrants for more than one (1) fund may be combined. Separate warrants for each fund must be issued, and each warrant must state on the face of the warrant the fund from which the warrant's principal is payable. An action to contest the validity of a warrant may not be brought later than fifteen (15) days after the first publication of notice of sale.

~~(h)~~ **(g)** An issue of tax or state tuition support anticipation warrants may not be made if the total of all tax or state tuition

support anticipation warrants exceeds twenty thousand dollars ($20,000) until the issuance is advertised for sale, bids are received, and an award is made by the governing body as required for the sale of bonds, except that the publication of notice of the sale is not necessary:

(1) outside the county; or

(2) more than ten (10) days before the date of sale.

SECTION 525. 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, 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 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~~ **(2) second** 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.

SECTION 526. IC 20-48-4-7, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. **(a) After June 30, 2008, this section applies only if the alteration or construction is a controlled project (as defined in IC 6-1.1-20-1.1) for which a preliminary determination under IC 6-1.1-20-3.1 was made before July 1, 2008.**

(b) Before altering or constructing a building or an addition to a building, the proposed action must be submitted for approval to the department of local government finance. The department of local government finance shall set the proposal for hearing and give ten (10) days notice of the hearing to the taxpayers of the taxing district by:

(1) one (1) publication in each of two (2) newspapers of opposite political parties published in the taxing district;

(2) one (1) publication if only one (1) newspaper is published;

(3) publication in two (2) newspapers representing the two (2) leading political parties published in the county and having a general circulation in the taxing district if no newspaper is published in the district; or

(4) publication in one (1) newspaper if only one (1) paper is published in the county.

The department of local government finance shall conduct the hearing in the taxing district. After the hearing upon the proposal, the department of local government finance shall certify its approval or disapproval to the county auditor and to the township trustee.

SECTION 527. IC 20-48-4-8, AS ADDED BY P.L.2-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) Upon approval by the department of local government finance **(if required under section 6 of this chapter),** the township trustee may, with the consent of the township board, issue and sell the bonds of the civil township in an amount sufficient to pay for the alteration, construction, or addition described in section 6 of this chapter.

(b) The trustee may levy a tax on the taxable property of the township in an amount sufficient to discharge the bonds issued and sold. The bonds may not bear a maturity date more than twenty (20) years from the date of issue.

SECTION 528. IC 20-40-8-19, AS AMENDED BY P.L.234-2007, SECTION 230, IS AMENDED TO READ AS FOLLOWS: 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 529. 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.

SECTION 530. IC 25-34.1-3-8, AS AMENDED BY P.L.57-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) This

section does not preclude a person who:

(1) is not licensed or certified as a real estate appraiser under this section; and

(2) is licensed as a broker under this article;

from appraising real estate in Indiana for compensation.

(b) As used in this section, "federal act" refers to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (12 U.S.C. 3331 through 3351).

(c) The commission shall adopt rules to establish a real estate appraiser licensure and certification program to be administered by the board.

(d) The commission may not adopt rules under this section except upon the action and written recommendations of the board under IC 25-34.1-8-6.5.

(e) The real estate appraiser licensure and certification program established by the commission under this section must meet the requirements of:

(1) the federal act;

(2) any federal regulations adopted under the federal act; and

(3) any other requirements established by the commission as recommended by the board, including requirements for education, experience, examination, reciprocity, and temporary practice.

(f) The real estate appraiser licensure and certification requirements established by the commission under this section must require a person to meet the standards for real estate appraiser certification and licensure established:

(1) under the federal act;

(2) by federal regulations; and

(3) **under** any other requirements established by the commission as recommended by the board, including requirements for education, experience, examination, reciprocity, and temporary practice.

(g) The commission may require continuing education as a condition of renewal for real estate appraiser licensure and certification.

(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.**

(i) Notwithstanding IC 25-34.1-3-2(a):

(1) only a person who receives a license or certificate issued under the real estate appraiser licensure and certification program established under this section may appraise real estate involved in transactions governed by:

(A) the federal act; and

(B) any regulations adopted under the federal act;

as determined under rules adopted by the commission, as recommended by the board; and

(2) a person who receives a license or certificate issued under the real estate appraiser licensure and certification program established under this section may appraise real estate not involved in transactions governed by:

(A) the federal act; and

(B) any regulations adopted under the federal act;

as determined under rules adopted by the commission, as recommended by the board.

SECTION 531. IC 29-3-9-11, AS AMENDED BY P.L.145-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. **(a)** The department ~~or county office of family and children~~ **of child services shall investigate and report to the court concerning the conditions and circumstances of a minor and the fitness and conduct of the guardian or the proposed guardian whenever ordered to do so by the court.**

(b) The office of the secretary of family and social services shall investigate and report to the court concerning the conditions and circumstances of a minor or an alleged incapacitated ~~person~~ **adult** or protected person **who is an adult** and the fitness and conduct of the guardian or the proposed guardian whenever ordered to do so by the court.

SECTION 532. 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 purposes of IC 31-19-26.5, has the meaning set forth in IC 31-19-26.5-1.**

SECTION 533. IC 31-9-2-9.3, AS ADDED BY P.L.145-2006, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9.3. (a) "Applicant", for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, ~~IC 31-26-3,~~ **and 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 534. IC 31-9-2-9.7, AS ADDED BY P.L.145-2006, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 535. 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 536. IC 31-9-2-17, AS AMENDED BY P.L.145-2006, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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~~ **this title, refers to** a child described in IC 31-34-1.

SECTION 537. 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", for purposes of this title, means the following:**

(1) Services, other than services that are costs of secure detention, 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 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.

SECTION 538. IC 31-9-2-19.5, AS ADDED BY P.L.145-2006, SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.~~ **this title, means services provided under a child welfare program.**

SECTION 539. IC 31-9-2-19.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 19.6. "Child welfare program", for purposes of this title, has the meaning set forth in IC 31-26-3.5-1.**

SECTION 540. 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 purposes of IC 31-19-26.5, has the meaning set forth in IC 31-19-26.5-2.**

SECTION 541. 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", for purposes of this title, has the meaning set forth in IC 31-40-1-1.5.**

SECTION 542. IC 31-9-2-26, AS AMENDED BY P.L.138-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. "County office" or "county office of family and children", **for purposes of this title,** refers to a ~~county~~ **local** office of the department. ~~of child services established by IC 31-25-1-1.~~

SECTION 543. IC 31-9-2-39.5, AS ADDED BY P.L.145-2006, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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,~~ **this title,** 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 544. IC 31-9-2-44.8, AS ADDED BY P.L.138-2007, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 44.8. "Family preservation services", for purposes of ~~IC 31-34-24 and IC 31-37-24,~~ **IC 31-26-6,** 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 545. IC 31-9-2-76.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 76.6. "Local**

office", for purposes of this title, refers to a local office established by the department to serve a county or a region.

SECTION 546. IC 31-9-2-92.5, AS AMENDED BY P.L.145-2006, SECTION 205, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 92.5. (a) "Plan", for purposes of ~~IC 31-34-24,~~ **IC 31-26-6,** has the meaning set forth in ~~IC 31-34-24-1.~~ **IC 31-26-6-1.**

~~(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 547. IC 31-9-2-99.7, AS ADDED BY P.L.145-2006, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 99.7. "Public welfare", for purposes of IC 31-25-3, IC 31-25-4, **and** 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, **or** 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 548. IC 31-9-2-102.5, AS ADDED BY P.L.145-2006, SECTION 210, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 102.5. "Recipient", for purposes of IC 31-25-3, IC 31-25-4, **and** 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 549. IC 31-9-2-103.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 103.6. "Region", for purposes of this title, 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 31-26-6, the term refers to a service region established under IC 31-26-6-3.

SECTION 550. IC 31-9-2-103.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 103.7. "Regional services council", for purposes of this title, refers to a regional services council established for a region under IC 31-26-6-4.**

SECTION 551. 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", for purposes of this title, has the meaning set forth in IC 31-40-1-1.5.**

SECTION 552. IC 31-9-2-116.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 116.4. "Services", for purposes of IC 31-40-1, has the meaning set forth in IC 31-40-1-1.5.**

SECTION 553. IC 31-9-2-129 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 554. IC 31-9-2-135, AS AMENDED BY P.L.138-2007, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 135. (a) "Warrant", for purposes of IC 31-25-3, IC 31-25-4, **and** 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 555. IC 31-14-10-1, AS AMENDED BY P.L.68-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. Upon finding that a man is the child's biological father, the court shall, in the initial determination, conduct a hearing to determine the issues of support, custody, and parenting time. Upon the request of any party or on the court's own motion, the court may order a probation officer ~~or caseworker~~ to prepare a report to assist the court in determining these matters.

SECTION 556. IC 31-14-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. The probation officer ~~or caseworker~~ may do the following:

(1) Consult with any person who may have information about the child and the child's potential custodial arrangements.

(2) Upon approval of the court, refer the child for professional diagnosis and evaluation.

(3) Without consent from the child's parent or guardian, consult with and obtain information concerning the child from:

(A) medical;

(B) psychiatric;

(C) psychological; or

(D) other;

persons who have knowledge of the child.

SECTION 557. IC 31-14-13-5, AS AMENDED BY P.L.68-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. The court may order the probation department ~~the county office of family and children,~~ or any licensed child placing agency to supervise the placement to ensure that the custodial or parenting time terms of the decree are carried out if:

(1) both parents or the child request supervision; or

(2) the court finds that without supervision the child's physical health and well-being would be endangered or the child's emotional development would be significantly

impaired.

SECTION 558. IC 31-17-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 12. (a) In custody proceedings after evidence is submitted upon the petition, if a parent or the child's custodian so requests, the court may order an investigation and report concerning custodial arrangements for the child. The investigation and report may be made by any of the following:

(1) The court social service agency.

(2) The staff of the juvenile court.

(3) The local probation department or, **if the child is the subject of a child in need of services case under IC 31-34,** the ~~county office of family and children.~~ **department of child services.**

(4) A private agency employed by the court for the purpose.

(5) A guardian ad litem or court appointed special advocate appointed for the child by the court under IC 31-17-6 (or IC 31-1-11.5-28 before its repeal).

(b) In preparing a report concerning a child, the investigator may consult any person who may have information about the child and the child's potential custodian arrangements. Upon order of the court, the investigator may refer the child to professional personnel for diagnosis. The investigator may consult with and obtain information from medical, psychiatric, or other expert persons who have served the child in the past without obtaining the consent of the parent or the child's custodian. However, the child's consent must be obtained if the child is of sufficient age and capable of forming rational and independent judgments. If the requirements of subsection (c) are fulfilled, the investigator's report:

(1) may be received in evidence at the hearing; and

(2) may not be excluded on the grounds that the report is hearsay or otherwise incompetent.

(c) The court shall mail the investigator's report to counsel and to any party not represented by counsel at least ten (10) days before the hearing. The investigator shall make the following available to counsel and to any party not represented by counsel:

(1) The investigator's file of underlying data and reports.

(2) Complete texts of diagnostic reports made to the investigator under subsection (b).

(3) The names and addresses of all persons whom the investigator has consulted.

(d) Any party to the proceeding may call the investigator and any person whom the investigator has consulted for cross-examination. A party to the proceeding may not waive the party's right of cross-examination before the hearing.

SECTION 559. IC 31-17-2-18, AS AMENDED BY P.L.68-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 18. If both parents or all contestants agree to the order or if the court finds that, in the absence of the order, the child's physical health might be endangered or the child's emotional development significantly impaired, the court may order:

(1) the court social service agency;

(2) the staff of the juvenile court;

(3) the local probation department;

~~(4) the county office of family and children;~~ or

~~(5)~~ **(4)** a private agency employed by the court for that purpose;

to exercise continuing supervision over the case to assure that the custodial or parenting time terms of the decree are carried out.

SECTION 560. IC 31-19-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 561. 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) an 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 562. IC 31-19-26.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 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 to assist 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(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 general 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 assistance account established under this chapter to make adoption subsidy 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:

(1) the adoption subsidy agreement is made; or

(2) the subsidy is payable under the terms of the agreement;

whichever is greater.

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 the following conditions exist:

(1) The child is a child with special needs, based in whole or in part on a physical, a mental, an emotional, or a 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(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, a physical, a mental, or an 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 or by rule, 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, a medical, a mental, or an 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. An adoption assistance account is established within the state general fund 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; and

(3) 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. 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 sections 4 and 11 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 563. 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 564. IC 31-25-2-5, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) ~~This section applies after June 30, 2008.~~

~~(b) A child protection caseworker or a child welfare caseworker may not be assigned work that exceeds the following maximum caseload levels at any time:~~ **The department shall ensure that the department maintains staffing levels of family case managers so that each county has enough family case managers to allow caseloads to be at not more than:**

(1) ~~For caseworkers assigned only initial assessments, including investigations of an allegation of child abuse or neglect;~~ twelve (12) active cases ~~per month per caseworker.~~ **relating to initial assessments, including investigations**

of an allegation of child abuse or neglect; or

(2) ~~For caseworkers assigned only ongoing cases,~~ seventeen (17) ~~active~~ children ~~per caseworker.~~ **monitored and supervised in active cases relating to ongoing services.**

~~(3) For caseworkers assigned a combination of initial assessments, including investigations of an allegation of child abuse or neglect, and ongoing cases under subdivisions (1) and (2), four (4) investigations and ten (10) active ongoing cases per caseworker.~~

~~(c)~~ **(b)** The department shall comply with the maximum caseload ratios described in subsection ~~(b).~~ **(a).**

SECTION 565. IC 31-25-2-7, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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) Certifying and providing grants to the youth services bureaus under IC 31-26-1.

(12) Administering the project safe program.

(13) 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 relating to a child who is not the subject of an open child in need of services case under IC 31-34; 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 566. 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 567. 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 568. 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 department 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 known as the child trust clearance account and may not be commingled with any other money.

(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 569. 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 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 570. 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 the purposes 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 the breakup of families whenever prevention of child removal is possible and desirable.

(4) Providing services targeted to the 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 (both 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) A child welfare program account is established in the state general fund to receive money for establishment, operation, or support of child welfare programs. Receipts credited to the child welfare program account 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 appropriation to the department 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 program account remains in the child welfare program account until expended and does not revert to the state general fund at the expiration of the state fiscal year for which the appropriation was made.

Sec. 7. The department may adopt rules under IC 4-22-2 that are necessary or appropriate to implement this chapter.

SECTION 571. IC 31-26-6 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 6. Regional Service Strategic Plans

Sec. 1. As used in this chapter, "plan" includes a regional services strategic plan to achieve the purposes described in section 5 of this chapter and any implementation strategy, revision, addition, or update of the plan, as described in section 12(a) of this chapter.

Sec. 2. As used in this chapter, "regional services council" means a council appointed as provided in section 7 of this chapter.

Sec. 3. As used in this chapter, "service region" means an area of Indiana consisting of one (1) or more counties.

Sec. 4. (a) Each county shall participate in a regional services council established under this chapter for the service region in which the county is located.

(b) The department shall determine the county or counties that comprise each service region. A county may not be divided when establishing a service region.

Sec. 5. Each regional services council shall develop a biennial regional services 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 IC 31-34 or IC 31-37 to be, children in need of services or delinquent children; 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 or delinquent children; 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.

Sec. 6. (a) Each regional services council shall, according to guidelines and policies established by the department, include in its plan an evaluation of local child welfare service needs and a determination of appropriate delivery mechanisms. The policies shall provide an opportunity for local services providers to be represented in the evaluation of local child welfare service needs. In addition, the regional services council shall take public testimony regarding local service needs and system changes.

(b) The council shall also recommend in the plan, or any revision, addition, or update relating to implementation of a plan under section 12(a) of this chapter, the allocation and distribution among service providers of funds that:

(1) the department allocates to the service region; and

(2) are used to pay for the expenses of child welfare programs and child services administered by the department within the region.

Sec. 7. (a) If the service region consists of at least three (3) counties, the regional services council is composed of the following members appointed from the service region:

(1) The regional manager, who must be an employee of the department.

(2) Three (3) members who are juvenile court judges or their designees.

(3) Three (3) local office directors.

(4) Two (2) family case manager supervisors.

(5) Two (2) family case managers.
(6) Two (2) licensed foster parents.
(7) One (1) guardian ad litem or court appointed special advocate.
(8) One (1) member who is a prosecuting attorney or the prosecuting attorney's designee.
(9) 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;
(C) has received or is receiving services through funds provided, directly or indirectly, through the department; and
(D) will serve in a nonvoting capacity.

(b) If the service region consists of one (1) or two (2) counties, the regional services council must include at least the following members from the service region:
(1) Three (3) employees of the department, including the regional manager.
(2) One (1) juvenile court judge or judicial hearing officer.
(3) Two (2) members who are designees of a juvenile court judge.
(4) Two (2) family case manager supervisors.
(5) Two (2) family case managers.
(6) One (1) licensed foster parent.
(7) One (1) person from each category described in subsection (a)(7), (a)(8), and (a)(9).

(c) The director shall appoint the members of the regional services council with the exception of judges or judicial hearing officers and prosecuting attorneys or their respective designees.

(d) The members of the regional services council described in subsections (a)(2), (b)(2), and (b)(3) shall be selected by the juvenile court judge or judges in the service region.

(e) The member of the regional services council described in subsection (a)(8) shall be selected by the prosecuting attorneys in the counties comprising the service region.

(f) Each member of the regional services council shall serve at the pleasure of the member's appointing authority.

Sec. 8. (a) The regional manager shall convene an organizational meeting of the members of a regional services council appointed under section 7 of this chapter.

(b) The regional manager shall serve as the chairperson of the council. The council shall select one (1) of its members as vice chairperson.

Sec. 9. In preparing the plan under section 5 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 5 of this chapter without removing the child from the family home, including programs funded through the following:
(1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
(2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
(3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
(4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).
(5) Special education programs under IC 20-35-6-2.
(6) 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 31-26-3.5 and IC 31-40.
(7) A child advocacy fund under IC 12-17-17.

Sec. 10. 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 who reasonably may be expected to be considered for 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. 11. (a) Each regional services council shall transmit to the director each plan it develops and approves. The council shall transmit its biennial plan described in section 5 of this chapter to the director not later than February 2 of each even-numbered year.

(b) 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 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. 12. (a) A regional services council shall meet at least quarterly to do the following:
(1) Develop, review, or revise a strategy for implementation of an approved 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.

(c) A majority of the voting members of the regional services council appointed under section 7 of this chapter constitutes a quorum for the transaction of official business that includes taking final action (as defined in IC 5-14-1.5-2(g)). The regional services council may hold a meeting in the absence of a quorum to discuss any items of public business related to its responsibilities and functions as described in this chapter, without taking final action.

(d) A judicial officer or prosecuting attorney who is a member of the regional services council under section 7 of this chapter may designate in writing a person as the member's representative or proxy to attend any meeting of the council specified in the designation. Any designee under this subsection shall be a voting member of the council and be included for purposes of a quorum under subsection (c).

(e) Any department employee who is a member of the regional services council under section 7 of this chapter may designate in writing a person as the member's representative or proxy to attend any meeting of the council specified in the designation. Any designee under this subsection shall be a voting member of the council and be included for purposes of a quorum under subsection (c).

(f) All meetings of a regional services council under this chapter are subject to applicable provisions of IC 5-14-1.5.

Sec. 13. (a) This section applies to a meeting of a regional services council at which at least four (4) voting members of the council are physically present at the place where the meeting is conducted.

(b) A member of the regional services council may participate in a meeting of the council by using a means of communication that allows:

(1) all other members participating in the meeting; and

(2) all members of the public physically present at the place where the meeting is conducted;

to communicate simultaneously with each other during the meeting.

(c) A member who participates in a meeting under subsection (b) is considered to be present at the meeting.

(d) The memoranda of the meeting prepared under IC 5-14-1.5-4 must state the name of each member who:

(1) was physically present at the place where the meeting was conducted;

(2) participated in the meeting by using a means of communication described in subsection (b); or

(3) was absent.

Sec. 14. (a) A regional services council or the regional manager shall transmit copies of the plan, each annual report, each revised plan, and any other report or document described by rule adopted under section 16 of this chapter, 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 to the department a copy of each plan, annual report, or revised plan transmitted under subsection (a) to be posted to 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 information concerning access to the plan on the department web site.

Sec. 16. The department may adopt rules under IC 4-22-2 to administer this chapter.

SECTION 572. 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 family and children's fund established by IC 12-19-7-3.~~

SECTION 573. 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 family and children's fund established by IC 12-19-7-3.~~

SECTION 574. 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,~~ **countywide,** multidisciplinary child protection team. The team must include the following ~~eleven (11)~~ **thirteen**

(13) members **who reside in, or provide services to residents of, the county in which the team is to be formed:**

(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 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) residents** of the ~~community.~~ **county.**

(10) The chief law enforcement officer of the largest law enforcement agency in the county (other than the county sheriff) or the chief law enforcement officer's designee.

(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 575. 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.

SECTION 576. IC 31-33-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. Before February 2 of each ~~odd-numbered~~ **even-numbered** year, each ~~county office of family and children,~~ **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~~ **each** juvenile court **within the region;**

(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 577. 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** 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 578. 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 shall~~ **department is responsible for that placement and care and must** 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~~ **an evaluation based on a** home ~~study~~ **visit** 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 **is not required** 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 **or 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 **or 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 579. IC 31-34-4-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 7. (a) This section applies to services and programs provided to or on behalf of a child alleged to be a child in need of services at any time before:**

(1) entry of a dispositional decree under IC 31-34-20; or

(2) approval of a program of informal adjustment under IC 31-34-8.

(b) Before a juvenile court orders or approves a service, a program, or an out-of-home placement for a child that has not been recommended by the department, the court shall submit the proposed service, program, or placement to the department for consideration. The department shall, within three (3) business days after receipt of the court's proposal, submit to the court a report stating whether the department approves or disapproves the proposed service, program, or placement.

(c) If the department approves the service, program, or placement recommended by the juvenile court, the court may enter an appropriate order to implement the approved proposal. If the department does not approve a service, program, or placement proposed by the juvenile court, the department may recommend an alternative service, program, or placement for the child.

(d) The juvenile court shall accept the recommendations of the department regarding any predispositional services, programs, or placement for the child, unless the juvenile court finds 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 the recommendations of the department in the report submitted under subsection (b), the court may enter an order that:

(1) requires the department to provide a specified service, program, or placement until entry of a dispositional decree or until the order is otherwise modified or terminated; and

(2) specifically states the reasons why the juvenile court is not accepting the recommendations of the department, including the court's findings under subsection (d).

(f) If the juvenile court enters its findings and order under subsection (e), the department may appeal the juvenile court's order under any available procedure provided by the Indiana Rules of Trial Procedure or the Indiana Rules of Appellate Procedure to allow any disputes arising under this section to be decided in an expeditious manner.

(g) If the department prevails on appeal, the department shall pay the following costs and expenses incurred by or on behalf of the child before the date of the final decision:

(1) Any programs or services implemented during the appeal initiated under subsection (f), other than the cost of an out-of-home placement ordered by the juvenile

court.

(2) Any out-of-home placement ordered by the juvenile court and implemented after entry of the court order of placement, if the juvenile court order includes written findings that the placement is an emergency required to protect the health and welfare of the child.

If the court has not made written findings that the placement is an emergency, the county in which the juvenile court is located is responsible for payment of all costs of the placement, including the cost of services and programs provided by the home or facility where the child was placed.

SECTION 580. 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, 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 581. IC 31-34-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. A **juvenile** court **or 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 582. IC 31-34-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. A **juvenile** court **or 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 583. IC 31-34-7-2, AS AMENDED BY P.L.145-2006, SECTION 293, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. The intake officer shall send to ~~the prosecuting attorney or~~ the attorney for the department a copy of the preliminary inquiry. The intake officer shall recommend whether to:

(1) file a petition;

(2) informally adjust the case;

(3) refer the child to another agency; or

(4) dismiss the case.

SECTION 584. 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 either:

(1) approve or deny a program of informal adjustment; or

(2) set a hearing date;

within ten (10) days of its submission to the juvenile court, the program of informal adjustment is considered approved.

(d) If:

(1) the juvenile court sets a hearing under subsection (c); and

(2) the hearing is not concluded and action taken to approve or deny the program of informal adjustment within thirty (30) days of the submission of the program to the juvenile court;

the program of informal adjustment is considered approved.

SECTION 585. 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 586. 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 587. 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)~~ **eight (8)** 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 588. 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 589. IC 31-34-13-4, AS AMENDED BY P.L.145-2006, SECTION 296, 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)~~ **seven (7)** days before the proceedings to give the parties a fair opportunity to prepare a response to the statement or videotape before the proceeding.

SECTION 590. IC 31-34-14-2, AS AMENDED BY P.L.145-2006, SECTION 297, 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 591. IC 31-34-14-3, AS AMENDED BY P.L.145-2006, SECTION 298, 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 a child or a whole or half blood sibling of the child is a child in need of services.

SECTION 592. IC 31-34-14-4, AS AMENDED BY P.L.145-2006, SECTION 299, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. The court may not make an order under section 2 or 3 of this chapter unless:

(1) the testimony to be taken is the testimony of a child who at the time of the trial is:

(A) less than fourteen (14) years of age; or

(B) at least fourteen (14) years of age but less than eighteen (18) years of age and has a disability attributable to an impairment of general intellectual functioning or adaptive behavior that:

(i) is likely to continue indefinitely;

(ii) constitutes a substantial impairment of the child's ability to function normally in society; and

(iii) reflects the child's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated; and

(C) found by the court to be a child who should be permitted to testify outside the courtroom because:

(i) a psychiatrist, physician, or psychologist has certified that the child's testifying in the courtroom creates a substantial likelihood of emotional or mental harm to the child;

(ii) a physician has certified that the child cannot be present in the courtroom for medical reasons; or

(iii) evidence has been introduced concerning the effect of the child's testifying in the courtroom and the court finds that it is more likely than not that the child's testifying in the courtroom creates a substantial likelihood of emotional or mental harm to the child;

(2) ~~the prosecuting attorney or~~ the attorney for the department has informed the parties and their attorneys by written notice of the intention to have the child testify outside the courtroom; and

(3) ~~the prosecuting attorney or~~ the attorney for the department informed the parties and their attorneys under subdivision (2) at least ~~twenty (20)~~ **seven (7)** days before the proceedings to give the parties and their attorneys a fair opportunity to prepare a response before the proceedings to ~~the motion of the prosecuting attorney or~~ the motion of the attorney for the department to permit the child to testify outside the courtroom.

SECTION 593. IC 31-34-14-6, AS AMENDED BY P.L.145-2006, SECTION 300, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. If the court makes an order under section 3 of this chapter, only the

following persons may be in the same room as the child during the child's videotaped testimony:

(1) The judge.

(2) The ~~prosecuting attorney or the~~ attorney for the department.

(3) The attorney for each party.

(4) Persons necessary to operate the electronic equipment.

(5) The court reporter.

(6) Persons whose presence the court finds will contribute to the child's well-being.

(7) The parties, who can observe and hear the testimony of the child without the child being able to observe or hear the parties. However, if a party is not represented by an attorney, the party may question the child.

SECTION 594. IC 31-34-14-7, AS AMENDED BY P.L.145-2006, SECTION 301, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. If the court makes an order under section 2 or 3 of this chapter, only the following persons may question the child:

(1) The ~~prosecuting attorney or the~~ attorney for the department.

(2) The attorneys for the parties.

(3) The judge.

SECTION 595. IC 31-34-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. A copy of the completed case plan shall be sent to the child's parent, guardian, or custodian **and to an agency having the legal responsibility or authorization to care for, treat, or supervise the child** not later than ten (10) days after the plan's completion.

SECTION 596. IC 31-34-16-1, AS AMENDED BY P.L.145-2006, SECTION 306, 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 a child:

~~(1) The prosecuting attorney.~~

~~(2)~~ **(1)** The attorney for the department.

~~(3) A probation officer.~~

~~(4) A caseworker.~~

~~(5) The department of correction.~~

~~(6)~~ **(2)** The guardian ad litem or court appointed special advocate.

SECTION 597. IC 31-34-18-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) Upon finding that a child is a child in need of services, the juvenile court shall order ~~a probation officer~~ **the department** 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 598. IC 31-34-18-2 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~~ **the department** or caseworker believes that an out-of-home placement would be appropriate for a child in need of services, the ~~probation officer~~ **department** 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 599. IC 31-34-18-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. The ~~probation officer~~ **department** 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 600. IC 31-34-18-6.1, AS AMENDED BY P.L.145-2006, SECTION 308, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6.1. (a) The predispositional report prepared by ~~a probation officer~~ **the department** 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~~ **the department** or ~~a~~ caseworker is considering an out-of-home placement, including placement with a blood or an adoptive relative caretaker, the ~~probation officer~~ **department** 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~~ **The department** or caseworker is not required to conduct a criminal history check under this section if:

(1) the ~~probation officer~~ **department** 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 601. 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 that the juvenile court requested the department to consider and submit to the juvenile court a supplemental predispositional report stating the department's final recommendations and reasons for accepting or rejecting the recommendations that were not included in the department's original predispositional report. 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 subsections (d) and (e), the department may appeal the juvenile court's decree under any available procedure provided by the Indiana Rules of Trial Procedure or the Indiana Rules of Appellate Procedure to allow any disputes arising under this section to be decided in an expeditious manner.

(g) If the department prevails on appeal, the department shall pay the following costs and expenses incurred by or on behalf of the child before the date of the final decision:

(1) Any programs or services implemented during the appeal initiated under subsection (f), other than the cost of an out-of-home placement ordered by the juvenile court.

(2) Any out-of-home placement ordered by the juvenile court and implemented after entry of the dispositional decree or modification order, if the court has made written findings that the placement is an emergency required to protect the health and welfare of the child.

If the court has not made written findings that the placement is an emergency, the county in which the juvenile court is located is responsible for payment of all costs of the placement, including the cost of services and programs provided by the home or facility where the child was placed.

SECTION 602. 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:

(1) the placement is recommended or approved by the director of the department or the director's designee; or

(2) the juvenile court makes written findings based on clear and convincing evidence that:

(A) the out-of-state placement is appropriate because there is not a comparable facility with adequate services located in Indiana; or

(B) the location of the home or facility is within a distance not greater than fifty (50) miles from the county of residence of 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 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) and IC 31-34-5-3(c).

SECTION 603. IC 31-34-20-1.5, AS AMENDED BY P.L.1-2007, SECTION 207, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.5. (a) Except as provided in subsection (d), the juvenile court may not enter a dispositional decree ~~placing~~ **approving or ordering 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~~ **in another home** under section ~~1(4)~~ **1(a)(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)~~ **1(a)(3)** or ~~1(4)~~ **1(a)(4)** 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~~ **department** 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~~ **department or caseworker** is not required to ~~order~~ **conduct** 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~~ **The department or** caseworker is not required to conduct a criminal history check under this section if:

(1) the ~~probation officer or~~ **department 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 **juvenile** court may enter a dispositional decree ~~placing~~ **that approves placement of** a child in another home or award wardship to ~~a county office~~ **the department that will place the child in a home with a person described in subsection (a)** if:

(1) ~~a~~ **the** 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~~ **awards** 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 604. IC 31-34-20-5, AS AMENDED BY P.L.159-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) This section applies if **the department or** a juvenile court:

(1) places a child;

(2) changes the placement of a child; or

(3) reviews the implementation of a decree under IC 31-34-21 of a child placed;

in a state licensed private or public health care facility, child care facility, foster family home, or the home of a relative or other unlicensed caretaker.

(b) The juvenile court shall do the following:

(1) Make findings of fact concerning the legal settlement of the child.

(2) Apply IC 20-26-11-2(1) through IC 20-26-11-2(8) to determine where the child has legal settlement.

(3) Include the findings of fact required by this section in:

(A) the dispositional order;

(B) the modification order; or

(C) the other decree;

making or changing the placement of the child.

(c) The juvenile court may determine that the legal settlement of the child is in the school corporation in which the child will attend school under IC 20-26-11-8(d).

(d) The juvenile court shall comply with the reporting requirements under IC 20-26-11-9 concerning the legal settlement of the child.

(e) The **department or a** juvenile court may place a child in a public school, regardless of whether the public school has a waiting list for admissions, if the **department or juvenile** court determines that the school's program meets the child's educational needs and the school agrees to the placement. A placement under this subsection does not affect the legal settlement of the child.

SECTION 605. IC 31-34-21-2, AS AMENDED BY P.L.146-2006, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 606. IC 31-34-21-3, AS AMENDED BY P.L.145-2006, SECTION 315, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 607. IC 31-34-21-5, AS AMENDED BY P.L.145-2006, SECTION 318, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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)~~ **section 7.5(c)(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.

SECTION 608. IC 31-34-21-7.5, AS AMENDED BY P.L.145-2006, SECTION 324, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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~~ **Before requesting** juvenile court ~~shall order the probation officer or caseworker who prepared the predispositional report to~~ **approval of a permanency plan, the department 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~~ **department** is not required to ~~order~~ **conduct** 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 **department or 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 609. IC 31-34-21-8, AS AMENDED BY P.L.145-2006, SECTION 325, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 610. IC 31-34-22-1, AS AMENDED BY P.L.138-2007, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) Before a case review under IC 31-34-21-2 or hearing under IC 31-34-21-7, 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.

(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 31-34-18 and request a formal court hearing.

SECTION 611. IC 31-34-23-1, AS AMENDED BY P.L.129-2005, SECTION 9, 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:

(i) parent;

(ii) guardian;

(iii) custodian;

(iv) court appointed special advocate; or

(v) guardian ad litem;

~~(C) the probation officer;~~

~~(D) the caseworker;~~

~~(E) the prosecuting attorney;~~ or

~~(F)~~ **(C)** the attorney for the ~~county office of family and children;~~ **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 612. IC 31-34-23-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) If the ~~petitioner~~ **motion** requests an emergency change in the child's residence, the court may issue a temporary order. However, the ~~court~~ **department** shall then give notice to the persons affected and **the juvenile court** shall hold a hearing on the question if requested.

(b) If the ~~petition~~ **motion** requests any other modification, the ~~court~~ **department** shall give notice to the persons affected, and ~~may~~ **the juvenile court shall** hold a hearing on the question.

SECTION 613. IC 31-34-23-4, AS AMENDED BY P.L.138-2007, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. If a hearing is required, IC 31-34-18 ~~governs~~ **and IC 31-34-19 apply to** the preparation and use of a modification report. The report shall be prepared if the ~~state~~ **department** or any person other than the child or the child's parent, guardian, guardian ad litem, court appointed special advocate, or custodian is requesting the modification. Notice of any hearing under this chapter shall be given in accordance with IC 31-34-19-1.3.

SECTION 614. IC 31-34-25-1 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)~~ **(1)** The attorney for the ~~county office of family and children.~~ **department.**

~~(3) A probation officer.~~

~~(4) A caseworker.~~

~~(5) The department of correction.~~

~~(6)~~ **(2)** The guardian ad litem or court appointed special advocate.

SECTION 615. 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)~~ **(2)** 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 616. 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

(ii) the home of a person related **(as defined in IC 31-9-2-106.5)** 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** ~~entitled to~~ **shall** 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~~ **department** 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~~ **person related (as defined in IC 31-9-2-106.5) to the child** who is caring for the child as a **legal** 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 617. 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 618. 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 619. 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 620. 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)~~ **seven (7)** days before the proceedings to give the parties a fair opportunity to prepare a response to the statement or videotape before the proceeding.

SECTION 621. 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 622. 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 623. IC 31-37-5-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 8. (a) This section applies to services and programs provided to or on behalf of a child alleged to be a delinquent child at any time before:**

(1) entry of a dispositional decree under IC 31-37-19; or

(2) approval of a program of informal adjustment under IC 31-37-9.

(b) Except as provided in subsection (c), before a juvenile court orders or approves a service, a program, or an out-of-home placement for a child:

(1) that is recommended by a probation officer or proposed by the juvenile court;

(2) for which the costs would be payable by the department under IC 31-40-1-2; and

(3) that has not been approved by the department;

the juvenile court shall submit the proposed service, program, or placement to the department for consideration. The department shall, not later than three (3) business days after receipt of the recommendation or proposal, submit to the court a report stating whether the department approves or disapproves the proposed service, program, or placement.

(c) If the juvenile court makes written findings and concludes that an emergency exists requiring an immediate out-of-home placement to protect the health and welfare of the child, the juvenile court may order or authorize implementation of the placement without first complying with the procedure specified in this section. After entry of an order under this subsection, the juvenile court shall submit a copy of the order to the department for consideration under this section of possible modification or alternatives to the placement and any related services or programs included in the order.

(d) If the department approves the service, program, or placement recommended by the probation officer or juvenile court, the juvenile court may enter an appropriate order to implement the approved proposal. If the department does not approve a service, program, or placement recommended by the probation officer or proposed by the juvenile court, the department may recommend an alternative service, program, or placement for the child.

(e) The juvenile court shall accept the recommendations of the department regarding any predispositional services, programs, or placement for the child unless the juvenile court finds 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.

(f) If the juvenile court does not accept the recommendations of the department in the report submitted under subsection (b), the court may enter an order that:

(1) requires the department to provide a specified service, program, or placement, until entry of a dispositional decree or until the order is otherwise modified or terminated; and

(2) specifically states the reasons why the juvenile court is not accepting the recommendations of the department, including the juvenile court's findings under subsection (e).

(g) If the juvenile court enters its findings and order under subsections (e) and (f), the department may appeal the juvenile court's order under any available procedure provided by the Indiana Rules of Trial Procedure or the Indiana Rules of Appellate Procedure to allow any disputes arising under this section to be decided in an expeditious manner.

(h) If the department prevails on an appeal initiated under subsection (g), the department shall pay the following costs and expenses incurred by or on behalf of the child before the date of the final decision:

(1) Any programs or services implemented during the appeal, other than the cost of an out-of-home placement ordered by the juvenile court.

(2) Any out-of-home placement ordered by the juvenile court and implemented after entry of the court order of placement, if the court has made written findings that the placement is an emergency required to protect the health and welfare of the child.

If the court has not made written findings that the placement is an emergency, the county in which the juvenile court is located is responsible for payment of all costs of the placement, including the cost of services and programs provided by the home or facility where the child was placed.

SECTION 624. 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 approving

or requiring detention of a child or approving temporary detention of a child taken into custody under IC 31-37-5 all findings and conclusions required under:

(1) the 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 CFR 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 (f).

SECTION 625. 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 626. 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 627. 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~~

~~(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)~~ **(2)** 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 628. 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 629. IC 31-37-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 program of informal adjustment includes services requiring payment by the department under IC 31-40-1, the intake officer shall submit a copy of the proposed program to the department before submitting it to the juvenile court for approval. Upon receipt of the proposed program, the department may submit its comments and recommendations, if any, to the intake officer and the juvenile court.

SECTION 630. IC 31-37-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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, written consent must also be obtained from the department.**

SECTION 631. 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 632. 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) 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 633. 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 634. 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 635. 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 ~~predisposition~~ **predispositional** report.

(3) Schedule a dispositional hearing.

SECTION 636. 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 637. 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) **a** statement of the needs of the child for care, treatment, rehabilitation, or placement; ~~and~~

(2) **a** recommendation for the care, treatment, rehabilitation, or placement of the child;

(3) if the recommendation includes:

(A) an out-of-home placement other than a secure detention facility; or

(B) services payable by the department under IC 31-40-1-2;

information that the department requires to determine whether the child is eligible for assistance under Title IV-E of the federal Social Security Act (42 U.S.C. 670 et seq.); and

(4) a 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 638. 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 639. 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) If the predispositional report includes a recommended placement, program, or services that would be payable by the department under IC 31-40-1-2, 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, and within a reasonable time before the dispositional hearing, either:

(1) concur with the predispositional report; or

(2) communicate to the probation officer an alternative proposal regarding programs and services.

SECTION 640. 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 641. 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 642. IC 31-37-17-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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.

(c) If the report does not include the:

(1) risk assessment and needs assessment required in subsection (b); or

(2) information required to be provided under section 1(a)(3) of this chapter;

the department is not responsible to pay for programs, services, or placement for or on behalf of the child.

SECTION 643. IC 31-37-17-6.1, AS AMENDED BY P.L.145-2006, SECTION 342, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

(4) The items required under section 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~~ 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 644. 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 proceeding under IC 12-26.

SECTION 645. 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 646. IC 31-37-18-9, AS AMENDED BY P.L.146-2006, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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; or

(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 Trial Procedure or Indiana Rules of Appellate Procedure to allow any disputes arising under this section to be decided in an expeditious manner.

(e) If the department prevails on appeal, the department shall pay the following costs and expenses incurred by or on behalf of the child before the date of the final decision:

(1) any programs or services implemented during the appeal initiated under subsection (d), other than the cost of an out-of-home placement ordered by the juvenile court; and

(2) any out-of-home placement ordered by the juvenile court and implemented after entry of the dispositional decree or modification order, if the juvenile court has made written findings that the placement is an emergency required to protect the health and welfare of the child.

If the court has not made written findings that the placement is an emergency, the county in which the juvenile court is located is responsible for payment of all costs of the placement, including the cost of services and programs provided by the home or facility where the child was placed.

SECTION 647. 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:

(A) person, **other than the department;** or

(B) shelter care facility.

(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.

(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, the juvenile 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 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:

(A) person other than the department; or

(B) 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) and IC 31-37-6-6(g).

SECTION 648. 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. 1.5. (a) This section applies to a delinquent child if 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, to the child's parent, guardian, or custodian, and to an agency having the legal responsibility or authorization to care for, treat, or supervise the child 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 649. IC 31-37-19-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. **(a)** A **juvenile** court may not place a child who is a delinquent child under IC 31-37-2 in a shelter care facility that is located outside the child's county of residence unless:

(1) placement of the child in a shelter care facility with adequate services located in the child's county of residence is unavailable; or

(2) the child's county of residence does not have an appropriate shelter care facility with adequate services.

(b) A juvenile court may not place a child in a home or facility that is not a secure detention facility and that is located outside Indiana unless:

(1) the placement is recommended or approved by the director of the department or the director's designee; or

(2) the court makes written findings based on clear and convincing evidence that:

(A) the out-of-state placement is appropriate because there is not a comparable facility with adequate services located in Indiana; or

(B) the location of the home or facility is within a distance not more than fifty (50) miles from the county of residence of the child.

SECTION 650. 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 651. 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:

(i) person, **other than the department;** or

(ii) 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:

(A) person, other than the department; or

(B) 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) and IC 31-37-6-6(g).

SECTION 652. 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 department~~ **a person or facility** 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 department~~ **a person or facility** 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 department~~ **a person or facility under this subsection** if ~~the~~ **a** person **with whom the child is or will be placed** 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).

~~(d)~~ **(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 653. IC 31-37-19-17.4, AS AMENDED BY P.L.125-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 the applicable provisions of IC 31-37-17-1.4 and IC 31-37-18-9.**

SECTION 654. 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 655. 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) 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 656. 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) 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 657. 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 658. 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 659. 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 660. IC 31-37-22-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) If the ~~petitioner~~ **motion** requests an emergency change in the child's residence, the **juvenile** court may issue a temporary order. However, the ~~court~~ **probation officer** shall then give notice to the persons affected and **the juvenile court** shall hold a hearing on the question if requested.

(b) If the ~~petition~~ **motion** requests any other modification, the ~~court~~ **probation officer** shall give notice to the persons affected and ~~may~~ **the juvenile court shall** hold a hearing on the question.

(c) The procedures specified in IC 31-37-17-1.4 and IC 31-37-18-9 apply to any modification of a dispositional decree under this chapter that requires or would require payment by the department, under IC 31-40-1, for any of the costs of programs, placements, or services for or on behalf of the child.

SECTION 661. 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 662. 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 663. 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 664. 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.

(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, including any separate unit or structure, that is:

(A) not licensed by the department under IC 31-27; or

(B) located outside Indiana.

(c) As used in this chapter, "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 665. 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; and

(2) any other provisions of IC 31-34, IC 31-37, or other 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 family and children's fund~~ the cost of ~~(1)~~ 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 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) Except as provided under section 2.5 of this chapter, the department is not responsible for payment of any costs of secure detention.

(d) 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.).

(e) 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, or placements.

(f) The department is not responsible for payment of any costs or expenses for housing or services provided to or for the benefit of a child placed by a juvenile court in a home or facility located outside Indiana, if the placement does not comply with the conditions stated in IC 31-34-20-1(b) or IC 31-37-19-3(b).

(g) The department is not responsible for payment of any costs or expenses of child services for a delinquent child under a dispositional decree entered under IC 31-37-19, if the probation officer who prepared the predispositional report did not submit to the department the information relating to determination of eligibility of the child for assistance under Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.), as required by IC 31-37-17-1(a)(3).

(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 in need of services case or delinquency case was filed is responsible for payment of those costs and expenses.

SECTION 666. IC 31-40-1-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 2.5. (a) This section applies to a child who is:**

(1) adjudicated a child in need of services under IC 31-34;

(2) a party in a pending child in need of services proceeding under the jurisdiction of a juvenile court;

(3) receiving services for which payment has been made by the department under a case plan and a dispositional decree in the child in need of services proceeding; and

(4) placed in a secure detention facility by order of a juvenile court, based on a determination by the juvenile court that the child committed, or that probable cause

exists to believe that the child committed, a delinquent act described in IC 31-37-1-2 at a time after adjudication in the child in need of services case.

(b) The department may, by agreement with the probation office of the juvenile court in which the delinquency case is pending, pay the cost of specified services for a child described in subsection (a), during the time the child is placed in a secure detention facility.

(c) An agreement under this section must specify:

(1) the particular services that will be paid by the department during the time the child is placed in a secure detention facility;

(2) the term of the agreement;

(3) any procedure or limitations relating to amendment or extension of the agreement; and

(4) any other provision that the parties consider necessary or appropriate.

(d) The child's case plan in a child in need of services case, as prepared and approved by the department under IC 31-34-15, shall be attached to and made a part of the agreement.

(e) An agreement under this section:

(1) shall be signed by:

(A) the director of the department; and

(B) the judge of the juvenile court that ordered or approved placement of the child in the secure detention facility; and

(2) may not be considered to be a contract for purposes of IC 4-13-2.

SECTION 667. IC 31-40-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) A parent or guardian of the estate of:

(1) a child adjudicated a delinquent child or a child in need of services; **or**

(2) a participant in a program of informal adjustment approved by a juvenile court under IC 31-34-8 or IC 31-37-9;

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~~ **person described in subsection (a)** shall, before a ~~dispositional~~ hearing **under subsection (c) concerning payment or reimbursement of costs,** furnish the court **and the department** 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 department** 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 668. IC 31-40-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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 669. IC 31-40-1-5, AS AMENDED BY P.L.145-2006, SECTION 362, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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~~ **department** 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 family and children's fund~~ **by the department** 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 670. IC 31-40-1-6, AS AMENDED BY P.L.145-2006, SECTION 363, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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.~~ **in which the juvenile court that ordered or approved the services is located or in which the obligor resides.**

(2) An attorney ~~for the department on behalf of the county office that paid the cost of services ordered by the court,~~ **licensed to practice law in Indiana,** 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 671. 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 ~~family and children's~~ **state general** fund. ~~(established by IC 12-19-7-3) of the county that paid the cost of the services.~~

~~(b) Any money deposited in a county family and children's 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 672. IC 31-40-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. If the parent or guardian of the estate:

(1) defaults in reimbursing the county **or department, as ordered by the juvenile court;** 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.

SECTION 673. IC 32-21-2-13, AS AMENDED BY P.L.219-2007, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

SECTION 674. IC 32-28-3-1, AS AMENDED BY P.L.219-2007, SECTION 101, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) A contractor, a subcontractor, a mechanic, a lessor leasing construction and other equipment and tools, whether or not an operator is also provided by the lessor, a journeyman, a laborer, or any other person performing labor or furnishing materials or machinery, including the leasing of equipment or tools, for:

(1) the erection, alteration, repair, or removal of:

(A) a house, mill, manufactory, or other building; or

(B) a bridge, reservoir, system of waterworks, or other structure;

(2) the construction, alteration, repair, or removal of a walk or sidewalk located on the land or bordering the land, a stile, a well, a drain, a drainage ditch, a sewer, or a cistern; or

(3) any other earth moving operation;

may have a lien as set forth in this section.

(b) A person described in subsection (a) may have a lien separately or jointly:

(1) upon the house, mill, manufactory, or other building, bridge, reservoir, system of waterworks, or other structure, sidewalk, walk, stile, well, drain, drainage ditch, sewer, cistern, or earth:

(A) that the person erected, altered, repaired, moved, or removed; or

(B) for which the person furnished materials or machinery of any description; and

(2) on the interest of the owner of the lot or parcel of land:

(A) on which the structure or improvement stands; or

(B) with which the structure or improvement is connected;

to the extent of the value of any labor done or the material furnished, or both, including any use of the leased equipment and tools.

(c) All claims for wages of mechanics and laborers employed in or about a shop, mill, wareroom, storeroom, manufactory or structure, bridge, reservoir, system of waterworks or other structure, sidewalk, walk, stile, well, drain, drainage ditch, cistern, or any other earth moving operation shall be a lien on all the:

(1) machinery;

(2) tools;

(3) stock;

(4) material; or

(5) finished or unfinished work;

located in or about the shop, mill, wareroom, storeroom, manufactory or other building, bridge, reservoir, system of waterworks, or other structure, sidewalk, walk, stile, well, drain, drainage ditch, sewer, cistern, or earth used in a business.

(d) If the person, firm, limited liability company, or corporation described in subsection (a) or (c) is in failing circumstances, the claims described in this section shall be preferred debts whether a claim or notice of lien has been filed.

(e) Subject to subsection (f), a contract:

(1) for the construction, alteration, or repair of a Class 2 structure (as defined in IC 22-12-1-5);

(2) for the construction, alteration, or repair of an improvement on the same real estate auxiliary to a Class 2 structure (as defined in IC 22-12-1-5);

(3) for the construction, alteration, or repair of property that is:

(A) owned, operated, managed, or controlled by a:

(i) public utility (as defined in IC 8-1-2-1);

(ii) municipally owned utility (as defined in IC 8-1-2-1);

(iii) joint agency (as defined in IC 8-1-2.2-2);

(iv) rural electric membership corporation formed under IC 8-1-13-4;

(v) rural telephone cooperative corporation formed under IC 8-1-17; or

(vi) not-for-profit utility (as defined in IC 8-1-2-125);

regulated under IC 8; and

(B) intended to be used and useful for the production, transmission, delivery, or furnishing of heat, light, water, telecommunications services, or power to the public; or

(4) to prepare property for Class 2 residential construction;

may include a provision or stipulation in the contract of the owner and principal contractor that a lien may not attach to the real estate, building, structure or any other improvement of the owner.

(f) A contract containing a provision or stipulation described in subsection (e) must meet the requirements of this subsection to be valid against subcontractors, mechanics, journeymen, laborers, or persons performing labor upon or furnishing materials or machinery for the property or improvement of the owner. The contract must:

(1) be in writing;

(2) contain specific reference by legal description of the real estate to be improved;

(3) be acknowledged as provided in the case of deeds; and

(4) be filed and recorded in the recorder's office of the county in which the real estate, building, structure, or other improvement is situated not more than five (5) days after the date of execution of the contract.

A contract containing a provision or stipulation described in subsection (e) does not affect a lien for labor, material, or machinery supplied before the filing of the contract with the recorder.

(g) Upon the filing of a contract under subsection (f), the recorder shall:

(1) record the contract at length in the order of the time it was received in books provided by the recorder for that purpose;

(2) index the contract in the name of the:

(A) contractor; and

(B) owner;

in books kept for that purpose; and

(3) collect a fee for recording the contract as is provided for the recording of deeds and mortgages.

(h) A person, firm, partnership, limited liability company, or corporation that sells or furnishes on credit any material, labor, or machinery for the alteration or repair of an owner occupied single or double family dwelling or the appurtenances or additions to the dwelling to:

(1) a contractor, subcontractor, mechanic; or

(2) anyone other than the occupying owner or the owner's legal representative;

must furnish to the occupying owner of the parcel of land where the material, labor, or machinery is delivered a written notice of the delivery or work and of the existence of lien rights not later than thirty (30) days after the date of first delivery or labor performed. The furnishing of the notice is a condition precedent to the right of acquiring a lien upon the lot or parcel of land or the improvement on the lot or parcel of land.

(i) A person, firm, partnership, limited liability company, or corporation that sells or furnishes on credit material, labor, or machinery for the original construction of a single or double family dwelling for the intended occupancy of the owner upon whose real estate the construction takes place to a contractor, subcontractor, mechanic, or anyone other than the owner or the owner's legal representatives must:

(1) furnish the owner of the real estate:

(A) as named in the latest entry in the transfer books described in IC 6-1.1-5-4 of the county auditor; or

(B) if IC 6-1.1-5-9 applies, as named in the transfer books of the township assessor **(if any)** or the county assessor;

with a written notice of the delivery or labor and the existence of lien rights not later than sixty (60) days after the date of the first delivery or labor performed; and

(2) file a copy of the written notice in the recorder's office of the county not later than sixty (60) days after the date of the first delivery or labor performed.

The furnishing and filing of the notice is a condition precedent to the right of acquiring a lien upon the real estate or upon the improvement constructed on the real estate.

(j) A lien for material or labor in original construction does not attach to real estate purchased by an innocent purchaser for value without notice of a single or double family dwelling for occupancy by the purchaser unless notice of intention to hold the lien is recorded under section 3 of this chapter before recording the deed by which the purchaser takes title.

SECTION 675. IC 32-28-3-3, AS AMENDED BY P.L.219-2007, SECTION 102, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) Except as provided in subsection (b), a person who wishes to acquire a lien upon property, whether the claim is due or not, must file in duplicate a sworn statement and notice of the person's intention to hold a lien upon the property for the amount of the claim:

(1) in the recorder's office of the county; and

(2) not later than ninety (90) days after performing labor or furnishing materials or machinery described in section 1 of this chapter.

The statement and notice of intention to hold a lien may be verified and filed on behalf of a client by an attorney registered with the clerk of the supreme court as an attorney in good standing under the requirements of the supreme court.

(b) This subsection applies to a person that performs labor or furnishes materials or machinery described in section 1 of this chapter related to a Class 2 structure (as defined in IC 22-12-1-5) or an improvement on the same real estate auxiliary to a Class 2 structure (as defined in IC 22-12-1-5). A person who wishes to acquire a lien upon property, whether the claim is due or not, must file in duplicate a sworn statement and notice of the person's intention to hold a lien upon the property for the amount of the claim:

(1) in the recorder's office of the county; and

(2) not later than sixty (60) days after performing labor or furnishing materials or machinery described in section 1 of this chapter.

The statement and notice of intention to hold a lien may be verified and filed on behalf of a client by an attorney registered with the clerk of the supreme court as an attorney in good standing under the requirements of the supreme court.

(c) A statement and notice of intention to hold a lien filed under this section must specifically set forth:

(1) the amount claimed;
(2) the name and address of the claimant;
(3) the owner's:
(A) name; and
(B) latest address as shown on the property tax records of the county; and
(4) the:
(A) legal description; and
(B) street and number, if any;
of the lot or land on which the house, mill, manufactory or other buildings, bridge, reservoir, system of waterworks, or other structure may stand or be connected with or to which it may be removed.

The name of the owner and legal description of the lot or land will be sufficient if they are substantially as set forth in the latest entry in the transfer books described in IC 6-1.1-5-4 of the county auditor or, if IC 6-1.1-5-9 applies, the transfer books of the township assessor **(if any)** or the county assessor at the time of filing of the notice of intention to hold a lien.

(d) The recorder shall:
(1) mail, first class, one (1) of the duplicates of the statement and notice of intention to hold a lien to the owner named in the statement and notice not later than three (3) business days after recordation;
(2) post records as to the date of the mailing; and
(3) collect a fee of two dollars ($2) from the lien claimant for each statement and notice that is mailed.

The statement and notice shall be addressed to the latest address of the owner as specifically set out in the sworn statement and notice of the person intending to hold a lien upon the property.

SECTION 676. 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 677. 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)~~ **IC 31-9-2-17.8)** in a residential setting to:
(1) children in need of services (as described in IC 31-34-1); or
(2) delinquent children (as described in IC 31-37-1 and IC 31-37-2).

(b) The roster under subsection (a) must include the information necessary to allow a court having juvenile jurisdiction to select an in-state placement of a child instead of placing the child in an out-of-state facility under IC 31-34 or IC 31-37. The roster must include at least the following information:
(1) Name, address, and telephone number of each facility.
(2) Owner and contact person for each facility.
(3) Description of the child services that each facility provides and any limitations that the facility imposes on acceptance of a child placed by a juvenile court.
(4) Number of children that each facility can serve on a residential basis.
(5) Number of residential openings at each facility.

(c) The Indiana judicial center shall revise the information in the roster at least monthly.

(d) The Indiana judicial center shall make the information in the roster readily available to courts with juvenile jurisdiction.

SECTION 678. IC 34-17-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. **(a)** An information described in IC 34-17-1-1 may be filed:
(1) by the prosecuting attorney in the circuit court of the proper county, upon the prosecuting attorney's own relation, whenever the prosecuting attorney:
(A) determines it to be the prosecuting attorney's duty to do so; or
(B) is directed by the court or other competent authority; or
(2) by any other person on the person's own relation, whenever the person claims an interest in the office, franchise, or corporation that is the subject of the information.

(b) The prosecuting attorney shall file an information in the circuit court of the county against the county assessor or a township assessor under IC 34-17-1-1(2) if:
(1) the board of county commissioners adopts an ordinance under IC 6-1.1-4-31(f); or
(2) the city-county council adopts an ordinance under IC 6-1.1-4-31(g).

SECTION 679. IC 34-30-2-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 46. IC 12-19-2-2 (Concerning ~~members of~~ the ~~state board,~~ officers and **other** employees of the ~~state and county departments of public welfare).~~ **division of family resources, including the local offices of the division of family resources.)**

SECTION 680. IC 34-30-2-133.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 133.6. IC 31-25-2-2.5 (Concerning the officers and other employees**

of the department of child services).

SECTION 681. IC 35-41-1-3.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 3.1. "Apartment complex" means real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of at least thirty (30) days.**

SECTION 682. IC 35-41-1-10.5, AS AMENDED BY P.L.26-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 10.5. "Family housing complex" means a building or series of buildings:

(1) that contains at least twelve (12) dwelling units:

(A) where children are domiciled or are likely to be domiciled; and

(B) that are owned by a governmental unit or political subdivision;

(2) that is operated as a hotel or motel (as described in IC 22-11-18-1);

(3) that is operated as an apartment complex; ~~(as defined in IC 6-1.1-20.6-1),~~ or

(4) that contains subsidized housing.

SECTION 683. IC 35-46-1-9, AS AMENDED BY P.L.146-2007, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in subsection (b), a person who, with respect to an adoption, transfers or receives any property in connection with the waiver of parental rights, the termination of parental rights, the consent to adoption, or the petition for adoption commits profiting from an adoption, a Class D felony.

(b) This section does not apply to the transfer or receipt of:

(1) reasonable attorney's fees;

(2) hospital and medical expenses concerning childbirth and pregnancy incurred by the adopted person's birth mother;

(3) reasonable charges and fees levied by a child placing agency licensed under IC 31-27 or ~~by a county office or~~ the department of child services;

(4) reasonable expenses for psychological counseling relating to adoption incurred by the adopted person's birth parents;

(5) reasonable costs of housing, utilities, and phone service for the adopted person's birth mother during the second or third trimester of pregnancy and not more than six (6) weeks after childbirth;

(6) reasonable costs of maternity clothing for the adopted person's birth mother;

(7) reasonable travel expenses incurred by the adopted person's birth mother that relate to the pregnancy or adoption;

(8) any additional itemized necessary living expenses for the adopted person's birth mother during the second or third trimester of pregnancy and not more than six (6) weeks after childbirth, not listed in subdivisions (5) through (7) in an amount not to exceed one thousand dollars ($1,000); or

(9) other charges and fees approved by the court supervising the adoption, including reimbursement of not more than actual wages lost as a result of the inability of the adopted person's birth mother to work at her regular, existing employment due to a medical condition, excluding a psychological condition, if:

(A) the attending physician of the adopted person's birth mother has ordered or recommended that the adopted person's birth mother discontinue her employment; and

(B) the medical condition and its direct relationship to the pregnancy of the adopted person's birth mother are documented by her attending physician.

In determining the amount of reimbursable lost wages, if any, that are reasonably payable to the adopted person's birth mother under subdivision (9), the court shall offset against the reimbursable lost wages any amounts paid to the adopted person's birth mother under subdivisions (5) and (8) and any unemployment compensation received by or owed to the adopted person's birth mother.

(c) Except as provided in this subsection, payments made under subsection (b)(5) through (b)(9) may not exceed three thousand dollars ($3,000) and must be disclosed to the court supervising the adoption. The amounts paid under subsection (b)(5) through (b)(9) may exceed three thousand dollars ($3,000) to the extent that a court in Indiana with jurisdiction over the child who is the subject of the adoption approves the expenses after determining that:

(1) the expenses are not being offered as an inducement to proceed with an adoption; and

(2) failure to make the payments may seriously jeopardize the health of either the child or the mother of the child and the direct relationship is documented by a licensed social worker or the attending physician.

(d) The payment limitation under subsection (c) applies to the total amount paid under subsection (b)(5) through (b)(9) in connection with an adoption from all prospective adoptive parents, attorneys, and licensed child placing agencies.

(e) An attorney or licensed child placing agency shall inform a birth mother of the penalties for committing adoption deception under section 9.5 of this chapter before the attorney or agency transfers a payment for adoption related expenses under subsection (b) in relation to the birth mother.

(f) The limitations in this section apply regardless of the state or country in which the adoption is finalized.

SECTION 684. IC 35-46-1-12, AS AMENDED BY P.L.145-2006, SECTION 372, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided in subsection (b), a person who recklessly, knowingly, or intentionally exerts unauthorized use of the personal services or the property of:

(1) an endangered adult; or

(2) a dependent eighteen (18) years of age or older;

for the person's own profit or advantage or for the profit or advantage of another person commits exploitation of a dependent

or an endangered adult, a Class A misdemeanor.

(b) The offense described in subsection (a) is a Class D felony if:

(1) the fair market value of the personal services or property is more than ten thousand dollars ($10,000); or

(2) the endangered adult or dependent is at least sixty (60) years of age.

(c) Except as provided in subsection (d), a person who recklessly, knowingly, or intentionally deprives an endangered adult or a dependent of the proceeds of the endangered adult's or the dependent's benefits under the Social Security Act or other retirement program that the division of family resources ~~or county office of family and children~~ has budgeted for the endangered adult's or dependent's health care commits financial exploitation of an endangered adult or a dependent, a Class A misdemeanor.

(d) The offense described in subsection (c) is a Class D felony if:

(1) the amount of the proceeds is more than ten thousand dollars ($10,000); or

(2) the endangered adult or dependent is at least sixty (60) years of age.

(e) It is not a defense to an offense committed under subsection (b)(2) or (d)(2) that the accused person reasonably believed that the endangered adult or dependent was less than sixty (60) years of age at the time of the offense.

(f) It is a defense to an offense committed under subsection (a), (b), or (c) if the accused person:

(1) has been granted a durable power of attorney or has been appointed a legal guardian to manage the affairs of an endangered adult or a dependent; and

(2) was acting within the scope of the accused person's fiduciary responsibility.

SECTION 685. IC 35-46-1-22, AS ADDED BY P.L.146-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) As used in this section, "adoption services" means at least one (1) of the following services that is provided for compensation, an item of value, or reimbursement, either directly or indirectly, and provided either before or after the services are rendered:

(1) Arranging for the placement of a child.

(2) Identifying a child for adoption.

(3) Matching adoptive parents with biological parents.

(4) Arranging or facilitating an adoption.

(5) Taking or acknowledging consents or surrenders for termination of parental rights for adoption purposes.

(6) Performing background studies on:

(A) a child who is going to be adopted; or

(B) adoptive parents.

(7) Making determinations concerning the best interests of a child and the appropriateness in placing the child for adoption.

(8) Postplacement monitoring of a child before the child is adopted.

(b) As used in this section, the term "adoption services" does not include the following:

(1) Legal services provided by an attorney licensed in Indiana.

(2) Adoption related services provided by a governmental entity or a person appointed to perform an investigation by the court.

(3) General education and training on adoption issues.

(4) Postadoption services, including supportive services to families to promote the well-being of members of adoptive families or birth families.

(c) This section does not apply to the following persons:

(1) The department of child services, an agency or person authorized to act on behalf of the department of child services, or a similar agency **or county office with similar responsibilities** in another state.

(2) The division of family resources, an agency or person authorized to act on behalf of the division of family resources, or a similar agency **or county office with similar responsibilities** in another state.

~~(3) A county office of family and children in Indiana or a similar county office in another state.~~

~~(4)~~ **(3)** A child placing agency licensed under the laws of Indiana or another state.

~~(5)~~ **(4)** An attorney licensed to practice law in Indiana or another state.

~~(6)~~ **(5)** A prospective biological parent or adoptive parent acting on the individual's own behalf.

(d) A person who knowingly or intentionally provides, engages in, or facilitates adoption services to a birth parent or prospective adoptive parent who resides in Indiana commits unauthorized adoption facilitation, a Class A misdemeanor.

SECTION 686. IC 36-1-8-14.2, AS AMENDED BY P.L.219-2007, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 687. IC 36-2-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 688. 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.

SECTION 689. IC 36-2-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 690. IC 36-2-6-22, AS AMENDED BY P.L.219-2007, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

SECTION 691. IC 36-2-7-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. The county fiscal body may grant to the county assessor, in addition to the compensation fixed under IC 36-2-5, a per diem for each day that the assessor is engaged in general reassessment activities. ~~including service on the county land valuation commission.~~ This section applies regardless of whether professional assessing services are provided under a contract to one (1) or more townships in the county.

SECTION 692. IC 36-2-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. **(a) Subject to subsection (b),** the assessor shall keep ~~his~~ **the assessor's** office in a building provided at the county seat by the county executive. ~~He~~ **The assessor** shall keep ~~his~~ **the** office open for business during regular business hours on every day of the year except Sundays and legal holidays. However, ~~he~~ **the assessor** may close ~~his~~ **the** office on days specified by the county executive according to custom and practice of the county.

(b) After June 30, 2008, the county assessor may establish one (1) or more satellite offices in the county.

SECTION 693. IC 36-2-15-5, AS AMENDED BY HEA1137-2008 SECTION 261, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) The county assessor shall perform the functions assigned by statute to the county assessor, including the following:

(1) Countywide equalization.
(2) Selection and maintenance of a countywide computer system.
(3) Certification of gross assessments to the county auditor.
(4) Discovery of omitted property.
(5) In:
(A) a ~~county~~ **township** in which the transfer of duties **of the elected township assessor** is required by subsection ~~(c);~~ **(c); or**
(B) a township in which the duties relating to the assessment of tangible property are not required to be performed by a township assessor elected under IC 36-6-5;
performance of the assessment duties prescribed by IC 6-1.1.

~~(b) The county assessor shall perform the functions of an assessing official under IC 36-6-5-2 in a township with a township assessor-trustee if the township assessor-trustee:~~
~~(1) fails to make a report that is required by law;~~
~~(2) fails to deliver a property tax record to the appropriate officer or board;~~
~~(3) fails to deliver an assessment to the county assessor; or~~
~~(4) fails to perform any other assessing duty as required by statute or rule of the department of local government finance;~~
~~within the time period prescribed by statute or rule of the department or within a later time that is necessitated by reason of another official failing to perform the official's functions in a timely manner.~~

~~(c) A township with a township trustee-assessor may, with the consent of the township board, enter into an agreement with:~~
~~(1) the county assessor; or~~
~~(2) another township assessor in the county;~~
~~to perform any of the functions of an assessing official. A township trustee-assessor may not contract for the performance of any function for a period of time that extends beyond the completion of the township trustee-assessor's term of office.~~

~~(d)~~ **(b)** A transfer of duties between assessors ~~under subsection (c)~~ does not affect:

(1) any assessment, assessment appeal, or other official action made by an assessor before the transfer; or
(2) any pending action against, or the rights of any party that may possess a legal claim against, an assessor that is not described in subdivision (1).

Any assessment, assessment appeal, or other official action of an assessor made by the assessor within the scope of the assessor's official duties before the transfer is considered as having been made by the assessor to whom the duties are transferred.

~~(c)~~ **(c)** If:

(1) for a particular general election after June 30, 2008, the person elected to the office of township assessor ~~or the office of township trustee-assessor~~ has not attained the certification of a level two assessor-appraiser; **or**

(2) for a particular general election after January 1, 2012, the person elected to the office of township assessor has not attained the certification of a level three assessor-appraiser;

as provided in IC 3-8-1-23.6 before the date the term of office begins, the assessment duties prescribed by IC 6-1.1 that would otherwise be performed in the township by the township assessor ~~or township trustee-assessor~~ are transferred to the county assessor on that date. If assessment duties in a township are transferred to the county assessor under this subsection, those assessment duties are transferred back to the township assessor ~~or township trustee-assessor (as appropriate)~~ if at a later election a person who has attained the **required level of** certification ~~of a level two assessor-appraiser as provided in IC 3-8-1-23.6~~ **referred to in subdivision (1) or (2)** is elected to the office of township assessor. ~~or the office of township trustee-assessor.~~

~~(f)~~ **(d)** If assessment duties in a township are transferred to the county assessor under subsection ~~(c).~~ **(c),**

~~(1)~~ the office of elected township assessor remains vacant for the period during which the assessment duties prescribed by IC 6-1.1 are transferred to the county assessor. ~~and~~

~~(2) the office of township trustee remains in place for the purpose of carrying out all functions of the office other than assessment duties prescribed by IC 6-1.1.~~

(e) A referendum shall be held under sections 7.4 through 11 of this chapter in each township in which the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000) to determine whether to transfer to the county assessor the assessment duties prescribed by IC 6-1.1 that would otherwise be performed by the elected township assessor of the township.

SECTION 694. IC 36-2-15-7.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 7.4. (a) Assessment duties are transferred to the county assessor as described in section 5(e) of this chapter only if a majority of the individuals in the township who vote in a referendum that is conducted in accordance with this section and sections 8 through 11 of this chapter approves the transfer.**

(b) The question to be submitted to the voters in the referendum must read as follows:

"Should the assessing duties of the elected township assessor in the township be transferred to the county assessor?".

SECTION 695. IC 36-2-15-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 8. (a) The county legislative body shall act under IC 3-10-9-3 to certify the question to be voted on at the referendum under this chapter to the county election board.**

(b) Each county clerk shall, upon receiving the question certified by the county legislative body under subsection (a), call a meeting of the county election board to make arrangements for the referendum.

(c) The referendum shall be held in the general election in 2008.

(d) The referendum shall be held under the direction of the county election board, which shall take all steps necessary to carry out the referendum.

(e) Not less than ten (10) days before the date on which the referendum is to be held, the county election board shall cause notice of the question that is to be voted upon at the referendum to be published in accordance with IC 5-3-1.

SECTION 696. IC 36-2-15-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 9. Each county election board shall cause:**

(1) the question certified to the circuit court clerk by the county legislative body to be placed on the ballot in the form prescribed by IC 3-10-9-4; and

(2) an adequate supply of ballots and voting equipment to be delivered to the precinct election board of each precinct in which the referendum under this chapter is to be held.

SECTION 697. IC 36-2-15-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 10. The individuals entitled to vote in a referendum under this chapter are all the registered voters resident in the township in which the referendum is held.**

SECTION 698. IC 36-2-15-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 11. (a) Each precinct election board shall count the affirmative votes and the negative votes cast in the referendum under this chapter and shall certify those two (2) totals to the county election board of the county. The circuit court clerk of the county shall, immediately after the votes cast in the referendum have been counted, certify the results of the referendum to the county legislative body. Upon receiving the certification of all the votes cast in the referendum, the county legislative body shall promptly notify the department of local government finance of the result of the referendum. If a majority of the individuals who voted in the referendum voted "yes" on the referendum question:**

(1) the county legislative body shall promptly notify:

(A) the county assessor;

(B) the elected township assessor in the township; and

(C) each candidate in an election described in

subsection (b);

of the results of the referendum; and

(2) with respect to a particular elected township assessor in the county, the assessment duties prescribed by IC 6-1.1 are transferred to the county assessor on January 1, 2009.

(b) If:

(1) an election is held in the general election in 2008 of an elected township assessor; and

(2) a majority of the individuals who voted in the referendum held under this chapter voted "yes" on the referendum question;

the results of the election of the elected township assessor are nullified.

SECTION 699. IC 36-2-16-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. **(a)** The county assessor may appoint the number of full-time or part-time deputies and employees authorized by the county fiscal body.

(b) After June 30, 2009, an employee of the county assessor who performs real property assessing duties must have attained the level of certification under IC 6-1.1-35.5 that the county assessor is required to attain under IC 3-8-1-23.

SECTION 700. IC 36-2-19-7, AS AMENDED BY P.L.219-2007, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) Except as provided in subsection (b), in a ~~township~~ **county** 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 **(if any).**

(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 701. IC 36-3-2-10, AS AMENDED BY P.L.219-2007, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

(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 702. IC 36-3-2-11, AS AMENDED BY P.L.219-2007, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

(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 703. IC 36-3-5-8, AS AMENDED BY P.L.219-2007, SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) This section applies whenever a special taxing district of the consolidated city has the power to issue bonds, notes, or warrants.

(b) Before any bonds, notes, or warrants of a special taxing district may be issued, the issue must be approved by resolution of the legislative body of the consolidated city.

(c) Any bonds of a special taxing district must be issued in the manner prescribed by statute for that district, and the board of the department having jurisdiction over the district shall:

(1) hold all required hearings;

(2) adopt all necessary resolutions; and

(3) appropriate the proceeds of the bonds;

in that manner. However, the legislative body shall levy each year the special tax required to pay the principal of and interest on the bonds and any bank paying charges.

(d) Notwithstanding any other statute, bonds of a special taxing district may:

(1) be dated;

(2) be issued in any denomination;

(3) **except as otherwise provided by IC 5-1-14-10,** mature at any time or times not exceeding fifty (50) years after their date; and

(4) be payable at any bank or banks;

as determined by the board. The interest rate or rates that the bonds will bear must be determined by bidding, notwithstanding IC 5-1-11-3.

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

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

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

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

(4) The approval of the appropriation by the department of local government finance.

(5) The right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds ~~and~~ **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

(6) The sale of bonds at public sale.

(7) The maximum term or repayment period provided by IC 5-1-14-10.

SECTION 704. IC 36-3-6-4, AS AMENDED BY P.L.227-2005, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 705. IC 36-3-6-9, AS AMENDED BY P.L.1-2006, SECTION 561, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) The city-county legislative body shall review the proposed operating and maintenance budgets and tax levies and adopt final operating and maintenance budgets and tax levies for each of the following entities in the county:

(1) An airport authority operating under IC 8-22-3.

(2) A public library operating under IC 36-12.

(3) A capital improvement board of managers operating under IC 36-10.

(4) A public transportation corporation operating under IC 36-9-4.

(5) A health and hospital corporation established under IC 16-22-8.

(6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is located in the county and has a governing body that is not comprised of a majority of officials who are elected to serve on the governing body.

Except as provided in subsection (c), the city-county legislative body may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.

(b) The board of each entity listed in subsection (a) shall, after adoption of its proposed budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year.

(c) The city-county legislative body ~~may~~ **shall** review the issuance of bonds of an entity listed in subsection (a). ~~but~~ Approval of the city-county legislative body is ~~not~~ required for the issuance of bonds. The city-county legislative body may not reduce or modify a budget or tax levy of an entity listed in subsection (a) in a manner that would:

(1) limit or restrict the rights vested in the entity to fulfill the terms of any agreement made with the holders of the entity's bonds; or

(2) in any way impair the rights or remedies of the holders of the entity's bonds.

(d) If the assessed valuation of a taxing unit is entirely contained within an excluded city or town (as described in IC 36-3-1-7) that is located in a county having a consolidated city, the governing body of the taxing unit shall submit its proposed operating and maintenance budget and tax levies to the city or town fiscal body for approval.

~~(e) The city-county legislative body may review and modify the operating and maintenance budgets and the tax levies of a health and hospital corporation operating under IC 16-22-8. If the total of all proposed property tax levies for the health and hospital corporation for the ensuing calendar year is more than five percent (5%) greater than the total of all property tax levies for the health and hospital corporation for the current calendar year, the city-county legislative body shall review the proposed budget and the tax levies of the health and hospital corporation and shall adopt the final budget and tax levies for the health and hospital corporation. Except as provided in subsection (c), the city-county legislative body may reduce or modify but not increase the health and hospital corporation's proposed operating and maintenance budget or tax levy under this section. The board of the health and hospital corporation shall, after adoption of its proposed budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year.~~

SECTION 706. IC 36-3-7-5, AS AMENDED BY P.L.219-2007, SECTION 114, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) Liens for taxes levied by the consolidated city are perfected when

evidenced on the tax duplicate in the office of the treasurer of the county.

(b) Liens created when the city enters upon property to make improvements to bring it into compliance with a city ordinance, and liens created upon failure to pay charges assessed by the city for services shall be certified to the auditor, after the adoption of a resolution confirming the incurred expense by the appropriate city department, board, or other agency. In addition, the resolution must state the name of the owner as it appears on the township assessor's or county assessor's record and a description of the property.

(c) The amount of a lien shall be placed on the tax duplicate by the auditor in the nature of a delinquent tax subject to enforcement and collection as otherwise provided under IC 6-1.1-22, IC 6-1.1-24, and IC 6-1.1-25. ~~However, the amount of the lien is not considered a tax within the meaning of IC 6-1.1-21-2(b) and shall not be included as a part of either a total county tax levy under IC 6-1.1-21-2(g) or the tax liability of a taxpayer under IC 6-1.1-21-5 for purposes of the tax credit computations under IC 6-1.1-21-4 and IC 6-1.1-21-5.~~

SECTION 707. IC 36-5-1-3, AS AMENDED BY P.L.219-2007, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.~~

SECTION 708. IC 36-5-2-11, AS AMENDED BY P.L.219-2007, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) The legislative body may issue bonds for the purpose of procuring money to be used in the exercise of the powers of the town and for the payment of town debts. However, a town may not issue bonds to procure money to pay current expenses.

(b) Bonds issued under this section are payable in the amounts and at the times determined by the legislative body.

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

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

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

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

(4) The approval of the appropriation by the department of local government finance.

(5) The right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds ~~and~~ **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

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

(d) The legislative body may, by ordinance, make loans of money for not more than five (5) years and issue notes for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the town, and the total amount of outstanding loans under this subsection may not exceed five percent (5%) of the town's total tax levy in the current year (excluding amounts levied to pay debt service and lease rentals). Loans under this subsection shall be made as follows:

(1) The ordinance authorizing the loans must pledge to their payment a sufficient amount of tax revenues over the ensuing five (5) years to provide for refunding the loans.

(2) The loans must be evidenced by notes of the town in terms designating the nature of the consideration, the time and place payable, and the revenues out of which they will be payable.

(3) The interest accruing on the notes to the date of maturity may be added to and included in their face value or be made payable periodically, as provided in the ordinance.

Notes issued under this subsection are not bonded indebtedness for purposes of IC 6-1.1-18.5.

SECTION 709. IC 36-6-4-3, AS AMENDED BY P.L.1-2006, SECTION 562, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. The executive shall do the following:

(1) Keep a written record of official proceedings.

(2) Manage all township property interests.

(3) Keep township records open for public inspection.

(4) Attend all meetings of the township legislative body.

(5) Receive and pay out township funds.

(6) Examine and settle all accounts and demands chargeable against the township.

(7) Administer township assistance under IC 12-20 and

IC 12-30-4.

(8) Perform the duties of fence viewer under IC 32-26.

~~(9) Act as township assessor when required by IC 36-6-5.~~

~~(10)~~ **(9)** Provide and maintain cemeteries under IC 23-14.

~~(11)~~ **(10)** Provide fire protection under IC 36-8, except in a township that:

(A) is located in a county having a consolidated city; and

(B) consolidated the township's fire department under IC 36-3-1-6.1.

~~(12)~~ **(11)** File an annual personnel report under IC 5-11-13.

~~(13)~~ **(12)** Provide and maintain township parks and community centers under IC 36-10.

~~(14)~~ **(13)** Destroy detrimental plants, noxious weeds, and rank vegetation under IC 15-3-4.

~~(15)~~ **(14)** Provide insulin to the poor under IC 12-20-16.

~~(16)~~ **(15)** Perform other duties prescribed by statute.

SECTION 710. IC 36-6-5-1, AS AMENDED BY HEA 1137-2008, SECTION 262, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) ~~Except as provided in subsection (f),~~ **Subject to subsection (g), before 2009,** a township assessor shall be elected under IC 3-10-2-13 by the voters of each township:

(1) having:

~~(1)~~ **(A)** a population of more than eight thousand (8,000); or

~~(2)~~ **(B)** an elected township assessor or the authority to elect a township assessor before January 1, 1979; **and**

(2) in which the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000).

(b) ~~Except as provided in subsection (f),~~ **Subject to subsection (g), before 2009,** a township assessor shall be elected under IC 3-10-2-14 in each township:

(1) having a population of more than five thousand (5,000) but not more than eight thousand (8,000), if the legislative body of the township:

~~(1)~~ **(A)** by resolution, declares that the office of township assessor is necessary; and

~~(2)~~ **(B)** 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; **and**

(2) in which the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000)

(c) ~~Except as provided in subsection (f),~~ **Subject to subsection (g),** 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) Subject to subsection (g), after 2008 a township assessor shall be elected under IC 3-10-2-13 only by the voters of each township in which:

(1) the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000); and

(2) the transfer to the county assessor of the assessment duties prescribed by IC 6-1.1 is disapproved in the referendum under IC 36-2-15.

~~(d)~~ **(e)** 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)~~ **(f)** 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)~~ **(g)** A person who runs for the office of township assessor in an election after June 30, 2008, is subject to IC 3-8-1-23.6.

(h) After June 30, 2008, the county assessor shall perform the assessment duties prescribed by IC 6-1.1 in a township in which the number of parcels of real property on January 1, 2008, is less than fifteen thousand (15,000).

SECTION 711. IC 36-6-5-3, AS AMENDED BY P.L.219-2007, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. (a) Except as provided in subsection (b), the assessor shall perform the duties prescribed by statute, including assessment duties prescribed by IC 6-1.1.

(b) Subsection (a) does not apply if the duties of the township assessor have been transferred to the county assessor as described in IC 6-1.1-1-24 **or IC 36-2-15.**

SECTION 712. IC 36-6-5-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 4. After June 30, 2009, an employee of a township assessor who performs real property assessing duties must have attained the level of certification under IC 6-1.1-35.5 that the township assessor is required to attain under IC 3-8-1-23.6.**

SECTION 713. IC 36-6-6-10, AS AMENDED BY P.L.169-2006, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) This section does not apply to the appropriation of money to pay a deputy **or** an employee ~~or a technical adviser that assists~~ **of** a township assessor with assessment duties or to an elected township assessor.

(b) The township legislative body shall fix the:

(1) salaries;

(2) wages;

(3) rates of hourly pay; and

(4) remuneration other than statutory allowances;

of all officers and employees of the township.

(c) Subject to subsection (d), the township legislative body may reduce the salary of an elected or appointed official. However, except as provided in subsection ~~(i),~~ **(h),** the official is entitled to a salary that is not less than the salary fixed for the first year of the term of office that immediately preceded the current term of office.

(d) Except as provided in ~~subsections (c) and (i),~~ **subsection (h),** the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and

change the salary of any other employee, if the necessary funds and appropriations are available.

~~(e) In a township that does not elect a township assessor under IC 36-6-5-1, the township legislative body may appropriate available township funds to supplement the salaries of elected or appointed officers to compensate them for performing assessing duties. However, in any calendar year no officer or employee may receive a salary and additional salary supplements which exceed the salary fixed for that officer or employee under subsection (b).~~

~~(f)~~ **(e)** If a change in the mileage allowance paid to state officers and employees is established by July 1 of any year, that change shall be included in the compensation fixed for the township executive and assessor under this section, to take effect January 1 of the next year. However, the township legislative body may by ordinance provide for the change in the sum per mile to take effect before January 1 of the next year.

~~(g)~~ **(f)** The township legislative body may not reduce the salary of the township executive without the consent of the township executive during the term of office of the township executive as set forth in IC 36-6-4-2.

~~(h)~~ **(g)** This subsection applies when a township executive dies or resigns from office. The person filling the vacancy of the township executive shall receive at least the same salary the previous township executive received for the remainder of the unexpired term of office of the township executive (as set forth in IC 36-6-4-2), unless the person consents to a reduction in salary.

~~(i)~~ **(h)** In a year in which there is not an election of members to the township legislative body, the township legislative body may by unanimous vote reduce the salaries of the members of the township legislative body by any amount.

SECTION 714. IC 36-6-6-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. (a) A special meeting may be held by the legislative body if the executive, the chairman of the legislative body, or a majority of the members of the legislative body issue a written notice of the meeting to each member of the legislative body. The notice must state the time, place, and purpose of the meeting.**

(b) The legislative body may consider any matter at a special meeting. However, the only matters that may be acted on at the special meeting are the matters set forth in the notice.

SECTION 715. IC 36-6-6-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) ~~A special meeting may be held by the legislative body if the executive, the chairman of the legislative body, or a majority of the members of the legislative body issue a written notice of the meeting to each member of the legislative body. The notice must state the time, place, and purpose of the meeting.~~

~~(b)~~ At ~~the~~ **any** special meeting, if two (2) or more members give their consent, the legislative body may determine whether there is ~~an~~ **a need for fire and emergency services or other** emergency requiring the expenditure of money not included in the township's budget estimates and levy.

(b) Subject to section 14.5 of this chapter, if the legislative body finds that ~~such an~~ **a need for fire and emergency services or other** emergency exists, it may issue a special order, entered and signed on the record, authorizing the executive to borrow a specified amount of money sufficient to meet the emergency.

(c) Notwithstanding IC 36-8-13-4(a), the legislative body may authorize the executive to borrow a specified sum from a township fund other than the township firefighting fund if the legislative body finds that the emergency requiring the expenditure of money is related to paying the operating expenses of a township fire department or a volunteer fire department. At its next annual session, the legislative body shall cover the debt created by making a levy to the credit of the fund for which the amount was borrowed under this subsection.

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

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

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

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

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

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

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

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

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

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

SECTION 716. IC 36-6-6-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) If the

legislative body finds that an emergency requires the borrowing of money to meet the township's current expenses, it may take out temporary loans in an amount not more than ~~fifty~~ **eighty** percent ~~(50%)~~ **(80%)** of the total anticipated revenue for the remainder of the year in which the loans are taken out.

(b) The legislative body must authorize the temporary loans by a resolution:

(1) stating the nature of the consideration for the loans;

(2) stating the time the loans are payable;

(3) stating the place the loans are payable;

(4) stating a rate of interest;

(5) stating the anticipated revenues on which the loans are based and out of which they are payable; and

(6) appropriating a sufficient amount of the anticipated revenues on which the loans are based and out of which they are payable for the payment of the loans.

(c) The loans must be evidenced by time warrants of the township stating:

(1) the nature of the consideration;

(2) the time payable;

(3) the place payable; and

(4) the anticipated revenues on which they are based and out of which they are payable.

SECTION 717. IC 36-6-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) When performing the real property reassessment duties prescribed by IC 6-1.1-4, a township assessor may receive per diem compensation, in addition to salary, at a rate fixed by the county fiscal body, for each day that ~~he~~ **the assessor** is engaged in reassessment activities. ~~including service on the county land valuation commission.~~

(b) Subsection (a) applies regardless of whether professional assessing services are provided to a township under contract.

SECTION 718. IC 36-7-4-207 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 207. (a) ADVISORY. In a city having a park board and a city civil engineer, the city plan commission consists of nine (9) members, as follows:

(1) One (1) member appointed by the city legislative body from its membership.

(2) One (1) member appointed by the park board from its membership.

(3) One (1) member or designated representative appointed by the city works board.

(4) The city civil engineer or a qualified assistant appointed by the city civil engineer.

(5) Five (5) citizen members, of whom no more than three (3) may be of the same political party, appointed by the city executive.

(b) ADVISORY. If a city lacks either a park board or a city civil engineer, or both, subsection (a) does not apply. In such a city or in any town, the municipal plan commission consists of seven (7) members, as follows:

(1) The municipal legislative body shall appoint three (3) persons, who must be elected or appointed municipal officials or employees in the municipal government, as members.

(2) The municipal executive shall appoint four (4) citizen members, of whom no more than two (2) may be of the same political party.

(c) AREA. To provide equitable representation of rural and urban populations, representation on the area plan commission is determined as follows:

(1) Seven (7) representatives from each city having a population of more than one hundred five thousand (105,000).

(2) Six (6) representatives from each city having a population of not less than seventy thousand (70,000) nor more than one hundred five thousand (105,000).

(3) Five (5) representatives from each city having a population of not less than thirty-five thousand (35,000) but less than seventy thousand (70,000).

(4) Four (4) representatives from each city having a population of not less than twenty thousand (20,000) but less than thirty-five thousand (35,000).

(5) Three (3) representatives from each city having a population of not less than ten thousand (10,000) but less than twenty thousand (20,000).

(6) Two (2) representatives from each city having a population of less than ten thousand (10,000).

(7) One (1) representative from each town having a population of more than two thousand one hundred (2,100), and one (1) representative from each town having a population of two thousand one hundred (2,100) or less that had a representative before January 1, 1979.

(8) Such representatives from towns having a population of not more than two thousand one hundred (2,100) as are provided for in section 210 of this chapter.

(9) Six (6) county representatives if the total number of municipal representatives in the county is an odd number, or five (5) county representatives if the total number of municipal representatives is an even number.

(d) METRO. The metropolitan development commission consists of nine (9) citizen members, as follows:

(1) Four (4) members, of whom no more than two (2) may be of the same political party, appointed by the executive of the consolidated city.

(2) Three (3) members, of whom no more than two (2) may be of the same political party, appointed by the legislative body of the consolidated city.

(3) Two (2) members, who must be of different political parties, appointed by the board of commissioners of the county.

(e) METRO. The legislative body of the consolidated city shall appoint an individual to serve as a nonvoting adviser to the metropolitan development commission when the commission is acting as the redevelopment commission of the consolidated city under IC 36-7-15.1. If the duties of the metropolitan development commission under IC 36-7-15.1 are transferred to another entity under IC 36-3-4-23, the

individual appointed under this subsection shall serve as a nonvoting adviser to that entity. A nonvoting adviser appointed under this subsection:

(1) must also be a member of the school board of a school corporation that includes all or part of the territory of the consolidated city;

(2) is not considered a member of the metropolitan development commission for purposes of IC 36-7-15.1 but is entitled to attend and participate in the proceedings of all meetings of the metropolitan development commission (or any successor entity designated under IC 36-3-4-23) when it is acting as a redevelopment commission under IC 36-7-15.1;

(3) is not entitled to a salary, per diem, or reimbursement of expenses;

(4) serves for a term of two (2) years and until a successor is appointed; and

(5) serves at the pleasure of the legislative body of the consolidated city.

SECTION 719. IC 36-7-11.2-58, AS AMENDED BY P.L.219-2007, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 720. IC 36-7-11.3-6, AS AMENDED BY P.L.219-2007, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 721. IC 36-7-11.3-52, AS AMENDED BY P.L.219-2007, SECTION 124, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 722. IC 36-7-12-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27. (a) Bonds issued by a unit under section 25 of this chapter may be issued as serial bonds, term bonds, or a combination of both types. The ordinance of the fiscal body authorizing bonds, notes, or warrants, or the financing agreement or the trust indenture approved by the ordinance, must provide:

(1) the manner of their execution, either by the manual or facsimile signatures of the executive of the unit and the clerk of the fiscal body;

(2) their date;

(3) their term or terms, which may not exceed forty (40) years, **except as otherwise provided by subsection (e);**

(4) their maximum interest rate if fixed rates are used or the manner in which the interest rate will be determined if variable or adjustable rates are used;

(5) their denominations;

(6) their form, either coupon or registered;

(7) their registration privileges;

(8) the medium of their payment;

(9) the place or places of their payment;

(10) the terms of their redemption; and

(11) any other provisions not inconsistent with this chapter.

(b) Bonds, notes, or warrants issued under section 25 of this chapter may be sold at public or private sale for the price or prices, in the manner, and at the time or times determined by the unit. The unit may advance all expenses, premiums, and commissions that it considers necessary or advantageous in connection with their issuance.

(c) The bonds, notes, or warrants and their authorization, issuance, sale, and delivery are not subject to any general statute concerning bonds, notes, or warrants of units.

(d) An action to contest the validity of bonds, notes, or warrants issued under section 25 of this chapter may not be commenced more than thirty (30) days after the adoption of the ordinance approving them under section 25 of this chapter.

(e) This subsection applies only to bonds, notes, or warrants issued under this chapter after June 30, 2008, that are wholly or partially payable from tax increment revenues derived from property taxes. The maximum term or repayment period for the bonds, notes, or warrants may not exceed:

(1) twenty-five (25) years, unless the bonds, notes, or warrants were:

(A) issued or entered into before July 1, 2008;

(B) issued or entered into after June 30, 2008, but authorized by a resolution adopted before July 1, 2008; or

(C) issued or entered into after June 30, 2008, in order to fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of the bonds, notes, warrants, or other contractual obligations by or with developers, lenders, or units, or otherwise prevent an impairment of the rights or remedies of the holders of the bonds, notes, warrants, or other contractual obligations; or

(2) thirty (30) years, if the bonds, notes, or warrants were issued after June 30, 2008, to finance:

(A) an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6);

(B) a part of an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6); or

(C) property used in the operation or maintenance of an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6);

that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008.

(f) The general assembly makes the following findings of fact with respect to an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6) that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008:

(1) The health, safety, general welfare, and economic and energy security of the people of the state of Indiana require as a public purpose of the state the promotion of clean energy, including clean coal, technologies in Indiana.

(2) These technologies include the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14.

(3) Investment in the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14 will result in substantial financial and other benefits to the state and its political subdivisions and the people of Indiana, including increased employment, tax revenue, and use of Indiana coal.

(4) It is in the best interest of the state and its citizens to promote and preserve financial and other incentives for the integrated coal gasification powerplant.

SECTION 723. IC 36-7-14-6.1, AS AMENDED BY P.L.190-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6.1. (a) The five (5) commissioners for a municipal redevelopment commission shall be appointed as follows:

(1) Three (3) shall be appointed by the municipal executive.

(2) Two (2) shall be appointed by the municipal legislative body.

The municipal executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008.

(b) The commissioners for a county redevelopment commission **that has five (5) members** shall be appointed ~~by the county executive.~~ **as follows:**

(1) The county executive shall appoint all the members whose terms of office begin before January 1, 2008.

(2) For terms of office beginning after December 31, 2007, the county executive shall appoint three (3) members, and the county fiscal body shall appoint two (2) members.

The county executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008.

(c) The commissioners for a county redevelopment commission that has seven (7) members shall be appointed as follows:

(1) The county executive shall appoint all the members whose terms of office begin before January 1, 2008.

(2) For terms of office beginning after December 31, 2007, the county executive shall appoint four (4) members, and the county fiscal body shall appoint three (3) members.

The county executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008.

(d) A nonvoting adviser appointed under this section:

(1) must also be a member of the school board of a school corporation that includes all or part of the territory served by the redevelopment commission;

(2) is not considered a member of the redevelopment commission for purposes of this chapter but is entitled to attend and participate in the proceedings of all meetings of the redevelopment commission;

(3) is not entitled to a salary, per diem, or reimbursement of expenses;

(4) serves for a term of two (2) years and until a successor is appointed; and

(5) serves at the pleasure of the entity that appointed the nonvoting adviser.

SECTION 724. IC 36-7-14-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) A redevelopment commissioner **or a nonvoting adviser appointed under section 6.1 of this chapter** may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a commissioner **or nonvoting adviser** has a pecuniary interest may be acquired, but only by gift or condemnation.

(b) A transaction made in violation of this section is void.

SECTION 725. IC 36-7-14-15, AS AMENDED BY P.L.221-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) Whenever the redevelopment commission finds that:

(1) an area in the territory under ~~their~~ **its** jurisdiction is an area needing redevelopment;

(2) the conditions described in IC 36-7-1-3 cannot be corrected in the area by regulatory processes or the ordinary operations of private enterprise without resort to this chapter; ~~and~~

(3) the public health and welfare will be benefited by:

(A) the acquisition and redevelopment of the area under this chapter **as a redevelopment project area; or**

(B) the amendment of the resolution or plan, or both, for an existing redevelopment project area; and

(4) in the case of an amendment to the resolution or plan for an existing redevelopment project area:

(A) the amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter;

(B) the resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the unit; and

(C) except as provided by subsection (f), if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;

the commission shall cause to be prepared the data described in subsection (b).

(b) After making a finding under subsection (a), the commission shall cause to be prepared:

(1) maps and plats showing:

(A) the boundaries of the area ~~needing redevelopment,~~ **in which property would be acquired for, or otherwise affected by, the establishment of a redevelopment project area or the amendment of the resolution or plan for an existing area;**

(B) the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, remediation, replatting, replanning, rezoning, or redevelopment of the area, indicating any parcels of property to be excluded from the acquisition **or otherwise excluded from the effects of the establishment of the redevelopment project area or the amendment of the resolution or plan for an existing area;** and

~~(B)~~ **(C)** the parts of the area acquired, **if any,** that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the redevelopment plan;

(2) lists of the owners of the various parcels of property proposed to be acquired **for, or otherwise affected by, the establishment of an area or the amendment of the resolution or plan for an existing area;** and

(3) an estimate of the ~~cost of~~ **costs, if any, to be incurred for the** acquisition and redevelopment **of property.**

(c) **This subsection applies to the initial establishment of a redevelopment project area.** After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:

(1) the area needing redevelopment is a menace to the social and economic interest of the unit and its inhabitants;

(2) it will be of public utility and benefit to acquire the area and redevelop it under this chapter; and

(3) the area is designated as a redevelopment project area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area, and that the department of redevelopment proposes to acquire all of the interests in the land within the boundaries, with certain designated exceptions, if there are any.

(d) This subsection applies to the amendment of the resolution or plan for an existing redevelopment project area. After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:

(1) except as provided by subsection (f), if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;

(2) it will be of public utility and benefit to amend the resolution or plan for the area; and

(3) any additional area to be acquired under the amendment is designated as part of the existing redevelopment project area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area, including any changes made to those boundaries by the amendment, and describe the activities that the department of redevelopment is permitted to take under the amendment, with any designated exceptions.

~~(d)~~ **(e)** For the purpose of adopting a resolution under subsection (c) **or (d),** it is sufficient to describe the boundaries of the redevelopment project area by its location in relation to public ways or streams, or otherwise, as determined by the commissioners. Property excepted from the ~~acquisition~~ **application of a resolution** may be described by street numbers or location.

(f) The redevelopment commission is not required to make the finding and declaration described in subsections (a)(4)(C) and (d)(1) concerning the enlargement of the boundaries of an existing redevelopment project area if, before the adoption of the resolution under subsection (d), the Indiana economic development corporation issues a finding approving the enlargement of the boundaries. Before issuing a finding under this subsection, the Indiana economic development corporation must consider whether the enlargement of the boundaries will:

(1) lead to increased investment in Indiana;

(2) foster job creation or job retention in Indiana;

(3) have a positive impact on the unit in which the redevelopment project area is located; or

(4) otherwise benefit the people of Indiana by increasing opportunities for employment in Indiana and strengthening the economy of Indiana.

SECTION 726. IC 36-7-14-15.5, AS AMENDED BY P.L.185-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15.5. (a) This section applies to a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).

(b) In adopting a declaratory resolution under section 15 of this chapter, a redevelopment commission may include a provision stating that the redevelopment project area is

considered to include one (1) or more additional areas outside the boundaries of the redevelopment project area if the redevelopment commission makes the following findings and the requirements of subsection (c) are met:

(1) One (1) or more taxpayers presently located within the boundaries of the redevelopment project area are expected within one (1) year to relocate all or part of their operations outside the boundaries of the redevelopment project area and have expressed an interest in relocating all or part of their operations within the boundaries of an additional area.

(2) The relocation described in subdivision (1) will contribute to the continuation of the conditions described in IC 36-7-1-3 in the redevelopment project area.

(3) For purposes of this section, it will be of public utility and benefit to include the additional areas as part of the redevelopment project area.

(c) Each additional area must be designated by the redevelopment commission as a redevelopment project area or an economic development area under this chapter.

(d) Notwithstanding section 3 of this chapter, the additional areas shall be considered to be a part of the redevelopment special taxing district under the jurisdiction of the redevelopment commission. Any excess property taxes that the commission has determined may be paid to taxing units under section 39(b)(3) of this chapter shall be paid to the taxing units from which the excess property taxes were derived. All powers of the redevelopment commission authorized under this chapter may be exercised by the redevelopment commission in additional areas under its jurisdiction.

(e) The declaratory resolution must include a statement of the general boundaries of each additional area. However, it is sufficient to describe those boundaries by location in relation to public ways, streams, or otherwise, as determined by the commissioners.

(f) The declaratory resolution may include a provision with respect to the allocation and distribution of property taxes with respect to one (1) or more of the additional areas in the manner provided in section 39 of this chapter. If the redevelopment commission includes such a provision in the resolution, allocation areas in the redevelopment project area and in the additional areas considered to be part of the redevelopment project area shall be considered a single allocation area for purposes of this chapter.

(g) The additional areas must be located within the same county as the redevelopment project area but are not otherwise required to be within the jurisdiction of the redevelopment commission, if the redevelopment commission obtains the consent by ordinance of:

(1) the county legislative body, for each additional area located within the unincorporated part of the county; or

(2) the legislative body of the city or town affected, for each additional area located within a city or town.

In granting its consent, the legislative body shall approve the plan of development or redevelopment relating to the additional area.

(h) A declaratory resolution previously adopted may be amended to include a provision to include additional areas as set forth in this section and an allocation provision under section 39 of this chapter with respect to one (1) or more of the additional areas in accordance with ~~section 17.5~~ **sections 15, 16, and 17** of this chapter.

(i) The redevelopment commission may amend the allocation provision of a declaratory resolution in accordance with ~~section 17.5~~ **sections 15, 16, and 17** of this chapter to change the assessment date that determines the base assessed value of property in the allocation area to any assessment date following the effective date of the allocation provision of the declaratory resolution. Such a change may relate to the assessment date that determines the base assessed value of that portion of the allocation area that is located in the redevelopment project area alone, that portion of the allocation area that is located in an additional area alone, or the entire allocation area.

SECTION 727. IC 36-7-14-16, AS AMENDED BY P.L.1-2006, SECTION 565, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) This subsection does not apply to the redevelopment commission of an excluded city described in section 1(b) of this chapter. After adoption ~~of a resolution~~ under section 15 of this chapter **of a resolution that designates a redevelopment project area or amends the resolution or plan for an existing area,** the redevelopment commission shall submit the resolution and supporting data to the plan commission of the unit, or if there is no plan commission, then to the body charged with the duty of developing a general plan for the unit, if there is such a body. The plan commission may determine whether the resolution and the redevelopment plan conform to the plan of development for the unit and approve or disapprove the resolution and plan proposed. The redevelopment commission may amend or modify the resolution and proposed plan in order to conform them to the requirements of the plan commission. The plan commission shall issue its written order approving or disapproving the resolution and redevelopment plan, and may, with the consent of the redevelopment commission, rescind or modify that order.

(b) This subsection does not apply to the redevelopment commission of an excluded city described in section 1(b) of this chapter. The redevelopment commission may not proceed with:

(1) the acquisition of a redevelopment project area; **or**

(2) the implementation of an amendment to the resolution or plan for an existing redevelopment project area;

until the approving order of the plan commission is issued and approved by the municipal legislative body or county executive.

(c) In determining the location and extent of a redevelopment project area proposed to be acquired for redevelopment, the redevelopment commission and the plan commission of the unit shall give consideration to transitional and permanent provisions for adequate housing for the residents of the area who will be displaced by the redevelopment project.

(d) **After adoption under section 15 of this chapter of a resolution that designates a redevelopment project area or**

amends the resolution or plan for an existing area, a redevelopment commission in an excluded city that is exempt from the requirements of subsections (a) and (b) shall submit the resolution and supporting data to the municipal legislative body of the excluded city. The municipal legislative body may:

(1) determine if the resolution and the redevelopment plan conform to the plan of development for the unit; and

(2) approve or disapprove the resolution and plan proposed.

SECTION 728. IC 36-7-14-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) After receipt of the written order of approval of the plan commission and approval of the municipal legislative body or county executive, the redevelopment commission shall publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1. The notice must:

(1) state that maps and plats have been prepared and can be inspected at the office of the department; ~~The notice must also~~ **and**

(2) name a date when the commission will:

(A) receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed project **or other actions to be taken under the resolution;** and ~~will~~

(B) determine the public utility and benefit of the proposed project **or other actions.**

All persons affected in any manner by the hearing, including all taxpayers of the special taxing district, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the commission by the notice given under this section.

(b) A copy of the notice of the hearing on the ~~proposed project~~ **resolution** shall be filed in the office of the unit's plan commission, board of zoning appeals, works board, park board, and building commissioner, and any other departments, bodies, or officers of the unit having to do with unit planning, variances from zoning ordinances, land use, or the issuance of building permits. These agencies and officers shall take notice of the pendency of the hearing and, until the commission confirms, modifies and confirms, or rescinds the resolution, or the confirmation of the resolution is set aside on appeal, may not:

(1) authorize any construction on property or sewers in the area described in the resolution, including substantial modifications, rebuilding, conversion, enlargement, additions, and major structural improvements; or

(2) take any action regarding the zoning or rezoning of property, or the opening, closing, or improvement of streets, alleys, or boulevards in the area described in the resolution.

This subsection does not prohibit the granting of permits for ordinary maintenance or minor remodeling, or for changes necessary for the continued occupancy of buildings in the area.

(c) If the resolution to be considered at the hearing includes a provision establishing or amending an allocation provision under section 39 of this chapter, the redevelopment commission shall file the following information with each taxing unit that is wholly or partly located within the allocation area:

(1) A copy of the notice required by subsection (a).

(2) A statement disclosing the impact of the allocation area, including the following:

(A) The estimated economic benefits and costs incurred by the allocation area, as measured by increased employment and anticipated growth of real property assessed values.

(B) The anticipated impact on tax revenues of each taxing unit.

The redevelopment commission shall file the information required by this subsection with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the hearing.

(d) At the hearing, which may be adjourned from time to time, the redevelopment commission shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the commission shall take final action determining the public utility and benefit of the proposed project **or other actions to be taken under the resolution,** and confirming, modifying and confirming, or rescinding the resolution. The final action taken by the commission shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by section 18 of this chapter.

SECTION 729. IC 36-7-14-17.5, AS AMENDED BY P.L.185-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17.5. ~~(a) The commission must conduct a public hearing before amending a resolution or plan for a redevelopment project area, an urban renewal project area, or an economic development area, the commission shall give notice of the hearing in accordance with IC 5-3-1. The notice must:~~

~~(1) set forth the substance of the proposed amendment;~~

~~(2) state the time and place where written remonstrances against the proposed amendment may be filed;~~

~~(3) set forth the time and place of the hearing; and~~

~~(4) state that the commission will hear any person who has filed a written remonstrance during the filing period set forth under subdivision (2).~~

~~(b) For the purposes of this section, the consolidation of areas is not considered the enlargement of the boundaries of an area.~~

~~(c) When the commission proposes to amend a resolution or plan, the commission is not required to have evidence or make findings that were required for the establishment of the original redevelopment project area, urban renewal area, or economic development area. However, the commission must make the following findings before approving the amendment:~~

~~(1) The amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter.~~

~~(2) The resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the unit.~~

~~(d)~~ **(a)** In addition to the requirements of ~~subsection (a),~~ **section 17 of this chapter,** if the resolution or plan **for an existing redevelopment project area** is proposed to be amended in a way that changes:

(1) parts of the area that are to be devoted to a public way, levee, sewerage, park, playground, or other public purposes;

(2) the proposed use of the land in the area; or

(3) requirements for rehabilitation, building requirements, proposed zoning, maximum densities, or similar requirements;

the commission must, at least ten (10) days before the public hearing **under section 17 of this chapter,** send the notice required by ~~subsection (a)~~ **section 17 of this chapter** by first class mail to affected neighborhood associations.

~~(e)~~ **(b)** In addition to the requirements of ~~subsection (a),~~ **section 17 of this chapter,** if the resolution or plan **for an existing redevelopment project area** is proposed to be amended in a way that:

(1) enlarges the boundaries of the area; ~~by not more than twenty percent (20%) of the original area;~~ or

(2) adds one (1) or more parcels to the list of parcels to be acquired;

the commission must, at least ten (10) days before the public hearing **under section 17 of this chapter,** send the notice required by ~~subsection (a)~~ **section 17 of this chapter** by first class mail to affected neighborhood associations and to persons owning property that is in the proposed enlargement of the area or that is proposed to be added to the acquisition list. If the enlargement of an area is proposed, notice must also be filed in accordance with section 17(b) of this chapter, and agencies and officers may not take actions prohibited by section 17(b) of this chapter in the proposed enlarged area.

~~(f) Notwithstanding subsections (a) and (c), if the resolution or plan is proposed to be amended in a way that enlarges the original boundaries of the area by more than twenty percent (20%), the commission must use the procedure provided for the original establishment of areas and must comply with sections 15 through 17 of this chapter.~~

~~(g) At the hearing on the amendments, the commission shall consider written remonstrances that are filed. The action of the commission on the amendment shall be recorded and is final and conclusive, except that an appeal of the commission's action may be taken under section 18 of this chapter.~~

~~(h)~~ **(c)** The commission may require that neighborhood associations register with the commission. The commission may adopt a rule that requires that a neighborhood association encompass a part of the geographic area included in or proposed to be included in a redevelopment project area, urban renewal area, or economic development area to qualify as an affected neighborhood association.

SECTION 730. IC 36-7-14-20, AS AMENDED BY P.L.185-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 20. (a) **Subject to the approval of the legislative body of the unit that established the department of redevelopment,** if the redevelopment commission considers it necessary to acquire real property in a redevelopment project area by the exercise of the power of eminent domain, ~~they~~ **the commission** shall adopt a resolution setting out ~~their~~ **its** determination to exercise that power and directing ~~their~~ **its** attorney to file a petition in the name of the unit on behalf of the department of redevelopment, in the circuit or superior court of the county in which the property is situated.

(b) Eminent domain proceedings under this section are governed by IC 32-24 and other applicable statutory provisions for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired under this section, but property belonging to the state or any political subdivision may not be acquired without its consent.

(c) The court having jurisdiction shall direct the clerk of the circuit court to execute a deed conveying the title of real property acquired under this section to the unit for the use and benefit of its department of redevelopment.

SECTION 731. IC 36-7-14-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. (a) All expenses incurred by the department of redevelopment that must be paid before the collection of taxes levied under this chapter shall be paid in the manner prescribed by this section. The commission shall certify the items of expense to the fiscal officer of the unit ~~directing him to pay~~ **requesting payment of** the amounts certified. ~~and~~ **Subject to appropriation by the fiscal body of the unit,** the fiscal officer shall then draw ~~his~~ **a** warrant ~~The warrant shall~~ **in the requested amount to** be paid out of the general fund of the unit. ~~without appropriation by the fiscal body or approval by any other body.~~ If the unit has no unappropriated monies in its general fund, the fiscal officer of the unit ~~shall~~ **may** recommend to the fiscal body the temporary transfer from other funds of the unit of a sufficient amount to meet the items of expense, or the making of a temporary loan for that purpose. The fiscal body ~~shall immediately~~ **may** make the transfer or authorize the temporary loan in the same manner that other transfers and temporary loans are made by the unit.

(b) The amount advanced by the unit under this section may not exceed fifty thousand dollars ($50,000), and the fund or funds of the unit from which the advancement is made shall be fully reimbursed and repaid by the redevelopment commission out of ~~the first proceeds of the special taxes levied under this chapter.~~ **legally available revenues.**

(c) The redevelopment commission may not use any part of the amount advanced by the unit under this section in the acquisition of real property.

SECTION 732. IC 36-7-14-25.1, AS AMENDED BY P.L.219-2007, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 25.1. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 27 of this chapter, the taxes allocated under section 39 of this chapter, or other revenues of the district, or any combination of

these sources, the redevelopment commission may, by resolution and subject to subsection (p), issue the bonds of the special taxing district in the name of the unit. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

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

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

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

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

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

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

(1) the denominations of the bonds;

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

(3) the term of the bonds, which may not exceed:

(A) fifty (50) years, **for bonds issued before July 1, 2008;**

(B) thirty (30) years, for bonds issued after June 30, 2008, to finance:

(i) an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6);

(ii) a part of an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6); or

(iii) property used in the operation or maintenance of an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6);

that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008; or

(C) twenty-five (25) years, for bonds issued after June 30, 2008, that are not described in clause (B).

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

(d) The redevelopment commission shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds, subject to subsection (p). The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds must be executed by the appropriate officer of the unit and attested by the municipal or county fiscal officer.

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

(g) The municipal or county fiscal officer shall give notice of the sale of the bonds by publication in accordance with IC 5-3-1. The municipal fiscal officer, or county fiscal officer or executive, shall sell the bonds to the highest bidder, but may not sell them for less than ninety-seven percent (97%) of their par value. However, bonds payable solely or in part from tax proceeds allocated under section 39(b)(2) of this chapter, or other revenues of the district may be sold at a private negotiated sale.

(h) Except as provided in subsection (i), a redevelopment commission may not issue the bonds when the total issue, including bonds already issued and to be issued, exceeds two percent (2%) of the adjusted value of the taxable property in the special taxing district, as determined under IC 36-1-15.

(i) 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 redevelopment commission:

(1) from a special tax levied upon all of the property in the taxing district, as provided by section 27 of this chapter;

(2) from the tax proceeds allocated under section 39(b)(2) of this chapter;

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

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

If the bonds are payable solely from the tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(j) 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.

(k) All laws relating to the giving of notice of the issuance of bonds, the giving of notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, and the approval of the appropriation by the department of local government finance apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

(l) All laws relating to:

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

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

apply to bonds issued under this chapter except for bonds payable solely from tax proceeds allocated under section

39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(m) 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.

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be:

(1) deposited in the allocation fund established under section 39(b)(2) of this chapter; **and**

(2) to the extent permitted by law, transferred to the county or municipality that established the department of redevelopment for use in reducing the county's or municipality's property tax levies for debt service.

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

(p) If the total principal amount of bonds authorized by a resolution of the redevelopment commission **adopted before July 1, 2008,** is equal to or greater than three million dollars ($3,000,000), the bonds may not be issued without the approval, by resolution, of the legislative body of the unit. **Bonds authorized in any principal amount by a resolution of the redevelopment commission adopted after June 30, 2008, may not be issued without the approval of the legislative body of the unit.**

SECTION 733. IC 36-7-14-25.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 25.2. (a) A redevelopment commission may enter into a lease of any property that could be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, ~~and~~ **for a lease entered into before July 1, 2008; or**

(2) twenty-five (25) years, for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the redevelopment commission from special benefits taxes levied under section 27 of this chapter, taxes allocated under section 39 of this chapter, any other revenues available to the redevelopment commission, or any combination of these sources.

(b) A lease may provide that payments by the redevelopment commission 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 unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the redevelopment commission only after a public hearing by the redevelopment commission at which all interested parties are provided the opportunity to be heard. After the public hearing, the redevelopment commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the redevelopment commission must be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the redevelopment commission in whole or in part from the levy of special benefits taxes under section 27 of this chapter and upon approval of the lease by the unit's fiscal body, the redevelopment commission 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 redevelopment 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 the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for a hearing in the redevelopment 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 fiscal body, to the redevelopment commission, and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner or deputy commissioner of the department 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 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) A redevelopment commission entering into a lease payable

from allocated taxes under section 39 of this chapter or other available funds of the redevelopment commission may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and

(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 redevelopment commission 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 redevelopment commission 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 publication of the notice of the execution and approval of the lease. 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, an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the department.

(j) If a redevelopment commission exercises an option to buy a leased facility from a lessor, the redevelopment commission may subsequently sell the leased facility, 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 redevelopment commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the redevelopment commission 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.

SECTION 734. IC 36-7-14-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27. (a) This section applies only to:

(1) bonds that are issued under section 25.1 of this chapter; **and**

(2) leases entered into under section 25.2 of this chapter;

which are payable from a special tax levied upon all of the property in the special taxing district. This section does not apply to bonds or leases that are payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(b) The redevelopment commission shall levy each year a special tax on all of the property of the redevelopment taxing district, in such a manner as to meet and pay the principal of the bonds as they mature, together with all accruing interest on the bonds or lease rental payments under section 25.2 of this chapter. The commission shall cause the tax levied to be certified to the proper officers as other tax levies are certified, and to the auditor of the county in which the redevelopment district is located, before the second day of October in each year. The tax shall be estimated and entered on the tax duplicate by the county auditor and shall be collected and enforced by the county treasurer in the same manner as other state and county taxes are estimated, entered, collected, and enforced. The amount of the tax levied to pay bonds or lease rentals payable from the tax levied under this section shall be reduced by any amount available in the allocation fund established under section 39(b)(2) of this chapter or other revenues of the redevelopment commission to the extent such revenues have been set aside in the redevelopment bond fund.

(c) As the tax is collected, it shall be accumulated in a separate fund to be known as the redevelopment district bond fund and shall be applied to the payment of the bonds as they mature and the interest on the bonds as it accrues, or to make lease payments and to no other purpose. All accumulations of the fund before their use for the payment of bonds and interest or to make lease payments shall be deposited with the depository or depositories for other public funds of the unit in accordance with IC 5-13, unless they are invested under IC 5-13-9.

(d) If there are no outstanding bonds that are payable solely or in part from tax proceeds allocated under section 39(b)(2) of this chapter and that were issued to pay costs of redevelopment in an allocation area that is located wholly or in part in the special taxing district, then all proceeds from the sale or leasing of property in the allocation area under section 22 of this chapter shall be paid into the redevelopment district bond fund and become a part of that fund. In arriving at the tax levy for any year, the redevelopment commission ~~may~~ **shall** take into account the amount of the proceeds deposited under this subsection and remaining on hand.

(e) The tax levies provided for in this section are reviewable by other bodies vested by law with the authority to ascertain that the levies are sufficient to raise the amount that, with other amounts available, is sufficient to meet the payments under the lease payable from the levy of taxes.

SECTION 735. IC 36-7-14-27.5, AS AMENDED BY P.L.224-2007, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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 736. IC 36-7-14-32.5, AS AMENDED BY P.L.163-2006, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 32.5. (a) **Subject to the approval of the fiscal body of the unit that established the department of redevelopment,** the commission may acquire a parcel of real property by the exercise of eminent domain when the real property has all of the following characteristics:

(1) The real property meets at least one (1) of the conditions described in IC 32-24-4.5-7(1).

(2) The real property is capable of being developed or rehabilitated to provide affordable housing for low or moderate income families or to provide other development that will benefit or serve low or moderate income families.

(3) The condition of the real property has a negative impact on the use or value of the neighboring properties or other properties in the community.

(b) The commission or the commission's designated hearing examiner shall conduct a public meeting to determine whether a parcel of real property has the characteristics set forth in subsection (a). Each person holding a fee or life estate interest of record in the property must be given notice by first class mail of the time and date of the hearing at least ten (10) days before the hearing and is entitled to present evidence and make arguments at the hearing.

(c) If the commission considers it necessary to acquire real property under this section, the commission shall adopt a resolution setting out the commission's determination to exercise that power and directing the commission's attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court with jurisdiction in the county.

(d) Eminent domain proceedings under this section are governed by IC 32-24.

(e) The commission shall use real property acquired under this section for one (1) of the following purposes:

(1) Sale in an urban homestead program under IC 36-7-17.

(2) Sale to a family whose income is at or below the county's median income for families.

(3) Sale or grant to a neighborhood development corporation with a condition in the granting clause of the deed requiring the nonprofit development corporation to lease or sell the property to a family whose income is at or below the county's median income for families or to cause development that will serve or benefit families whose income is at or below the unit's median income for families.

(4) Any other purpose appropriate under this chapter so long as it will serve or benefit families whose income is at or below the unit's median income for families.

(f) A neighborhood development corporation or nonprofit corporation that receives property under this section must agree to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the corporation.

SECTION 737. IC 36-7-14-35, AS AMENDED BY P.L.154-2006, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 35. (a) **Subject to the approval of the fiscal body of the unit that established the department of redevelopment, and** in order to:

(1) undertake survey and planning activities under this chapter;

(2) undertake and carry out any redevelopment project, urban renewal project, or housing program;

(3) pay principal and interest on any advances;

(4) pay or retire any bonds and interest on them; or

(5) refund loans previously made under this section;

the redevelopment commission may apply for and accept advances, short term and long term loans, grants, contributions, and any other form of financial assistance from the federal government, or from any of its agencies. The commission may also enter into and carry out contracts and agreements in connection with that financial assistance upon the terms and conditions that the commission considers reasonable and appropriate, as long as those terms and conditions are not inconsistent with the purposes of this chapter. The provisions of such a contract or agreement in regard to the handling, deposit, and application of project funds, as well as all other provisions, are valid and binding on the unit or its executive departments and officers, as well as the commission, notwithstanding any other provision of this chapter.

(b) **Subject to the approval of the fiscal body of the unit that established the department of redevelopment,** the redevelopment commission may issue and sell bonds, notes, or warrants to the federal government to evidence short term or long term loans made under this section, without notice of sale being given or a public offering being made.

(c) Notwithstanding the provisions of this or any other chapter, bonds, notes, or warrants issued by the redevelopment commission under this section may:

(1) be in the amounts, form, or denomination;

(2) be either coupon or registered;

(3) carry conversion or other privileges;

(4) have a rank or priority;

(5) be of such description;

(6) be secured (subject to other provisions of this section) in such manner;

(7) bear interest at a rate or rates;

(8) be payable as to both principal and interest in a medium of payment, at a time or times (which may be upon demand) and at a place or places;

(9) be subject to terms of redemption (with or without premium);

(10) contain or be subject to any covenants, conditions, and provisions; and

(11) have any other characteristics;

that the commission considers reasonable and appropriate.

(d) Bonds, notes, or warrants issued under this section are not an indebtedness of the unit or taxing district within the meaning of any constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes, but are payable only from and secured only by income, funds, and properties of the project becoming available to the redevelopment commission under this chapter, as the commission specifies in the resolution authorizing their issuance.

(e) Bonds, notes, or warrants issued under this section are exempt from taxation for all purposes.

(f) Bonds, notes, or warrants issued under this section must be executed by the appropriate officers of the unit in the name of the "City (or Town or County) of _____, Department of Redevelopment", and must be attested by the appropriate officers of the unit.

(g) Following the adoption of the resolution authorizing the issuance of bonds, notes, or warrants under this section, the redevelopment commission shall certify a copy of that resolution to the officers of the unit who have duties with respect to bonds, notes, or warrants of the unit. At the proper time, the commission shall deliver to the officers the unexecuted bonds, notes, or warrants prepared for execution in accordance with the resolution.

(h) All bonds, notes, or warrants issued under this section shall be sold by the officers of the unit who have duties with respect to the sale of bonds, notes, or warrants of the unit. If an officer whose signature appears on any bonds, notes, or warrants issued under this section leaves office before their delivery, the signature remains valid and sufficient for all purposes as if the officer had remained in office until the delivery.

(i) If at any time during the life of a loan contract or agreement under this section the redevelopment commission can obtain loans for the purposes of this section from sources other than the federal government at interest rates not less favorable than provided in the loan contract or agreement, and if the loan contract or agreement so permits, the commission may do so and may pledge the loan contract and any rights under that contract as security for the repayment of the loans obtained from other sources. Any loan under this subsection may be evidenced by bonds, notes, or warrants issued and secured in the same manner as provided in this section for loans from the federal government. These bonds, notes, or warrants may be sold at either public or private sale, as the commission considers appropriate.

(j) Money obtained from the federal government or from other sources under this section, and money that is required by a contract or agreement under this section to be used for project expenditure purposes, repayment of survey and planning advances, or repayment of temporary or definitive loans, may be expended by the redevelopment commission without regard to any law pertaining to the making and approval of budgets, appropriations, and expenditures.

(k) Bonds, notes, or warrants issued under this section are declared to be issued for an essential public and governmental purpose.

SECTION 738. IC 36-7-14-39, AS AMENDED BY P.L.154-2006, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

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

(A) the net assessed value of all the property as finally determined for the assessment date immediately

preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

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

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

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

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

(3) If:

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

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

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

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

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

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

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

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. ~~that~~ **For an allocation area established before July 1, 2008, the expiration date** may not be more than thirty (30) years after the date on which the allocation provision is established. **For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established.** However, **with respect to bonds or other obligations that were issued before July 1, 2008,** if **any of the** 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 are physically located in or physically connected to** that allocation area.

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

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

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

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

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

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) 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 **(before its repeal)** in the same year.

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

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

(i) in the allocation area; and

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

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

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 **of the taxable property in the allocation area for the most recent assessment date minus 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~~ **Provide a written notice to** the county auditor, ~~of~~ **the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:**

(i) state 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); **or**

(ii) state that the commission has determined that there is no excess assessed value that may be

allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. 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 739. IC 36-7-14-41 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 41. (a) The commission may, by following the procedures set forth in

sections 15 through 17 of this chapter, approve a plan for and determine that a geographic area in the redevelopment district is an economic development area. Designation of an economic development area is subject to judicial review in the manner prescribed in section 18 of this chapter.

(b) The commission may determine that a geographic area is an economic development area if it finds that:

(1) the plan for the economic development area:

(A) promotes significant opportunities for the gainful employment of its citizens;

(B) attracts a major new business enterprise to the unit;

(C) retains or expands a significant business enterprise existing in the boundaries of the unit; or

(D) meets other purposes of this section and sections 2.5 and 43 of this chapter;

(2) the plan for the economic development area cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed under this section and sections 2.5 and 43 of this chapter because of:

(A) lack of local public improvement;

(B) existence of improvements or conditions that lower the value of the land below that of nearby land;

(C) multiple ownership of land; or

(D) other similar conditions;

(3) the public health and welfare will be benefited by accomplishment of the plan for the economic development area;

(4) the accomplishment of the plan for the economic development area will be a public utility and benefit as measured by:

(A) the attraction or retention of permanent jobs;

(B) an increase in the property tax base;

(C) improved diversity of the economic base; or

(D) other similar public benefits; and

(5) the plan for the economic development area conforms to other development and redevelopment plans for the unit.

(c) The determination that a geographic area is an economic development area must be approved by the unit's legislative body. The approval may be given either before or after judicial review is requested. The requirement that the unit's legislative body approve economic development areas does not prevent the commission from amending the plan for the economic development area. However, the enlargement of any boundary in the economic development area must be approved by the unit's legislative body, **and a boundary may not be enlarged unless:**

(1) the existing area does not generate sufficient revenue to meet the financial obligations of the original project; or

(2) the Indiana economic development corporation has, in the manner provided by section 15(f) of this chapter, made a finding approving the enlargement of the boundary.

SECTION 740. IC 36-7-14-43, AS AMENDED BY P.L.185-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 43. (a) All of the rights, powers, privileges, and immunities that may be exercised by the commission in a redevelopment project area or urban renewal area may be exercised by the commission in an economic development area, subject to the following:

(1) The content and manner of exercise of these rights, powers, privileges, and immunities shall be determined by the purposes and nature of an economic development area.

(2) Real property (or interests in real property) relative to which action is taken in an economic development area is not required to meet the conditions described in IC 36-7-1-3.

(3) The special tax levied in accordance with section 27 of this chapter may be used to carry out activities under this chapter in economic development areas.

(4) Bonds may be issued in accordance with section 25.1 of this chapter to defray expenses of carrying out activities under this chapter in economic development areas **if no other revenue sources are available for this purpose.**

(5) The tax exemptions set forth in section 37 of this chapter are applicable in economic development areas.

(6) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes.

(7) The commission may not use its power of eminent domain under section 20 of this chapter to carry out activities under this chapter in an economic development area.

(b) The content and manner of discharge of duties set forth in section 11 of this chapter shall be determined by the purposes and nature of an economic development area.

SECTION 741. IC 36-7-14-48, AS AMENDED BY P.L.219-2007, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) **For property taxes first due and payable before January 1, 2009,** 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.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(2)(A) through 39(b)(2)(H) and 39(b)(2)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

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

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which ~~property taxes payable to the allocation fund in the following year~~ **the assessed value of the taxable property in the allocation area for the most recent assessment date minus 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:

(A) to make, when due, principal and interest payments on bonds described in section 39(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 39(b)(2) of this chapter; and

(C) to reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

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

(A) state 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; **or**

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(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 742. IC 36-7-14.5-12.5, AS AMENDED BY P.L.219-2007, SECTION 127, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

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

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

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

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

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

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

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of economic development areas on the terms and conditions that the authority considers best for the unit and the unit's inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Repair and maintain structures acquired for redevelopment purposes.

(6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.

(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any economic development area within the jurisdiction of the authority.

(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.

(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.

(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.

(12) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(13) Appoint clerks, guards, laborers, and other employees the authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(14) Prescribe the duties and regulate the compensation of employees of the authority.

(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).

(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or

economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11 of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39 ~~IC 36-7-14-39.1, and IC 36-7-14-39.5~~ apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

(1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefiting that allocation area.

(2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).

(3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefiting that allocation area.

(5) **For property taxes first due and payable before 2009,** 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 **(before its repeal)** in the same year.

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

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

(A) in the allocation area; and

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

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

investments that are the basis for the increment financing are made. The allocation fund may not be used for operating expenses of the authority.

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

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

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

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

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

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

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

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

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

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

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers 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.

SECTION 743. IC 36-7-15.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. A member of the commission **or a nonvoting adviser appointed under IC 36-7-4-207** may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a member **or nonvoting adviser** has a pecuniary interest may be acquired but only by gift or condemnation.

SECTION 744. IC 36-7-15.1-7, AS AMENDED BY P.L.221-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) In carrying out its duties and purposes under this chapter, the commission may do the following:

(1) Acquire by purchase, exchange, gift, grant, lease, or condemnation, or any combination of methods, any real or personal property or interest in property needed for the redevelopment of areas needing redevelopment that are located within the redevelopment district.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, invest in, or otherwise dispose of, through any combination of methods, property acquired for use in the redevelopment of

areas needing redevelopment on the terms and conditions that the commission considers best for the city and its inhabitants.

(3) Acquire from and sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the city, 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 upon.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(7) Repair and maintain structures acquired or to be acquired for redevelopment purposes.

(8) Enter upon, survey, or examine any land, to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes, and determine the value of that land.

(9) Appear before any other department or agency of the city, 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 area needing redevelopment within the jurisdiction of the commission.

(10) **Subject to section 13 of this chapter,** exercise the power of eminent domain in the name of the city, within the redevelopment district, in the manner prescribed by this chapter.

(11) Establish a uniform fee schedule whenever appropriate for the performance of governmental assistance, or for providing materials and supplies to private persons in project or program related activities.

(12) Expend, on behalf of the redevelopment district, all or any part of the money available for the purposes of this chapter.

(13) Contract for the construction, extension, or improvement of pedestrian skyways.

(14) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(15) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units within the district. 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.

(16) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (15); or

(B) construct, rehabilitate, or repair commercial property within the district.

(17) Require as a condition of financial assistance to the owner of a multiunit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the county's median income for families; and

(C) at an affordable rate.

Conditions imposed by the commission under this subdivision remain in force throughout the period determined under clause (A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(18) Provide programs in job training, job enrichment, and basic skill development for residents of an enterprise zone.

(19) Provide loans and grants for the purpose of stimulating business activity in an enterprise zone or providing employment for residents of an enterprise zone.

(20) Contract for the construction, extension, or improvement of:

(A) public ways, sidewalks, sewers, waterlines, parking facilities, park or recreational areas, or other local public improvements (as defined in IC 36-7-15.3-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the redevelopment district; or

(B) any structure that enhances development or economic development.

(b) In addition to its powers under subsection (a), the commission may plan and undertake, alone or in cooperation with other agencies, projects for the redevelopment of, rehabilitating, preventing the spread of, or eliminating slums or areas needing redevelopment, both residential and nonresidential, which projects may include any of the following:

(1) The repair or rehabilitation of buildings or other improvements by the commission, owners, or tenants.

(2) The acquisition of real property.

(3) Either of the following with respect to environmental contamination on real property:

(A) Investigation.

(B) Remediation.

(4) The demolition and removal of buildings or improvements on buildings acquired by the commission where necessary for any of the following:

(A) To eliminate unhealthful, unsanitary, or unsafe conditions.

(B) To mitigate or eliminate environmental contamination.

(C) To lessen density.

(D) To reduce traffic hazards.

(E) To eliminate obsolete or other uses detrimental to public welfare.

(F) To otherwise remove or prevent the conditions described in IC 36-7-1-3.

(G) To provide land for needed public facilities.

(5) The preparation of sites and the construction of improvements (such as public ways and utility connections) to facilitate the sale or lease of property.

(6) The construction of buildings or facilities for residential, commercial, industrial, public, or other uses.

(7) The disposition in accordance with this chapter, for uses in accordance with the plans for the projects, of any property acquired in connection with the projects.

(c) The commission may use its powers under this chapter relative to real property and interests in real property obtained by voluntary sale or transfer, even though the real property and interests in real property are not located in a redevelopment or urban renewal project area established by the adoption and confirmation of a resolution under sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property and interests in real property outside of a redevelopment or urban renewal project area, the commission shall comply with section 12(b) through 12(e) of this chapter. The commission shall hold, develop, use, and dispose of this real property and interests in real property substantially in accordance with section 15 of this chapter.

(d) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(e) All powers that may be exercised under this chapter by the commission may also be exercised by the commission in carrying out its duties and purposes under IC 36-7-15.3.

SECTION 745. IC 36-7-15.1-8, AS AMENDED BY P.L.185-2005, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) Whenever the commission finds that:

(1) an area in the redevelopment district is an area needing redevelopment;

(2) the conditions described in IC 36-7-1-3 cannot be corrected in the area by regulatory processes or by the ordinary operations of private enterprise without resort to this chapter; and

(3) the public health and welfare will be benefited by:

(A) the acquisition and redevelopment of the area under this chapter **as a redevelopment project area or an urban renewal area; or**

(B) the amendment of the resolution or plan, or both, for an existing redevelopment project area or urban renewal area; and

(4) in the case of an amendment to the resolution or plan for an existing redevelopment project area or urban renewal area:

(A) the amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter;

(B) the resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the unit; and

(C) except as provided by subsection (f), if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;

the commission shall cause to be prepared a redevelopment or urban renewal plan.

(b) The redevelopment or urban renewal plan must include:

(1) maps, plats, or maps and plats, showing:

(A) the boundaries of the area ~~needing redevelopment,~~ **in which property would be acquired for, or otherwise affected by, the establishment of a redevelopment project area or urban renewal area, or the amendment of the resolution or plan for an existing area;**

(B) the location of the various parcels of property, public ways, and other features affecting the acquisition, clearance, replatting, replanning, rezoning, or redevelopment of the area or areas, indicating any parcels of property to be excluded from the acquisition **or otherwise excluded from the effects of the establishment of the redevelopment project area or the amendment of the resolution or plan for an existing area;** and

~~(B)~~ **(C)** the parts of the area acquired that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes;

(2) lists of the owners of the various parcels of property proposed to be acquired **for, or otherwise affected by, the establishment of an area or the amendment of the resolution or plan for an existing area;** and

(3) an estimate of the ~~cost of~~ **costs, if any, to be incurred for the** acquisition and redevelopment **of property.**

(c) **This subsection applies to the initial establishment of a redevelopment project area or urban renewal area.** After completion of the data required by subsection (b), the commission shall adopt a resolution declaring that:

(1) the area needing redevelopment is a detriment to the social or economic interests of the consolidated city and its inhabitants;

(2) it will be of public utility and benefit to acquire the area and redevelop it under this chapter; and

(3) the area is designated as a redevelopment project area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area and identify the interests in real or personal property, if any, that the department proposes to acquire in the area.

(d) This subsection applies to the amendment of the resolution or plan for an existing redevelopment project area or urban renewal area. After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:

(1) except as provided by subsection (f), if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;

(2) it will be of public utility and benefit to amend the resolution or plan for the area; and

(3) any additional area to be acquired under the amendment is designated as part of the existing redevelopment project area or urban renewal area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area or urban renewal area, including any changes made to those boundaries by the amendment, and describe the activities that the department is permitted to take under the amendment, with any designated exceptions.

~~(d)~~ **(e)** For the purpose of adopting a resolution under subsection (c) **or (d),** it is sufficient to describe the boundaries of the redevelopment project area by its location in relation to public ways or streams, or otherwise, as determined by the commission. Property proposed for acquisition may be described by street numbers or location.

(f) The commission is not required to make the finding and declaration described in subsections (a)(4)(C) and (d)(1) concerning the enlargement of the boundaries of an existing redevelopment project area or urban renewal area if, before the adoption of the resolution under subsection (d), the Indiana economic development corporation issues a finding approving the enlargement of the boundaries. Before issuing a finding under this subsection, the Indiana economic development corporation must consider whether the enlargement of the boundaries will:

(1) lead to increased investment in Indiana;

(2) foster job creation or job retention in Indiana;

(3) have a positive impact on the unit in which the area is located; or

(4) otherwise benefit the people of Indiana by increasing opportunities for employment in Indiana and strengthening the economy of Indiana.

SECTION 746. IC 36-7-15.1-9, AS AMENDED BY P.L.185-2005, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) After or concurrent with adoption of a resolution under section 8 of this chapter, the commission shall determine whether the resolution and the redevelopment plan conform to the comprehensive plan of development for the consolidated city and approve or disapprove the resolution and plan proposed. **If the commission approves the resolution and plan, it shall submit the resolution and plan to the legislative body of the consolidated city, which may approve or disapprove the resolution and plan.**

(b) In determining the location and extent of a redevelopment project area proposed to be acquired for redevelopment, the commission shall give consideration to transitional and permanent provisions for adequate housing for the residents of the area who will be displaced by the redevelopment project.

SECTION 747. IC 36-7-15.1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) After approval **by the commission and the legislative body of the consolidated city** under section 9 of this chapter, the commission shall publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1. The notice must:

(1) state that maps, plats, or maps and plats have been prepared and can be inspected at the office of the department; ~~The notice must also~~ **and**

(2) name a date when the commission will:

(A) receive and hear remonstrances and other testimony from persons interested in or affected by the proceeding pertaining to the proposed project **or other actions to be taken under the resolution;** and ~~will~~

(B) determine the public utility and benefit of the proposed project **or other actions.**

All persons affected in any manner by the hearing, including all taxpayers of the redevelopment district, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the commission by the notice given under this section.

(b) A copy of the notice of the hearing on the resolution shall be filed in the office of the commission, board of zoning appeals, works board, park board, and any other departments, bodies, or officers of the consolidated city having to do with planning, variances from zoning ordinances, land use, or the issuance of building permits. These agencies and officers shall take notice of the pendency of the hearing, and until the commission confirms, modifies and confirms, or rescinds the resolution, or the confirmation of the resolution is set aside on appeal, they may not, without approval of the commission:

(1) authorize any construction on property or sewers in the area described in the resolution, including substantial modifications, rebuilding, conversion, enlargement, additions, and major structural improvements; or

(2) take any action regarding the zoning or rezoning of property, or the opening, closing, or improvement of public ways in the area described in the resolution.

This subsection does not prohibit the granting of permits for ordinary maintenance or minor remodeling, or for changes necessary for the continued occupancy of buildings in the area.

(c) If the resolution to be considered at the hearing includes a provision establishing or amending an allocation provision under section 26 of this chapter, the commission shall file the following information with each taxing unit that is wholly or partly located within the allocation area:

(1) A copy of the notice required by subsection (a).

(2) A statement disclosing the impact of the allocation area, including the following:

(A) The estimated economic benefits and costs incurred by the allocation area, as measured by increased employment and anticipated growth of real property assessed values.

(B) The anticipated impact on tax revenues of each taxing unit.

The commission shall file the information required by this subsection with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the hearing.

(d) At the hearing, which may be adjourned from time to time, the commission shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the commission shall take final action determining the public utility and benefit of the proposed project **or other actions to be taken under the resolution,** and confirming, modifying and confirming, or rescinding the resolution. The final action taken by the commission shall be recorded and is final and conclusive, except that an appeal may be taken under section 11 of this chapter.

SECTION 748. IC 36-7-15.1-10.5, AS AMENDED BY P.L.185-2005, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10.5. ~~(a) The commission must conduct a public hearing before amending a resolution or plan for a redevelopment project area, an urban renewal project area, or an economic development area. The commission shall give notice of the hearing in accordance with IC 5-3-1. The notice must:~~

~~(1) set forth the substance of the proposed amendment;~~

~~(2) state the time and place where written remonstrances against the proposed amendment may be filed;~~

~~(3) set forth the time and place of the hearing; and~~

~~(4) state that the commission will hear any person who has filed a written remonstrance during the filing period set forth under subdivision (2).~~

~~(b) For the purposes of this section, the consolidation of areas is not considered the enlargement of the boundaries of an area.~~

~~(c) When the commission proposes to amend a resolution or plan, the commission is not required to have evidence or make findings that were required for the establishment of the original redevelopment project area, urban renewal area, or economic development area. However, the commission must make the following findings before approving the amendment:~~

~~(1) The amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter.~~

~~(2) The resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the county.~~

~~(d)~~ **(a)** In addition to the requirements of ~~subsection (a),~~ **section 10 of this chapter,** if the resolution or plan **for an existing redevelopment project area or urban renewal area** is proposed to be amended in a way that changes:

(1) parts of the area that are to be devoted to a public way, levee, sewerage, park, playground, or other public purpose;

(2) the proposed use of the land in the area; or

(3) requirements for rehabilitation, building requirements, proposed zoning, maximum densities, or similar requirements;

the commission must, at least ten (10) days before the public hearing **under section 10 of this chapter,** send the notice required by ~~subsection (a)~~ **section 10 of this chapter** by first class mail to affected neighborhood associations.

~~(e)~~ **(b)** In addition to the requirements of ~~subsection (a),~~ **section 10 of this chapter,** if the resolution or plan **for an existing redevelopment project area or urban renewal area** is proposed to be amended in a way that:

(1) enlarges the boundaries of the area; ~~by not more than twenty percent (20%) of the original area;~~ or

(2) adds one (1) or more parcels to the list of parcels to be acquired;

the commission must, at least ten (10) days before the public hearing **under section 10 of this chapter,** send the notice required by ~~subsection (a)~~ **section 10 of this chapter** by first class mail to affected neighborhood associations and to persons owning property that is in the proposed enlargement of the area or that is proposed to be added to the acquisition list. If the enlargement of an area is proposed, notice must also be filed in accordance with section 10(b) of this chapter, and agencies and officers may not take actions prohibited by section 10(b) in the proposed enlarged area.

~~(f) Notwithstanding subsections (a) and (c), if the resolution or plan is proposed to be amended in a way that enlarges the original boundaries of the area by more than twenty percent (20%), the commission must use the procedure provided for the original establishment of areas and must comply with sections 8 through 10 of this chapter.~~

~~(g) At the hearing on the amendments, the commission shall consider written remonstrances that are filed. The action of the commission on the amendment shall be recorded and is final and conclusive, except that:~~

~~(1) the city-county legislative body must also approve the enlargement of the boundaries of an economic development area; and~~

~~(2) an appeal of the commission's action may be taken under section 11 of this chapter.~~

~~(h)~~ **(c)** The commission may require that neighborhood associations register with the commission. The commission may adopt a rule that requires that a neighborhood association

encompass a part of the geographic area included in or proposed to be included in a redevelopment project area, urban renewal area, or economic development area to qualify as an affected neighborhood association.

SECTION 749. IC 36-7-15.1-13, AS AMENDED BY P.L.185-2005, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. (a) **Subject to the approval of the city-county legislative body,** if the commission considers it necessary to acquire real property in a redevelopment project area by the exercise of the power of eminent domain, it shall adopt a resolution setting out its determination to exercise that power and directing its attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court of the county.

(b) Eminent domain proceedings under this section are governed by IC 32-24.

SECTION 750. IC 36-7-15.1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) For the purpose of raising money to carry out this chapter or IC 36-7-15.3, the city-county legislative body ~~shall~~ **may** levy each year a special tax upon all property in the redevelopment district. The tax so levied each year shall be certified to the fiscal officers of the city and the county before September 2 of each year. The tax shall be estimated and entered upon the tax duplicates by the county auditor, and shall be collected and enforced by the county treasurer in the same manner as state and county taxes are estimated, entered, collected, and enforced.

(b) As the tax is collected by the county treasurer, it shall be accumulated and kept in a separate fund to be known as the redevelopment district fund and shall be expended and applied only for the purposes of this chapter or IC 36-7-15.3.

(c) The amount of the special tax levy shall be based on the budget of the department but may not exceed one and sixty-seven hundredths cents ($0.0167) on each one hundred dollars ($100) of taxable valuation in the redevelopment district, except as otherwise provided in this chapter.

(d) The budgets and tax levies under this chapter are subject to review and modification in the manner prescribed by IC 36-3-6.

SECTION 751. IC 36-7-15.1-17, AS AMENDED BY P.L.219-2007, SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 19 of this chapter, the taxes allocated under section 26 of this chapter, or other revenues of the redevelopment district, the commission may, by resolution, issue the bonds of the redevelopment district in the name of the consolidated city and in accordance with IC 36-3-5-8. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

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

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

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

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

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

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

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

(1) the denominations of the bonds;

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

(3) the term of the bonds, which may not exceed:

(A) fifty (50) years, **for bonds issued before July 1, 2008; or**

(B) twenty-five (25) years, for bonds issued after June 30, 2008.

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

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

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

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

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

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

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

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

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

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

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

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

(j) Notwithstanding IC 36-3-5-8, the laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against, **or vote on,** the issuance of bonds applicable to bonds issued under this chapter do not apply to bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

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

SECTION 752. IC 36-7-15.1-17.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17.1. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, **for a lease entered into before July 1, 2008; or**

(2) twenty-five (25) years, for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the commission from special benefits taxes levied under section 19 of this chapter, taxes allocated under section 26 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission 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 unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the commission must be approved by an ordinance of the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the commission in whole or in part from the levy of special benefits taxes under section 19 of this chapter and upon approval of the lease by the fiscal body, the commission 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 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. Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for the hearing in the redevelopment district, which must be not less than five (5) or more than thirty (30) days after the time for the hearing is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the fiscal body, to the commission, and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner or deputy commissioner of the department 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 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.

(e) A commission entering into a lease payable from allocated taxes under section 26 of this chapter or revenues or other available funds of the commission may:

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental

payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) 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 publication of the notice of the execution and approval of the lease. 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, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, 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 commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission 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 after the hearing.

SECTION 753. IC 36-7-15.1-22.5, AS AMENDED BY P.L.163-2006, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22.5. (a) **Subject to the approval of the county fiscal body,** the commission may acquire a parcel of real property by the exercise of eminent domain when the following conditions exist:

(1) The real property meets at least one (1) of the conditions described in IC 32-24-4.5-7(1).

(2) The real property is capable of being developed or rehabilitated to provide affordable housing for low or moderate income families or to provide other development that will benefit or serve low or moderate income families.

(3) The real property suffers from one (1) or more of the conditions listed in IC 36-7-1-3, resulting in a negative impact on the use or value of the neighboring properties or other properties in the community.

(b) The commission or its designated hearing examiner shall conduct a public meeting to determine whether the conditions set forth in subsection (a) exist relative to a parcel of real property. Each person holding a fee or life estate interest of record in the property must be given notice by first class mail of the time and date of the hearing at least ten (10) days before the hearing, and is entitled to present evidence and make arguments at the hearing.

(c) If the commission considers it necessary to acquire real property under this section, it shall adopt a resolution setting out its determination to exercise that power and directing its attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court in the county.

(d) Eminent domain proceedings under this section are governed by IC 32-24.

(e) The commission shall use real property acquired under this section for one (1) of the following purposes:

(1) Sale in an urban homestead program under IC 36-7-17.

(2) Sale to a family whose income is at or below the county's median income for families.

(3) Sale or grant to a neighborhood development corporation or other nonprofit corporation, with a condition in the granting clause of the deed requiring the nonprofit organization to lease or sell the property to a family whose income is at or below the county's median income for families or to cause development that will serve or benefit families whose income is at or below the county's median income for families. However, a nonprofit organization is eligible for a sale or grant under this subdivision only if the county fiscal body has determined that the nonprofit organization meets the criteria established under subsection (f).

(4) Any other purpose appropriate under this chapter so long as it will serve or benefit families whose income is at or below the county's median income for families.

(f) The county fiscal body shall establish criteria for determining the eligibility of neighborhood development corporations and other nonprofit corporations for sales and grants of real property under subsection (e)(3). A neighborhood development corporation or other nonprofit corporation may apply to the county fiscal body for a determination concerning the corporation's compliance with the criteria established under this subsection.

(g) A neighborhood development corporation or nonprofit corporation that receives property under this section must agree to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the corporation.

SECTION 754. IC 36-7-15.1-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. (a) **Subject to the approval of the legislative body of the consolidated city, and** in order to:

(1) undertake survey and planning activities under this chapter;

(2) undertake and carry out any redevelopment project, urban renewal project, economic development plan, or housing program;

(3) pay principal and interest on any advances;

(4) pay or retire any bonds and interest on them; or

(5) refund loans previously made under this section;

the commission may apply for and accept advances, short term and long term loans, grants, contributions, loan guarantees, and any other form of financial assistance from the federal government, or from any of its agencies. The commission may apply for and accept loans under this section from sources other than the federal government or federal agencies but only if the loans are unconditionally guaranteed by the federal government or federal agencies. The commission may also enter into and carry out contracts and agreements in connection with that

financial assistance upon the terms and conditions that the commission considers reasonable and appropriate, as long as those terms and conditions are not inconsistent with the purposes of this chapter. The provisions of such a contract or agreement in regard to the handling, deposit, and application of project funds, as well as all other provisions, are valid and binding on the consolidated city or its executive departments and officers, as well as the commission, notwithstanding any other provision of this chapter.

(b) **Subject to the approval of the fiscal body of the consolidated city,** the commission may issue and sell bonds, notes, or warrants:

(1) to the federal government to evidence short term or long term loans made under this section; or

(2) to persons or entities other than the federal government to evidence short or long term loans made under this section that are unconditionally guaranteed by the federal government or federal agencies;

without notice of sale being given or a public offering being made.

(c) Notwithstanding any other law, bonds, notes, or warrants issued by the commission under this section may:

(1) be in the amounts, form, or denomination;

(2) be either coupon or registered;

(3) carry conversion or other privileges;

(4) have a rank or priority;

(5) be of such description;

(6) be secured (subject to other provisions of this section) in such manner;

(7) bear interest at a rate or rates;

(8) be payable as to both principal and interest in a medium of payment, at a time or times (which may be upon demand) and at a place or places;

(9) be subject to terms of redemption (with or without premium);

(10) contain or be subject to any covenants, conditions, and provisions; and

(11) have any other characteristics;

that the commission considers reasonable and appropriate.

(d) Bonds, notes, or warrants issued under this section are not an indebtedness of the city or redevelopment district within the meaning of any constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes, but are payable only from and secured only by income, funds, and properties of the project becoming available to the commission under this chapter or by grant funds from the federal government, as the commission specifies in the resolution authorizing their issuance.

(e) Bonds, notes, or warrants issued under this section are exempt from taxation as provided by IC 6-8-5.

(f) Bonds, notes, or warrants issued under this section shall be executed by the city executive and attested by the fiscal officer in the name of the "City of _____, Department of Metropolitan Development".

(g) Following the adoption of the resolution authorizing the issuance of bonds, notes, or warrants under this section, the commission shall certify a copy of that resolution to the officers of the city who have duties with respect to bonds, notes, or warrants of the city. At the proper time, the commission shall deliver to the officers the unexecuted bonds, notes, or warrants prepared for execution in accordance with the resolution.

(h) All bonds, notes, or warrants issued under this section shall be sold by the officers of the city who have duties with respect to the sale of bonds, notes, or warrants of the city. If an officer whose signature appears on any bonds, notes, or warrants issued under this section leaves office before their delivery, the signature remains valid and sufficient for all purposes as if he had remained in office until the delivery.

(i) If at any time during the life of a loan contract or agreement under this section the commission can obtain loans for the purposes of this section from sources other than the federal government at interest rates not less favorable than provided in the loan contract or agreement, and if the loan contract or agreement so permits, the commission may do so and may pledge the loan contract and any rights under that contract as security for the repayment of the loans obtained from other sources. Any loan under this subsection may be evidenced by bonds, notes, or warrants issued and secured in the same manner as provided in this section for loans from the federal government. These bonds, notes, or warrants may be sold at either public or private sale, as the commission considers appropriate.

(j) Money obtained from the federal government or from other sources under this section, and money that is required by a contract or agreement under this section to be used for project expenditure purposes, repayment of survey and planning advances, or repayment of temporary or definitive loans, may be expended by the commission without regard to any law pertaining to the making and approval of budgets, appropriations, and expenditures.

(k) Bonds, notes, or warrants issued under this section are declared to be issued for an essential public and governmental purpose.

SECTION 755. IC 36-7-15.1-26, AS AMENDED BY P.L.154-2006, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 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 26.2 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 resolution adopted under section 8 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 resolution previously adopted may include an allocation provision by the amendment of that 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~~ **For an allocation area established before July 1, 2008, the expiration date** may not be more than thirty (30) years after the date on which the allocation provision is established. **For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established.** However, **with respect to bonds or other obligations that were issued before July 1, 2008,** if **any of the** 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 a special 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 that 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 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements ~~in~~ **that are physically located in or physically connected to** that allocation area.

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

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) ~~in~~ **that are physically located in or physically connected to** that allocation area.

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

(I) 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 special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the ~~base~~ assessed value **of the taxable property in the allocation area for the most recent assessment date minus the base assessed value,** when multiplied by the estimated tax rate of the ~~allocated~~ **allocation** area, will exceed the amount of assessed value needed to provide 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) and subsection (g).

(B) ~~Notify~~ **Provide a written notice to** the county auditor, ~~of~~ **the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:**

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation 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).

(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 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 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 the 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. 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 one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers 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.

(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 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 756. IC 36-7-15.1-26.9, AS AMENDED BY P.L.224-2007, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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 **(before its repeal)** 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 **(before its repeal),** 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) **(before its repeal).**

SECTION 757. IC 36-7-15.1-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 29. (a) The commission may, by following the procedures set forth in sections 8, 9, and 10 of this chapter, approve a plan for and determine that a geographic area in the redevelopment district is an economic development area. Designation of an economic development area is subject to judicial review in the manner prescribed in section 11 of this chapter.

(b) The commission may determine that a geographic area is an economic development area if it finds:

(1) the plan for the economic development area:

(A) promotes significant opportunities for the gainful employment of its citizens;

(B) attracts a major new business enterprise to the unit;

(C) retains or expands a significant business enterprise existing in the boundaries of the unit; or

(D) meets other purposes of this section and sections 28 and 30 of this chapter;

(2) the plan for the economic development area cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed under this section and sections 28 and 30 of this chapter because of:

(A) lack of local public improvement;

(B) existence of improvements or conditions that lower the value of the land below that of nearby land;

(C) multiple ownership of land; or

(D) other similar conditions;

(3) the public health and welfare will be benefited by accomplishment of the plan for the economic development area;

(4) the accomplishment of the plan for the economic development area will be a public utility and benefit as measured by:

(A) attraction or retention of permanent jobs;

(B) increase in the property tax base;

(C) improved diversity of the economic base; or

(D) other similar public benefits; and

(5) the plan for the economic development area conforms to the comprehensive plan of development for the consolidated city.

(c) The determination that a geographic area is an economic development area must be approved by the city-county legislative body. The approval may be given either before or after judicial review is requested. The requirement that the city-county legislative body approve economic development areas does not prevent the commission from amending the plan for the economic development area. However, the enlargement of any boundary in the economic development area must be approved by the city-county legislative body, **and a boundary may not be enlarged unless:**

(1) the existing area does not generate sufficient revenue to meet the financial obligations of the original project; or

(2) the Indiana economic development corporation has, in the manner provided by section 8(f) of this chapter, made a finding approving the enlargement of the boundary.

SECTION 758. IC 36-7-15.1-30, AS AMENDED BY P.L.185-2005, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 30. (a) All of the rights, powers, privileges, and immunities that may be exercised by the commission in a redevelopment project area or urban renewal area may be exercised by the commission in an economic development area, subject to the following:

(1) The content and manner of exercise of these rights, powers, privileges, and immunities shall be determined by the purposes and nature of an economic development area.

(2) Real property (or interests in real property) relative to which action is taken under this section or section 28 or 29 of this chapter in an economic development area is not required to meet the conditions described in IC 36-7-1-3.

(3) The special tax levied in accordance with section 16 of this chapter may be used to carry out activities under this chapter in economic development areas.

(4) Bonds may be issued in accordance with section 17 of

this chapter to defray expenses of carrying out activities under this chapter in economic development areas **if no other revenue sources are available for this purpose.**

(5) The tax exemptions set forth in section 25 of this chapter are applicable in economic development areas.

(6) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes.

(7) The commission may not use its power of eminent domain under section 13 of this chapter to carry out activities under this chapter in economic development areas.

(b) The content and manner of discharge of duties set forth in section 6 of this chapter shall be determined by the purposes and nature of an economic development area.

SECTION 759. IC 36-7-15.1-32, AS AMENDED BY P.L.219-2007, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 760. IC 36-7-15.1-35, AS AMENDED BY P.L.219-2007, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(g) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) **For property taxes first due and payable before 2009,** 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.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

The special fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which ~~property taxes payable to the allocation fund in the following year~~ **the assessed value of the taxable property in the allocation area, 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:

(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~~ **Provide a written notice to** the county auditor, ~~of~~ **the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:**

(A) state the amount, if any, of excess ~~property taxes~~ **assessed value** that the commission has determined may be ~~paid~~ **allocated** to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter; **or**

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(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 761. IC 36-7-15.1-40, AS AMENDED BY P.L.185-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 40. (a) A commission shall establish a redevelopment project area by following the procedures set forth in sections 8 through 10 of this chapter. The establishment of a redevelopment project area under this subsection must also be approved by resolution of the legislative body of the excluded city.

(b) A commission may amend a resolution or plan for a redevelopment project area or economic development area by following the procedures ~~of section~~ **set forth in sections 8 through** 10.5 of this chapter. An amendment made under this subsection must also be approved by resolution of the legislative body of the excluded city.

(c) A person who filed a written remonstrance with the commission under subsection (a) and is aggrieved by the final action taken may seek appeal of the action by following the procedures for appeal set forth in section 11 of this chapter. The appeal hearing is governed by the procedures of section 11(b) of this chapter.

SECTION 762. IC 36-7-15.1-45, AS AMENDED BY P.L.219-2007, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 45. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 50 of this chapter, the taxes allocated under section 53 of this chapter, or other revenues of the redevelopment district, a commission may, by resolution, issue the bonds of its redevelopment district in the name of the excluded city. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

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

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

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

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

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

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

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

(1) the denominations of the bonds;

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

(3) the term of the bonds, which may not exceed:

(A) fifty (50) years, **for bonds issued before July 1, 2008; or**

(B) twenty-five (25) years, for bonds issued after June 30, 2008.

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

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

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

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

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

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

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

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

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

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

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

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

(j) The laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against, **or vote on,** the issuance of bonds applicable to bonds issued under this chapter do not apply to bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

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

SECTION 763. IC 36-7-15.1-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 46. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under section 45 of this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, **for a lease entered into before July 1, 2008; or**

(2) twenty-five (25) years, for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the commission from special benefits taxes levied under section 50 of this chapter, taxes allocated under section 53 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission 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 unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the commission must be approved by an ordinance of the fiscal body of the excluded city.

(d) Upon execution of a lease providing for payments by the commission in whole or in part from the levy of special benefits taxes under section 50 of this chapter and upon approval of the lease by the fiscal body, the commission 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 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. Upon the filing of the petition, the county auditor shall immediately certify a copy of the petition, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for the hearing in the redevelopment district, which must not be less than five (5) or more than thirty (30) days after the time for the hearing is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the fiscal body, to the commission, and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner or deputy commissioner of the department 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 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.

(e) A commission entering into a lease payable from allocated taxes under section 53 of this chapter or revenues or other available funds of the commission may:

(1) pledge the revenue to make payments under the lease as provided in IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) 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 publication of the notice of the execution and approval of the lease. 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, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department of local government finance.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, 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 commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission 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 after the hearing.

SECTION 764. IC 36-7-15.1-51 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 51. (a) **Subject to the approval of the legislative body of the consolidated city, and** in order to:

(1) undertake survey and planning activities under this chapter;

(2) undertake and carry out any redevelopment project or economic development plan;

(3) pay principal and interest on any advances;

(4) pay or retire any bonds and interest on them; or

(5) refund loans previously made under this section;

the commission may apply for and accept advances, short term and long term loans, grants, contributions, loan guarantees, and any other form of financial assistance from the federal government or from any of its agencies. The commission may apply for and accept loans under this section from sources other than the federal government or federal agencies, but only if the loans are unconditionally guaranteed by the federal government or federal agencies. The commission may also enter into and carry out contracts and agreements in connection with that financial assistance upon the terms and conditions that the commission considers reasonable and appropriate, if those terms and conditions are not inconsistent with the purposes of this chapter. The provisions of such a contract or agreement in regard to the handling, deposit, and application of project funds as all other provisions are valid and binding on the excluded city or its executive departments and officers, as well as the commission, notwithstanding any other provision of this chapter.

(b) **Subject to the approval of the fiscal body of the**

consolidated city, the commission may issue and sell bonds, notes, or warrants:

(1) to the federal government to evidence short term or long term loans made under this section; or

(2) to persons or entities other than the federal government to evidence short or long term loans made under this section that are unconditionally guaranteed by the federal government or federal agencies;

without notice of sale being given or a public offering being made.

(c) Notwithstanding any other law, bonds, notes, or warrants issued by the commission under this section may:

(1) be in the amounts, form, or denomination;

(2) be either coupon or registered;

(3) carry conversion or other privileges;

(4) have a rank or priority;

(5) be of such description;

(6) be secured (subject to other provisions of this section) in such manner;

(7) bear interest at a rate or rates;

(8) be payable as to both principal and interest in a medium of payment, at a time or times (which may be upon demand), and at a place or places;

(9) be subject to terms of redemption (with or without premium);

(10) contain or be subject to any covenants, conditions, and provisions; and

(11) have any other characteristics;

that the commission considers reasonable and appropriate.

(d) Bonds, notes, or warrants issued under this section are not an indebtedness of the excluded city or its redevelopment district within the meaning of any constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes but are payable only from and secured only by income, funds, and properties of the project becoming available to the commission under this chapter or by grant funds from the federal government, as the commission specifies in the resolution authorizing their issuance.

(e) Bonds, notes, or warrants issued under this section are exempt from taxation as provided by IC 6-8-5.

(f) Bonds, notes, or warrants issued under this section shall be executed by the city executive and attested by the fiscal officer in the name of the "City (or Town) of _____, for and on behalf of its Redevelopment District".

(g) Following the adoption of the resolution authorizing the issuance of bonds, notes, or warrants under this section, the commission shall certify a copy of that resolution to the officers of the excluded city who have duties with respect to bonds, notes, or warrants of the excluded city. At the proper time, the commission shall deliver to the officers the unexecuted bonds, notes, or warrants prepared for execution in accordance with the resolution.

(h) All bonds, notes, or warrants issued under this section shall be sold by the officers of the excluded city who have duties with respect to the sale of bonds, notes, or warrants of the excluded city. If an officer whose signature appears on any bonds, notes, or warrants issued under this section leaves office before their delivery, the signature remains valid and sufficient for all purposes as if the officer had remained in office until the delivery.

(i) If, at any time during the life of a loan contract or agreement under this section, the commission can obtain loans for the purposes of this section from sources other than the federal government at interest rates not less favorable than provided in the loan contract or agreement, and if the loan contract or agreement so permits, the commission may do so and may pledge the loan contract and any rights under that contract as security for the repayment of the loans obtained from other sources. Any loan under this subsection may be evidenced by bonds, notes, or warrants issued and secured in the same manner as provided in this section for loans from the federal government. These bonds, notes, or warrants may be sold at either public or private sale, as the commission considers appropriate.

(j) Money obtained from the federal government or from other sources under this section, and money that is required by a contract or agreement under this section to be used for project expenditure purposes, repayment of survey and planning advances, or repayment of temporary or definitive loans, may be expended by the commission without regard to any law pertaining to the making and approval of budgets, appropriations, and expenditures.

(k) Bonds, notes, or warrants issued under this section are declared to be issued for an essential public and governmental purpose.

SECTION 765. IC 36-7-15.1-53, AS AMENDED BY P.L.154-2006, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

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

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 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 resolution previously adopted may include an allocation provision by the amendment of that 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 must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision. ~~that~~ **For an allocation area established before July 1, 2008, the expiration date** may not be more than thirty (30) years after the date on which the allocation provision is established. **For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established.** However, **with respect to bonds or other obligations that were issued before July 1, 2008,** if **any of the** 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 a special 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 that 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 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements ~~in~~ **that are physically located in or physically connected to** that allocation area.

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

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) ~~in~~ **that are physically located in or physically connected to** that allocation area.

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

(I) 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 special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which ~~property taxes payable to the allocation fund in the following year~~ **the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area,** will exceed the amount of assessed value needed to provide 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) and subsection (g).

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

The notice must:

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation 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).

(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 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 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 the 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. 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 one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, 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.

(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 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 766. IC 36-7-15.1-57 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 57. (a) The commission may, by following the procedures set forth in sections 8, 9, and 10 of this chapter, approve a plan for and determine that a geographic area in the redevelopment district is an economic development area. Designation of an economic development area is subject to judicial review in the manner prescribed in section 11 of this chapter.

(b) The commission may determine that a geographic area is an economic development area if it finds that:

(1) the plan for the economic development area:

(A) promotes significant opportunities for the gainful employment of its citizens;

(B) attracts a major new business enterprise to the unit;

(C) retains or expands a significant business enterprise existing in the boundaries of the unit; or

(D) meets other purposes of this section and sections 28 and 58 of this chapter;

(2) the plan for the economic development area cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the powers allowed under this section and sections 28 and 58 of this chapter because of:

(A) lack of local public improvement;

(B) existence of improvements or conditions that lower the value of the land below that of nearby land;

(C) multiple ownership of land; or

(D) other similar conditions;

(3) the public health and welfare will be benefited by accomplishment of the plan for the economic development area;

(4) the accomplishment of the plan for the economic development area will be of public utility and benefit as measured by:

(A) attraction or retention of permanent jobs;

(B) increase in the property tax base;

(C) improved diversity of the economic base; or

(D) other similar public benefits; and

(5) the plan for the economic development area conforms to the comprehensive plan of development for the county.

(c) The determination that a geographic area is an economic development area must be approved by the excluded city legislative body. The approval may be given either before or after judicial review is requested. The requirement that the excluded city legislative body approve economic development areas does not prevent the commission from amending the plan for the economic development area. However, the enlargement of any boundary in the economic development area must be approved by the excluded city legislative body, **and a boundary may not be enlarged unless:**

(1) the existing area does not generate sufficient revenue to meet the financial obligations of the original project; or

(2) the Indiana economic development corporation has, in the manner provided by section 8(f) of this chapter, made a finding approving the enlargement of the boundary.

SECTION 767. IC 36-7-15.1-58, AS AMENDED BY P.L.185-2005, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 58. (a) All of the rights, powers, privileges, and immunities that may be exercised by a commission in a redevelopment project area may be exercised by a commission in an economic development area, subject to the following:

(1) The content and manner of exercise of these rights, powers, privileges, and immunities shall be determined by the purposes and nature of an economic development area.

(2) Real property (or interests in real property) relative to which action is taken under this section or section 28 or 57 of this chapter in an economic development area is not required to meet the conditions described in IC 36-7-1-3.

(3) Bonds may be issued in accordance with section 45 of this chapter to defray expenses of carrying out activities under this chapter in economic development areas **if no other revenue sources are available for this purpose.**

(4) The tax exemptions set forth in section 52 of this chapter are applicable in economic development areas.

(5) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes. However, a declaratory resolution or an amendment that establishes an allocation area must be approved by resolution of the legislative body of the excluded city.

(6) The excluded city legislative body may not use its power of eminent domain under section 39 of this chapter to carry out activities under this chapter in economic development areas.

(b) The content and manner of discharge of duties set forth in section 39(a) of this chapter shall be determined by the purposes and nature of an economic development area.

SECTION 768. IC 36-7-15.3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) The authority may issue bonds for the purpose of obtaining money to pay the cost of:

(1) acquiring property;

(2) constructing, improving, reconstructing, or renovating one (1) or more local public improvements; or

(3) funding or refunding bonds issued under this chapter or IC 36-7-15.1.

(b) The bonds are payable solely from the lease rentals from the lease of the local public improvement for which the bonds

were issued, insurance proceeds, and any other funds pledged or available.

(c) The bonds shall be authorized by a resolution of the board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds shall mature within:

(1) fifty (50) years, **for bonds issued before July 1, 2008; or**

(2) twenty-five (25) years, for bonds issued after June 30, 2008.

(f) The board shall sell the bonds at public or private sale upon such terms as determined by the board.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of the acquisition or construction, or both, of local public improvements, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

(1) planning and development of the facility and all buildings, facilities, structures, and improvements related to it;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the local public improvements ~~that are necessary or desirable to make the local public improvements~~ suitable for use and operations;

(4) architectural, engineering, consultant, and attorney fees;

(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the board, but in no event to exceed five (5) years;

(8) financial advisory fees;

(9) insurance during construction;

(10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, and interest on, the bonds being refunded or refinanced.

SECTION 769. 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 770. 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) **For property taxes first due and payable before 2009,** 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 **(before its repeal)** in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

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

(i) in the allocation area; and

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

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

The allocation fund may not be used for operating expenses of the reuse authority.

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

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) ~~Notify~~ **Provide a written notice to** the county auditor, ~~of~~ **the fiscal body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:**

(i) state 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); **or**

(ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. 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 **before 2009** 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.

SECTION 771. IC 36-7-30-31, AS AMENDED BY P.L.219-2007, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 772. 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) **For property taxes first due and payable before 2009,** 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 **(before its repeal)** in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefitting the allocation area.

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

(i) in the allocation area; and

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

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

The allocation fund may not be used for operating expenses of the development authority.

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

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) ~~Notify~~ **Provide a written notice to** the appropriate county ~~auditor of~~ **auditors and the fiscal bodies and other officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:**

(i) state 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); **or**

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

The county auditors shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the development authority. 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 **before 2009** 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.

SECTION 773. IC 36-7-30.5-34, AS AMENDED BY P.L.219-2007, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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 774. IC 36-7-32-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) An allocation provision adopted under section 15 of this chapter must:

(1) apply to the entire certified technology park; and

(2) require that any property tax on taxable property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the certified technology park be allocated and distributed as provided in subsections (b) and (c).

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

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

(2) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units.

(c) Except as provided in subsection (d), all the property tax proceeds that exceed those described in subsection (b) shall be allocated to the redevelopment commission for the certified technology park and, when collected, paid into the certified technology park fund established under section 23 of this chapter.

(d) Before July 15 of each year, the redevelopment commission shall do the following:

(1) Determine the amount, if any, by which the property tax proceeds to be deposited in the certified technology park fund will exceed the amount necessary for the purposes described in section 23 of this chapter.

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

(A) state the amount, if any, of excess tax proceeds that the redevelopment commission has determined may be allocated to the respective taxing units in the manner prescribed in subsection (c); **or**

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The redevelopment commission may not authorize an allocation of property tax proceeds under this subdivision if to do so would endanger the interests of the holders of bonds described in section 24 of this chapter.

(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 certified technology park effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the certified technology park, 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 taxable property as valued without regard to this section; or

(2) the base assessed value.

SECTION 775. IC 36-7.6-4-16, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 16. (a) This section applies if:

(1) a county or municipality that is a member of a development authority fails to make a transfer or a part of a transfer required by section 2 of this chapter; and

(2) the development authority has bonds or other debt or lease obligations outstanding.

(b) The treasurer of state shall ~~notwithstanding IC 6-1.1-21,~~ do the following:

(1) ~~Reduce the next distribution of property tax replacement credits under IC 6-1.1-21 to the county or municipality that failed to make a transfer or part of a transfer and~~ Withhold an amount equal to the amount of the transfer or part of the transfer under section 2 of this chapter that the ~~unit~~ **county or municipality** failed to make **from money in the possession of the state that would otherwise be available for distribution to the county or municipality under any other law.**

(2) Pay the amount withheld under subdivision (1) to the development authority.

SECTION 776. IC 36-8-6-5, AS AMENDED BY P.L.224-2007, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 receipted 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 (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 (after December 31, 2008),~~ nor the department of local government finance may reduce the levy.

SECTION 777. IC 36-8-7-14, AS AMENDED BY P.L.224-2007, SECTION 124, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 receipted 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 (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 778. IC 36-8-7-22, AS AMENDED BY P.L.224-2007, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (after December 31, 2008),~~ nor the department of local government finance may reduce these expenditures.

SECTION 779. IC 36-8-7.5-10, AS AMENDED BY P.L.224-2007, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (after December 31, 2008),~~ nor the department of local government finance may reduce the tax levy.

SECTION 780. IC 36-8-11-18, AS AMENDED BY P.L.224-2007, SECTION 127, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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 781. IC 36-8-11-22.1, AS AMENDED BY P.L.224-2007, SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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 782. IC 36-8-11-23, AS AMENDED BY P.L.224-2007, SECTION 129, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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 783. IC 36-8-13-4.7, AS AMENDED BY P.L.224-2007, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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 784. IC 36-8-15-19, AS AMENDED BY HEA 1137-2008, SECTION 267, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) This subsection applies to a county 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 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 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 785. IC 36-9-3-29, AS AMENDED BY P.L.224-2007, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (after December 31, 2008)~~ and the department of local government finance under IC 6-1.1-17.

SECTION 786. IC 36-9-3-31, AS AMENDED BY P.L.219-2007, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 31. (a) This section applies to an authority that includes a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) The authority may issue revenue or general obligation bonds under this section.

(c) The board may issue revenue bonds of the authority for the purpose of procuring money to pay the cost of acquiring real or personal property for the purpose of this chapter. The issuance of bonds must be authorized by resolution of the board and

approved by the county fiscal bodies of the counties in the authority before issuance. The resolution must provide for the amount, terms, and tenor of the bonds, and for the time and character of notice and mode of making sale of the bonds.

(d) The bonds are payable at the times and places determined by the board, but they may not run more than thirty (30) years after the date of their issuance and must be executed in the name of the authority by an authorized officer of the board and attested by the secretary. The interest coupons attached to the bonds may be executed by placing on them the facsimile signature of the authorized officer of the board.

(e) The president of the authority shall manage and supervise the preparation, advertisement, and sale of the bonds, subject to the authorizing ordinance. Before the sale of bonds, the president shall cause notice of the sale to be published in accordance with IC 5-3-1, setting out the time and place where bids will be received, the amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold in accordance with IC 5-1-11. After the bonds have been properly sold and executed, the executive director or president shall deliver them to the controller of the authority and take a receipt for them, and shall certify to the treasurer the amount that the purchaser is to pay, together with the name and address of the purchaser. On payment of the purchase price the controller shall deliver the bonds to the purchaser, and the controller and executive director or president shall report their actions to the board.

(f) General obligation bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to **the following:**

(1) The filing of a petition requesting the issuance of bonds.

(2) The appropriation of the proceeds of bonds.

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

(4) The approval of the appropriation by the department of local government finance.

(5) The right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds ~~and~~ **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

(6) The sale of bonds for not less than their par value.

(g) Notice of the filing of a petition requesting the issuance of bonds, notice of determination to issue bonds, and notice of the appropriation of the proceeds of the bonds shall be given by posting in the offices of the authority for a period of one (1) week and by publication in accordance with IC 5-3-1.

(h) The bonds are not a corporate indebtedness of any unit, but are an indebtedness of the authority as a municipal corporation. A suit to question the validity of the bonds issued or to prevent their issuance may not be instituted after the date set for sale of the bonds, and after that date the bonds may not be contested for any cause.

(i) The bonds issued under this section and the interest on them are exempt from taxation for all purposes except the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1.

SECTION 787. IC 36-9-4-45, AS AMENDED BY P.L.219-2007, SECTION 142, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 45. (a) Bonds issued under this chapter:

(1) shall be issued in the denomination;

(2) are payable over a period not to exceed thirty (30) years from the date of the bonds; and

(3) mature;

as determined by the ordinance authorizing the bond issue.

(b) All bonds issued under this chapter, the interest on them, and the income from them are exempt from taxation to the extent provided by IC 6-8-5-1.

(c) The provisions of IC 6-1.1-20 relating to:

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

(2) giving notice of a hearing on the appropriation of the proceeds of the bonds;

(3) the right of taxpayers to appear and be heard on the proposed appropriation;

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

(5) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

apply to the issuance of bonds under this chapter.

(d) A suit to question the validity of bonds issued under this chapter or to prevent their issue and sale may not be instituted after the date set for the sale of the bonds, and the bonds are incontestable after that date.

SECTION 788. IC 36-9-4-47, AS AMENDED BY P.L.224-2007, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (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.

SECTION 789. IC 36-9-11.1-11, AS AMENDED BY P.L.219-2007, SECTION 143, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: 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.

SECTION 790. IC 36-9-13-35, AS AMENDED BY P.L.224-2007, SECTION 134, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 (after December 31, 2008)~~ and then by the department of local government finance as in the case of other political subdivisions.

SECTION 791. IC 36-9-14.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) Except as provided in subsection (c), the county fiscal body may provide money for the cumulative capital development fund by levying a tax in compliance with IC 6-1.1-41 on the taxable property in the county.

(b) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a county in which the county option income tax or the county adjusted gross income tax is in effect on January 1 of that year, depends upon the number of years the county has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER $100 OF ASSESSED VALUATION
0	~~$0.05~~ **$0.0167**
1 or more	~~$0.10~~ **$0.0333**

(c) The maximum property tax rate that may be imposed for

property taxes first due and payable during a particular year in a county in which neither the county option income tax nor the county adjusted gross income tax is in effect on January 1 of that year, depends upon the number of years the county has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER $100 OF ASSESSED VALUATION
0	~~$0.04~~ **$0.0133**
1 or more	~~$0.07~~ **$0.0233**

SECTION 792. IC 36-9-15.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) Except as provided in subsection (c), the municipal fiscal body may provide money for the cumulative capital development fund by levying a tax in compliance with IC 6-1.1-41 on the taxable property in the municipality.

(b) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a municipality that is either wholly or partially located in a county in which the county option income tax or the county adjusted gross income tax is in effect on January 1 of that year depends upon the number of years the municipality has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER $100 OF ASSESSED VALUATION
0	~~$0.05~~ **$0.0167**
1	~~$0.10~~ **$0.0333**
2 or more	~~$0.15~~ **$0.05**

(c) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a municipality that is wholly located in a county in which neither the county option income tax nor the county adjusted gross income tax is in effect on January 1 of that year depends upon the number of years the municipality has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER $100 OF ASSESSED VALUATION
0	~~$0.04~~ **$0.0133**
1	~~$0.08~~ **$0.0267**
2 or more	~~$0.12~~ **$0.04**

SECTION 793. IC 36-10-3-24, AS AMENDED BY P.L.219-2007, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. (a) In order to raise money to pay for land to be acquired for any of the purposes named in this chapter, to pay for an improvement authorized by this chapter, or both, and in anticipation of the special benefit tax to be levied as provided in this chapter, the board shall cause to be issued, in the name of the unit, the bonds of the district. The bonds may not exceed in amount the total cost of all land to be acquired and all improvements described in the resolution, including all expenses necessarily incurred in connection with the proceedings, together with a sum sufficient to pay the costs of supervision and inspection during the period of construction of a work. The expenses to be covered in the bond issue include all expenses of every kind actually incurred preliminary to acquiring the land and the construction of the work, such as the cost of the necessary record, engineering expenses, publication of notices, preparation of bonds, and other necessary expenses. If more than one (1) resolution or proceeding of the board under section 23 of this chapter is confirmed whereby different parcels of land are to be acquired, or more than one (1) contract for work is let by the board at approximately the same time, the cost involved under all of the resolutions and proceedings may be included in one (1) issue of bonds.

(b) The bonds may be issued in any denomination not less than one thousand dollars ($1,000) each, in not less than five (5) nor more than forty (40) annual series. The bonds are payable one (1) series each year, beginning at a date after the receipt of taxes from a levy made for that purpose. The bonds are negotiable. The bonds may bear interest at any rate, payable semiannually. After adopting a resolution ordering bonds, the board shall certify a copy of the resolution to the unit's fiscal officer. The fiscal officer shall prepare the bonds, and the unit's executive shall execute them, attested by the fiscal officer.

(c) The bonds and the interest on them are exempt from taxation as prescribed by IC 6-8-5-1. Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to:

(1) the filing of a petition requesting the issuance of bonds;

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

(3) the appropriation of the proceeds of the bonds and approval by the department of local government finance; and

(4) the sale of bonds at public sale for not less than their par value.

(d) The board may not have bonds of the district issued under this section that are payable by special taxation when the total issue for that purpose, including the bonds already issued or to be issued, exceeds two percent (2%) of the adjusted value of the taxable property in the district as determined under IC 36-1-15. All bonds or obligations issued in violation of this subsection are void. The bonds are not obligations or indebtedness of the unit, but constitute an indebtedness of the district as a special taxing district. The bonds and interest are payable only out of a special tax levied upon all the property of the district as prescribed by this chapter. The bonds must recite the terms upon their face, together with the purposes for which they are issued.

SECTION 794. IC 36-10-4-35 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 35. (a) In order to pay for:

(1) land to be acquired for any of the purposes of this chapter;

(2) an improvement authorized by this chapter; or

(3) both;

the board shall issue the bonds of the district in the name of the city in anticipation of the special benefits tax to be levied under this chapter. The amount of the bonds may not exceed the estimated cost of all land to be acquired and the estimated cost of all improvements provided in the resolution, including all expenses necessarily incurred in the proceedings and a sum sufficient to pay the estimated costs of supervision and inspection during the period of construction. Expenses include all expenses actually incurred preliminary to acquisition of the land and the construction work, such as the estimated cost of the necessary record, engineering expenses, publication of notices, preparation of bonds, and other expenses necessary to letting the contract and selling the bonds.

(b) The total amount of any benefits that have been assessed by the board and confirmed against lots and parcels of land, exclusive of improvements, lying within two thousand (2,000) feet on either side of the land to be acquired or of the improvement, however, shall be deducted from the estimated cost.

(c) If more than one (1) resolution or proceeding of the board under section 25 of this chapter is confirmed whereby different parcels of land are to be acquired or more than one (1) contract for work is let by the board at approximately the same time, the estimated cost involved under all of the resolutions and proceedings may be contained in one (1) issue of bonds.

(d) The bonds shall be issued in any denomination up to five thousand dollars ($5,000) each. The bonds are negotiable instruments and bear interest at a rate established by the board and approved by the city legislative body.

(e) After adopting a resolution ordering the bonds, the board shall certify a copy of the resolution to the fiscal officer of the city. The fiscal officer shall then prepare the bonds, which shall be executed by the city executive and attested by the fiscal officer. The bonds are exempt from taxation for all purposes and are subject to IC 6-1.1-20 concerning:

(1) the filing of a petition requesting the issuance of bonds; and

(2) the right of:

(A) taxpayers to remonstrate against the issuance of bonds **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a).

(f) All bonds shall be sold at not less than par value plus accrued interest to date of delivery by the city fiscal officer to the highest bidder after giving notice of the sale of the bonds by publication in accordance with IC 5-3-1.

(g) The bonds are subject to approval by the city legislative body, in the manner it prescribes by ordinance or resolution.

(h) The bonds are not corporate obligations or indebtedness of the city, but are an indebtedness of the district as a special taxing district. The bonds and interest are payable only out of a special tax levied upon all property of the district. The bonds must recite these terms upon their face, together with the purposes for which they are issued.

(i) An action to question the validity of bonds of the district or to prevent their issue may not be brought after the date set for the sale of the bonds.

(j) The board may, instead of selling the bonds in series, sell the bonds to run for a period of five (5) years from the date of issue for the purposes of this chapter at any rate of interest payable semiannually, also exempt from taxation for all purposes. The board may sell bonds in series to refund the five (5) year bonds.

SECTION 795. IC 36-10-7.5-22, AS AMENDED BY P.L.219-2007, SECTION 145, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. (a) To raise money to pay for land to be acquired for any of the purposes named in this chapter or to pay for an improvement authorized by this chapter, and in anticipation of the special benefit tax to be levied as provided in this chapter, the legislative body shall issue in the name of the township the bonds of the district. The bonds may not exceed in amount the total cost of all land to be acquired and all improvements described in the resolution, including all expenses necessarily incurred in connection with the proceedings, together with a sum sufficient to pay the costs of supervision and inspection during the period of construction of a work. The expenses to be covered in the bond issue include all expenses of every kind actually incurred preliminary to acquiring the land and the construction of the work, such as the cost of the necessary record, engineering expenses, publication of notices, preparation of bonds, and other necessary expenses. If more than one (1) resolution or proceeding of the legislative body under this chapter is confirmed whereby different parcels of land are to be acquired or more than one (1) contract for work is let by the executive at approximately the same time, the cost involved under all of the resolutions and proceedings may be included in one (1) issue of bonds.

(b) The bonds may be issued in any denomination not less than one thousand dollars ($1,000) each, in not less than five (5) nor more than forty (40) annual series. The bonds are payable one (1) series each year, beginning at a date after the receipt of taxes from a levy made for that purpose. The bonds are negotiable. The bonds may bear interest at any rate, payable semiannually. After adopting a resolution ordering bonds, the legislative body shall certify a copy of the resolution to the township's fiscal officer. The fiscal officer shall prepare the bonds, and the executive shall execute the bonds, attested by the fiscal officer.

(c) The bonds and the interest on the bonds are exempt from taxation as prescribed by IC 6-8-5-1. Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to:

(1) the filing of a petition requesting the issuance of bonds;

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

(3) the appropriation of the proceeds of the bonds with the approval of the department of local government finance; and

(4) the sale of bonds at public sale for not less than the par value of the bonds.

(d) The legislative body may not have bonds of the district issued under this section that are payable by special taxation when the total issue for that purpose, including the bonds already issued or to be issued, exceeds two percent (2%) of the total adjusted value of the taxable property in the district as determined under IC 36-1-15. All bonds or obligations issued in violation of this subsection are void. The bonds are not obligations or indebtedness of the township but constitute an indebtedness of the district as a special taxing district. The bonds and interest are payable only out of a special tax levied upon all the property of the district as prescribed by this chapter. A bond must recite the terms upon the face of the bond, together with the purposes for which the bond is issued.

SECTION 796. IC 36-10-8-16, AS AMENDED BY P.L.219-2007, SECTION 146, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation bonds of the county or, if the authority was created under IC 18-7-18 (before its repeal on February 24, 1982), also of the city, if the board determines that the estimated annual net income of the capital improvement, plus the estimated annual tax revenues to be derived from any tax revenues made available for this purpose, will not be sufficient to satisfy and pay the principal of and interest on all bonds issued under this chapter, including the bonds then proposed to be issued.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall have prepared a resolution to be adopted by the county executive authorizing the issuance of general obligation bonds, or, if the authority was created under IC 18-7-18 (before its repeal on February 24, 1982), by the fiscal body of the city authorizing the issuance of general obligation bonds. The resolution must set forth an itemization of the funds and assets received by the board, together with the board's valuation and certification of the cost. The resolution must state the date or dates on which the principal of the bonds is payable, the maximum interest rate to be paid, and the other terms upon which the bonds shall be issued. The board shall submit the proposed resolution to the proper officers, together with a certificate to the effect that the issuance of bonds in accordance with the resolution will be in compliance with this section. The certificate must also state the estimated annual net income of the capital improvement to be financed by the bonds, the estimated annual tax revenues, and the maximum amount payable in any year as principal and interest on the bonds issued under this chapter, including the bonds proposed to be issued, ~~as~~ **at** the maximum interest rate set forth in the resolution. The bonds issued may mature over a period not exceeding forty (40) years from the date of issue.

(c) Upon receipt of the resolution and certificate, the proper officers may adopt them and take all action necessary to issue the bonds in accordance with the resolution. An action to contest the validity of bonds issued under this section may not be brought after the fifteenth day following the receipt of bids for the bonds.

(d) The provisions of all general statutes relating to:

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

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

(3) the giving of notice of the determination to issue bonds;

(4) the giving of notice of a hearing on the appropriation of the proceeds of bonds;

(5) the right of taxpayers to appear and be heard on the proposed appropriation;

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

(7) the sale of bonds at public sale;

apply to the issuance of bonds under this section.

SECTION 797. IC 36-10-9-15, AS AMENDED BY P.L.219-2007, SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation bonds of the county.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall have prepared a resolution to be adopted by the board of commissioners of the county authorizing the issuance of general obligation bonds. The resolution must state the date or dates on which the principal of the bonds is payable, the maximum interest rate to be paid, and the other terms upon which the bonds shall be issued. The board shall submit the proposed resolution to the board of commissioners of the county, together with a certificate to the effect that the issuance of bonds in accordance with the resolution will be in compliance with this section. The certificate must also state the estimated annual net income of the capital improvement to be financed by the bonds, the estimated annual tax revenues, and the maximum amount payable in any year as principal and interest on the bonds issued under this chapter, including the bonds proposed to be issued, at the maximum interest rate set forth in the resolution. The bonds issued may mature over a period not exceeding forty (40) years from the date of issue.

(c) Upon receipt of the resolution and certificate, the board of

commissioners of the county may adopt them and take all action necessary to issue the bonds in accordance with the resolution. An action to contest the validity of bonds issued under this section may not be brought after the fifteenth day following the receipt of bids for the bonds.

(d) The provisions of all general statutes relating to:

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

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds **in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or**

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

(3) the giving of notice of the determination to issue bonds;

(4) the giving of notice of a hearing on the appropriation of the proceeds of bonds;

(5) the right of taxpayers to appear and be heard on the proposed appropriation;

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

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

are applicable to the issuance of bonds under this section.

SECTION 798. IC 36-10-13-5, AS AMENDED BY P.L.2-2006, SECTION 195, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 5. (a) This section applies only to a school corporation in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).

(b) To provide funding for a historical society under this section, the governing body of a school corporation may impose a tax of not more than five-tenths of one cent ($0.005) on each one hundred dollars ($100) of assessed valuation in the school corporation.

~~(c) A tax under this section is not subject to the maximum permissible tuition support levy limitations imposed on the school corporation by IC 20-45-3.~~

~~(d)~~ **(c)** The school corporation shall deposit the proceeds of the tax in a fund to be known as the historical society fund. The historical society fund is separate and distinct from the school corporation's general fund and may be used only to provide funds for a historical society under this section.

~~(e)~~ **(d)** Subject to section 6 of this chapter, the governing body of the school corporation may annually appropriate the money in the fund to be paid in semiannual installments to a historical society having facilities in the county.

SECTION 799. IC 36-10-13-7, AS AMENDED BY P.L.2-2006, SECTION 196, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. (a) This section applies to school corporations in a county containing a city having a population of:

(1) more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000);

(2) more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);

(3) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

(4) more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000); or

(5) more than seventy-five thousand (75,000) but less than ninety thousand (90,000).

(b) To provide funding for an art association under this section, the governing body of a school corporation may impose a tax of not more than five-tenths of one cent ($0.005) on each one hundred dollars ($100) of assessed valuation in the school corporation. ~~The tax is not subject to the maximum permissible tuition support levy limitations imposed on the school corporation by IC 20-45-3.~~

(c) The school corporation shall deposit the proceeds of the tax imposed under subsection (b) in a fund to be known as the art association fund. The art association fund is separate and distinct from the school corporation's general fund and may be used only to provide funds for an art association under this section. The governing body of the school corporation may annually appropriate the money in the fund to be paid in semiannual installments to an art association having facilities in a city that is described in subsection (a), subject to subsection (d).

(d) Before an art association may receive payments under this section, the association's governing board must adopt a resolution that entitles:

(1) the governing body of the school corporation to appoint the school corporation's superintendent and director of art instruction as visitors who may attend all meetings of the association's governing board;

(2) the governing body of the school corporation to nominate individuals for membership on the association's governing board, with at least two (2) of the nominees to be elected;

(3) the school corporation to use the association's facilities and equipment for educational purposes consistent with the association's purposes;

(4) the students and teachers of the school corporation to tour the association's museum and galleries free of charge;

(5) the school corporation to borrow materials from the association for temporary exhibit in the schools;

(6) the teachers of the school corporation to receive normal instruction in the fine and applied arts at half the regular rates charged by the association; and

(7) the school corporation to expect exhibits in the association's museum that will supplement the work of the students and teachers of the corporation.

A copy of the resolution, certified by the president and secretary of the association, must be filed in the office of the school corporation before payments may be received.

(e) A resolution filed under subsection (d) is not required to be renewed annually. The resolution continues in effect until rescinded. An art association that complies with this section is entitled to continue to receive payments under this section as

long as the art association complies with the resolution.

(f) If more than one (1) art association in a city that is described in subsection (a) qualifies to receive payments under this section, the governing body of the school corporation shall select the one (1) art association best qualified to perform the services described in subsection (d). A school corporation may select only one (1) art association to receive payments under this section.

SECTION 800. 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.

SECTION 801. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 3-8-1-23.4; IC 3-8-1-23.5; IC 3-11-2-12.8; IC 6-1.1-20-3.4; IC 6-1.1-29-1.5; IC 6-1.1-29-2.5; IC 6-1.1-29.5; P.L.224-2007, SECTION 139; P.L.224-2007, SECTION 140.

SECTION 802. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2008]: IC 6-1.1-4-13.8; IC 6-1.1-35.2-1; IC 6-1.1-35.5-9.

SECTION 803. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009] IC 6-1.1-21.2-1; IC 6-1.1-21.2-13; IC 6-1.1-21.2-14; IC 12-19-1.5.

SECTION 804. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: 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 31-9-2-44.3; IC 31-34-8-5; IC 31-34-23-2.

SECTION 805. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2008]: IC 31-26-3; IC 31-34-8-8; IC 31-34-8-9; IC 31-34-24; IC 31-37-24.

SECTION 806. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: IC 5-22-4-9; IC 12-13-8; IC 12-13-9; IC 12-19-5; IC 12-19-7; IC 12-19-7.5; IC 16-35-3; IC 16-35-4; IC 16-35-5; IC 31-19-26; IC 31-25-2-17; IC 31-33-4-4; IC 31-33-21.

SECTION 807. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: IC 20-24-7-12; IC 20-43-1-5; IC 20-43-1-16; IC 20-43-3-5; IC 20-43-3-6; IC 20-43-6-2; IC 20-43-6-4; IC 20-43-6-6; 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 20-45-1-21; IC 20-45-1-22; IC 20-45-2; IC 20-45-3.

SECTION 808. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: IC 4-24-7-2; IC 11-10-2-3; IC 12-13-7-17.

SECTION 809. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: IC 20-40-4-2; IC 20-46-2.

SECTION 810. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: IC 6-1.1-19-13; IC 6-1.1-20.6-9; IC 6-1.1-21.7; IC 20-45-1-7; IC 20-45-4; IC 20-45-5; IC 20-45-6; IC 20-46-1-2; IC 20-46-3-8; IC 20-46-4-9.

SECTION 811. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: IC 6-1.1-20.6-1; IC 6-1.1-20.6-5; IC 6-1.1-20.6-6; IC 6-1.1-20.6-6.5.

SECTION 812. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2008]: IC 36-7-14-39.1; IC 36-7-15.1-26.1; IC 36-7-15.1-54.

SECTION 813. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: IC 4-35-8-2; 4-35-8-4; IC 6-1.1-20.9; IC 6-1.1-21; IC 8-22-3.5-10; IC 8-22-3.5-12; 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; IC 36-7-32-18.

SECTION 814. IC 5-10.3-11-4.5 IS REPEALED [EFFECTIVE JANUARY 1, 2009].

SECTION 815. IC 36-12-14 IS REPEALED [EFFECTIVE UPON PASSAGE].

SECTION 816. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: P.L.38-2001, SECTION 4; P.L.1-2002, SECTION 164.

SECTION 817. IC 6-3.1-21-10 IS REPEALED [EFFECTIVE JULY 1, 2008].

SECTION 818. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2008]: IC 3-10-2-14; IC 6-1.1-1-5.5; IC 6-1.1-1-22; IC 6-1.1-1-22.7; IC 36-6-5-2.

SECTION 819. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2009]: IC 12-16-2.5-2; IC 12-16-4.5-1; C 12-16-4.5-4; C 12-16-5.5-1; IC 12-16-7.5-9; IC 12-16-7.5-10; IC 12-16-14-1; IC 12-16-14-2; IC 12-16-14-3; IC 12-16-14-4; IC 12-16-14-5; IC 12-16-15.5.

SECTION 820. [EFFECTIVE JANUARY 1, 2009] **(a) A county may not impose a property tax levy under IC 12-16-14-1, IC 12-16-14-2, and IC 12-16-14-3 for an assessment date after January 15, 2008.**

(b) Notwithstanding the abolishment by this act of each county's county hospital care for the indigent fund, a county auditor shall separately account for and transfer:

(1) the unencumbered balance on December 31, 2008, of the county's account in the county general fund for the county hospital care for the indigent fund; and

(2) any delinquent property tax payments and other amounts that would have been deposited after December 31, 2008, in the county's account in the county general fund for the county hospital care for the indigent fund if IC 12-16-14-1, IC 12-16-14-2, and IC 12-16-14-3 had not been repealed by this act;

to the state after December 31, 2008, in the manner provided in IC 12-16-14-6(b) (as effective December 31, 2008). The auditor of state shall deposit an amount transferred under this subsection in the state hospital care for the indigent fund.

(c) In addition to other appropriations made to the family and children's social services administration, there is appropriated for the state fiscal year beginning July 1, 2008, and ending June 30, 2009, ten million dollars ($10,000,000) to

the family and social services administration from the state general fund for the purpose of making the first installment of the transfer required by IC 12-16-17-1, as added by this act, for calendar year 2009.

(d) Notwithstanding IC 4-12-1-12(e) and IC 4-13-2-23, if the amount available in the state hospital care for the indigent fund for the state fiscal year beginning July 1, 2008, and ending June 30, 2009, is insufficient to expend the amount appropriated to the family and social services administration from the fund by P.L.234-2007, SECTION 8 (including any augmentation permitted under P.L.234-2007, SECTION 8), the budget agency shall transfer an amount at least equal to the deficiency from the unrestricted balance of the state general fund to the state hospital care for the indigent fund for the purposes of the appropriation. The amount transferred does not reduce the appropriation made to any agency or for any other purpose. The transfers under this subsection shall be made on the schedule necessary to carry out the purposes of the appropriation.

SECTION 821. [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 (before its repeal by this act) 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, or 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 appropriate sufficient funds to pay these accounts.

(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 (including payments due for commitments before January 1, 2009), 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 822. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) A county may not impose a property tax levy under IC 12-13-8 for an assessment date after January 15, 2008.**

(b) Notwithstanding the abolishment by this act of each county's county medical assistance to wards fund, a county auditor shall separately account for and transfer:

(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 if IC 12-13-8 had not been repealed by this act;

to the state after December 31, 2008, in the manner provided in IC 12-13-9-1 (before its repeal by this act). The auditor of state shall deposit an amount transferred under this subsection in the state general fund for use by the office of the secretary of family and social services to defray the expenses and obligations incurred by the office of the secretary of family and social services for medical assistance to wards and associated administrative costs.

(c) Any unencumbered balance in the state medical assistance to wards fund on December 31, 2008, shall be transferred to the state general fund.

(d) In addition to the amount appropriated to the family and social services administration in P.L.234-2007, there is appropriated twelve million one hundred ninety thousand three hundred fifty-eight dollars ($12, 190,358) to the family and social services administration from the state general fund to defray the expenses and obligations incurred by the family and social services administration for medical assistance to wards and associated administrative costs, beginning July 1, 2008, and ending June 30, 2009. Augmentation allowed (as defined in P.L.234-2007, SECTION 1).

SECTION 823. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)] **(a) A county may not impose a property tax levy under IC 12-19-7 for an assessment date after January 15, 2008.**

(b) Notwithstanding the abolishment by this act of each county's family and children's fund, a county auditor shall

separately account for:

(1) the unencumbered balance on December 31, 2008, of the county's 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 family and children's fund if IC 12-19-7 had not been repealed by this act.

Money retained under this subsection may be used only to pay the county's obligations described in subsection (c) or (d). After all the obligations described in subsection (c) or (d) are satisfied, any remaining balance shall be deposited in the county's levy excess fund under IC 6-1.1-18.5-17 and used for the purposes of the fund.

(c) Notwithstanding the repeal of IC 12-19-7 by this act, a county's obligation to pay for the following services delivered before January 1, 2009, is not terminated:

(1) Child services (as defined in IC 12-19-7-1 (as effective before its repeal)).

(2) Other services described in IC 31-40-1-2 (as effective December 31, 2008) that would have been payable from the county's family and children's fund if IC 12-19-7 had not been repealed by this act.

(d) A county's obligation to levy property taxes to pay principal, interest, and other costs of any:

(1) loans that were entered into; or

(2) bonds that were issued;

under IC 12-19-5 or IC 12-19-7 (before their repeal by this act) to meet obligations described in subsection (c) is transferred to the county's debt service fund. A county may impose a property tax levy for an assessment date after January 15, 2008, for the county's debt service fund that is sufficient to pay the principal, interest, and other costs of loans and bond obligations transferred under this subsection.

(e) A county may impose a property tax levy in 2009 for the county debt service fund to pay any shortfall in revenue from the county's family and children's fund (before its repeal) needed to pay the obligations described in subsection (c) after the application of the amounts retained under subsection (b) and the proceeds of bonds and loans described in subsection (d).

(f) Notwithstanding the repeal of IC 12-19-7 and the amendment of IC 31-40 by this act, the obligation of a parent or guardian of the estate of a child to reimburse a county and to pay fees for services described in subsection (c) is not terminated. A juvenile court or county may enforce the obligation by any legal or equitable remedy permitted by law, including any procedure under IC 31-40 (as effective December 31, 2008).

(g) In addition to the amount appropriated to the department of child services in P.L.234-2007, there is appropriated two hundred thirty-nine million nine hundred eighty thousand five hundred two dollars ($239,980,502) to the department of child services from the state general fund to pay for:

(1) child services (as defined in IC 31-9-2-17.8 (as added by this act)) delivered after December 31, 2008; and

(2) other services that are provided by the department of child services to or for the benefit of children and that are delivered after December 31, 2008;

beginning July 1, 2008, and ending June 30, 2009. Augmentation allowed (as defined in P.L.234-2007, SECTION 1). If a county paid a cost that is an obligation of the department of child services, the department of child services may reimburse the county from the amount appropriated by this subsection. The county shall account for and use the reimbursement in the manner provided under subsection (b).

(h) The following are also appropriated to the department of child services for the purposes described in subsection (g), beginning July 1, 2008, and ending June 30, 2009:

(1) 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 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.

(2) 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.

(3) 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.

(i) Notwithstanding any other provision, payment for child services (as defined in IC 31-9-2-17.8 (as added by this act)) shall be made not later than sixty (60) days after the date the department of child services receives the service provider's invoice together with a properly prepared claim voucher and documentation.

SECTION 824. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)] (a) A county may not impose a property tax levy under IC 12-19-7.5 for an assessment date after January 15, 2008.

(b) Notwithstanding the abolishment by this act of each county's children's psychiatric residential treatment services fund, a county auditor shall separately account for:

(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 if IC 12-19-7.5 had not been repealed by this act.

Money retained under this subsection may be used only to pay the county's obligations described in subsection (c) or (d). After all the obligations described in subsection (c) or (d) are satisfied, any remaining balance shall be deposited in the county's levy excess fund under IC 6-1.1-18.5-17 and used for the purposes of the fund.

(c) Notwithstanding the repeal of IC 12-19-7 by this act, a county's obligation to pay for the following services delivered before January 1, 2009, is not terminated:

(1) Children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1 (as effective before its repeal)).

(2) Other services described in IC 31-40-1-2 (as effective December 31, 2008) that would have been payable from the county's children's psychiatric residential treatment services fund if IC 12-19-7.5 had not been repealed by this act.

(d) A county's obligation to levy property taxes to pay principal, interest, and other costs of any:

(1) loans that were entered into; or

(2) bonds that were issued;

under IC 12-19-5 or IC 12-19-7.5 (before their repeal by this act) to meet obligations described in subsection (c) is transferred to the county's debt service fund. A county may impose a property tax levy for an assessment date after January 15, 2008, for the county's debt service fund that is sufficient to pay the principal, interest, and other costs of loans and bond obligations transferred under this subsection.

(e) A county may impose a property tax levy in 2009 for the county debt service fund to pay any shortfall in revenue from the county's children's psychiatric residential treatment services fund (before its repeal) needed to pay the obligations described in subsection (c) after the application of the amounts retained under subsection (b) and the proceeds of bonds and loans described in subsection (d).

(f) Notwithstanding the repeal of IC 12-19-7.5 and the amendment of IC 31-40 by this act, the obligation of a parent or guardian of the estate of a child to reimburse a county and to pay fees for services described in subsection (c) is not terminated. A juvenile court or county may enforce the obligation by any legal or equitable remedy permitted by law, including any procedure under IC 31-40 (as effective December 31, 2008).

(g) In addition to the amount appropriated to the family and social services administration in P.L.234-2007, there is appropriated to the family and social services administration, beginning July 1, 2008, and ending June 30, 2009, ten million two hundred eleven thousand nine hundred twenty dollars ($10,211,920) from the state general fund to pay the costs for children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1 (repealed)) delivered after December 31, 2008, beginning July 1, 2008, and ending June 30, 2009. Augmentation allowed (as defined in P.L.234-2007, SECTION 1). Costs shall be paid in the manner determined by the office of the secretary of family and social services. If a county paid a cost that is an obligation of the office of the secretary of family and social services, the office may reimburse the county from the amount appropriated under this subsection. The county shall account for and use the reimbursement in the manner provided under subsection (b).

SECTION 825. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)] **(a) 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, as added by this act, shall be transferred to the child trust clearance account.**

(b) Money in a fund established under IC 12-19-1-15 (as effective December 31, 2008) or IC 12-19-1-16 (as effective December 31, 2008) on December 31, 2008, that is not transferred under subsection (a) shall be transferred to the appropriate account in the family resources trust clearance fund established by IC 12-19-1-16, as amended by this act.

(c) A county and any combination of:

(1) the office of the secretary of family and social services;

(2) the division of family resources;

(3) the department of child services; and

(4) the state department of health;

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 any other law, the agreement, if approved by the governor and the county fiscal body, governs the responsibilities of the state and the county.

(d) A reference in a law or other document to:

(1) child services (as defined in IC 12-19-7-1 (repealed)) shall be treated after December 31, 2008, as a reference to child services (as defined in IC 31-9-2-17.8, as added by this act); and

(2) a county office of family and children shall be treated after the effective date of this SECTION as a reference to:

(A) the division of family resources and a local office (as defined in IC 12-7-2-124.8, as added by this act) for activities subject to IC 12; and

(B) the department of child services and a local office (as defined in IC 31-9-2-76.6, as added by this act) for activities subject to IC 31.

SECTION 826. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) A county may not impose a property tax levy under IC 16-35-3 for an assessment date after January 15, 2008.**

(b) Notwithstanding the abolishment by this act of each county's children with special health care needs county fund, a county auditor shall separately account for and transfer:

(1) the unencumbered balance on December 31, 2008, of the county's children with special health care needs

county 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 with special health care needs county fund if IC 16-35-3 had not been repealed by this act;

to the state after December 31, 2008, in the manner provided in IC 16-35-4-2 (before its repeal by this act). The auditor of state shall deposit an amount transferred under this subsection in the state general fund for use by the state department of health for expenses and obligations incurred by the state department of health for services to children with special health care needs.

(c) Any unencumbered balance in the children with special health care needs state fund on December 31, 2008, shall be transferred to the state general fund.

(d) Any unencumbered balance in the children with special health care needs federal fund on December 31, 2008, shall be transferred to the appropriate account determined by the budget agency. The money must be accounted for and used in a manner consistent with the terms of the federal grant that provided the money.

(e) In addition to the amount appropriated to the state department of health in P.L.234-2007, including the amount appropriated to the state department of health, there is appropriated, beginning July 1, 2008, and ending June 30, 2009, five million two hundred forty-one thousand seven hundred ninety-eight dollars ($5,241,798) from the state general fund for expenses and obligations incurred by the state department of health for services to children with special health care needs. Augmentation allowed (as defined in P.L.234-2007, SECTION 1).

SECTION 827. [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.

SECTION 828. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) This SECTION applies only to an individual who in 2008 paid property taxes that:**

(1) were imposed on the individual's principal place of residence for the March 1, 2006, assessment date or the January 15, 2007, assessment date;

(2) are due after December 31, 2007; and

(3) are paid on or before the due date for the property taxes.

(b) As used in this SECTION, "adjusted gross income" has the meaning set forth in IC 6-3-1-3.5.

(c) An individual described in subsection (a) is entitled to a deduction from adjusted gross income for a taxable year beginning after December 31, 2007, and before January 1, 2009, in an amount equal to the amount determined in the following STEPS:

STEP ONE: Determine the lesser of:

(1) two thousand five hundred dollars ($2,500); or

(2) the total amount of property taxes imposed on the individual's principal place of residence for the March 1, 2006, assessment date or the January 15, 2007, assessment date and paid in 2007 or 2008.

STEP TWO: Determine the greater of zero (0) or the result of:

(1) the STEP ONE result; minus

(2) the total amount of property taxes that:

(A) were imposed on the individual's principal place of residence for the March 1, 2006, assessment date or the January 15, 2007, assessment date;

(B) were paid in 2007; and

(C) were deducted from adjusted gross income under IC 6-3-1-3.5(a)(17) by the individual on the individual's state income tax return for a taxable year beginning before January 1, 2008.

(d) The deduction under this SECTION is in addition to any deduction that an individual is otherwise entitled to claim under IC 6-3-1-3.5(a)(17). However, an individual may not deduct under IC 6-3-1-3.5(a)(17) any property taxes deducted under this SECTION.

SECTION 829. [EFFECTIVE UPON PASSAGE] **(a) Each elected township assessor and township trustee-assessor whose duties relating to the assessment of tangible property are assumed under this act by the county assessor shall organize the records of the township assessor's or township trustee-assessor's office relating to the assessment of tangible property in a manner prescribed by the department of local government finance and transfer the records to the county assessor as directed by the department. The department shall, before July 1, 2008, determine a procedure and schedule for the transfer of the records. A township assessor or township trustee-assessor shall complete the transfer of records and operations to the county assessor before the date of transfer of duties described in this subsection.**

(b) The assessors shall assist each other and coordinate their efforts to:

(1) ensure an orderly transfer of all township assessor and township trustee-assessor records to the county assessor; and

(2) provide for an uninterrupted and professional transition of the property assessment functions from the township assessor or township trustee-assessor to the county assessor consistent with the directions of the department of local government finance and this act.

(c) This SECTION expires January 1, 2013.

SECTION 830. [EFFECTIVE JULY 1, 2008] **(a) This act does not affect any assessment, assessment appeal, or other official action of a township assessor or township**

trustee-assessor made before the transfer to the county assessor of duties relating to the assessment of tangible property. Any assessment, assessment appeal, or other official action made by a township assessor or township trustee-assessor within the scope of the assessor's official duties under IC 6-1.1 or IC 36-6-5, before their amendment by this act, before transfer to the county assessor of duties relating to the assessment of tangible property shall be considered as having been made by the county assessor.

(b) This act does not affect any pending action against, or the rights of any party that may possess a legal claim against, a township assessor or township trustee-assessor that is not described in subsection (a).

(c) This SECTION expires January 1, 2013.

SECTION 831. [EFFECTIVE JULY 1, 2008] **(a) The department of local government finance shall adjust the maximum permissible ad valorem property tax levy of a county and a township in the county to reflect the transfer of records and operations from the township assessor or township trustee-assessor to the county assessor under this act. The adjusted maximum permissible ad valorem tax levies determined under this SECTION apply to property taxes first due and payable in the calendar year following the calendar year in which the transfer of records and operations was completed.**

(b) This SECTION expires January 1, 2013.

SECTION 832. [EFFECTIVE JULY 1, 2008] **(a) This SECTION applies to an elected township assessor:**

(1) who before July 1, 2008, is:

(A) elected to; or

(B) selected to fill a vacancy in;

the office of elected township assessor; and

(2) for whom the county assessor performs the assessment duties prescribed by IC 6-1.1:

(A) after June 30, 2008, under IC 36-6-5-1(h), as added by this act; or

(B) after December 31, 2008, as the result of a referendum under IC 36-2-15, as amended by this act.

(b) Notwithstanding any other provision of this act, an elected township assessor referred to in subsection (a) is entitled to remain in office until the end of the term to which the individual was elected or for which the individual was selected to fill a vacancy. The sole duty of the individual is to assist the county assessor in the transfer of records and operations from the township assessor to the county assessor under this act.

(c) If the office of township assessor is subject to the election on November 4, 2008, the term of office of the incumbent township assessor as of that date ends on December 31, 2008.

(d) This SECTION expires January 1, 2013.

SECTION 833. [EFFECTIVE UPON PASSAGE] **(a) IC 3-13-11 does not apply to a vacancy in the office of elected township assessor that occurs after the effective date of this SECTION and before July 1, 2008, in a township in which the number of parcels of real property on January 1, 2008, is less than fifteen thousand (15,000).**

(b) This SECTION expires July 1, 2008.

SECTION 834. [EFFECTIVE UPON PASSAGE] **(a) The following are transferred to the county assessor:**

(1) On July 1, 2008:

(A) employment positions as of June 30, 2008, of each elected township assessor in the county whose duties relating to the assessment of tangible property are transferred to the county assessor under IC 36-6-5-1(h), as added by this act, including:

(i) the employment position of the elected township assessor; and

(ii) the employment positions of all employees of the elected township assessor;

(B) real and personal property of:

(i) elected township assessors in the county whose duties relating to the assessment of tangible property are transferred to the county assessor under IC 36-6-5-1(h), as added by this act; and

(ii) township trustee-assessors in the county;

used solely to carry out property assessment duties;

(C) obligations outstanding on June 30, 2008, of:

(i) elected township assessors in the county whose duties relating to the assessment of tangible property are transferred to the county assessor under IC 36-6-5-1(h), as added by this act; and

(ii) township trustee-assessors in the county;

relating to the assessment of tangible property; and

(D) funds of:

(i) elected township assessors in the county whose duties relating to the assessment of tangible property are transferred to the county assessor under IC 36-6-5-1(h), as added by this act; and

(ii) township trustee-assessors in the county;

on hand for the purpose of carrying out property assessment duties in the amount determined by the county auditor.

(2) On January 1, 2009:

(A) employment positions as of December 31, 2008, of each elected township assessor in the county whose duties relating to the assessment of tangible property are transferred to the county assessor as the result of a referendum under IC 36-2-15, as amended by this act, including:

(i) the employment position of the elected township assessor; and

(ii) the employment positions of all employees of the elected township assessor;

(B) real and personal property of elected township assessors in the county whose duties relating to the assessment of tangible property are transferred to the county assessor as the result of a referendum under IC 36-2-15, as amended by this act, used

solely to carry out property assessment duties;

(C) obligations outstanding on December 31, 2008, of elected township assessors in the county whose duties relating to the assessment of tangible property are transferred to the county assessor as the result of a referendum under IC 36-2-15, as amended by this act, relating to the assessment of tangible property; and

(D) funds of elected township assessors in the county whose duties relating to the assessment of tangible property are transferred to the county assessor as the result of a referendum under IC 36-2-15, as amended by this act, on hand for the purpose of carrying out property assessment duties in the amount determined by the county auditor.

(b) Before July 1, 2008, the county assessor shall interview, or give the opportunity to interview to, each individual who:

(1) is an employee of:

(A) an elected township assessor in the county whose duties relating to the assessment of tangible property are transferred to the county assessor under IC 36-6-5-1(h), as added by this act; or

(B) a trustee-assessor in the county;

as of the effective date of this SECTION; and

(2) applies before June 1, 2008, for an employment position referred to in subsection (a)(1)(A).

(c) Before December 31, 2008, the county assessor shall interview, or give the opportunity to interview to, each individual who:

(1) is an employee of an elected township assessor in the county whose duties relating to the assessment of tangible property are transferred to the county assessor as the result of a referendum under IC 36-2-15, as amended by this act, as of the effective date of this SECTION; and

(2) applies before December 1, 2008, for an employment position referred to in subsection (a)(2)(A).

(d) A township served on June 30, 2008, by a township assessor whose duties relating to the assessment of tangible property are transferred to the county assessor under this act shall transfer to the county assessor all revenue received after the date of the transfer that is received by the township for the purpose of carrying out property assessment duties in the amount determined by the county auditor.

SECTION 835. [EFFECTIVE UPON PASSAGE] **(a) Before April 15, 2008, each county auditor shall certify to the county assessor, the executive (as defined in IC 36-1-2-5) of the county, the fiscal body (as defined in IC 36-1-2-6) of the county, and the county election board the name of each township in the county in which the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000).**

(b) This SECTION expires July 1, 2008.

SECTION 836. [EFFECTIVE UPON PASSAGE] **(a) The commission on state tax and financing policy established under IC 2-5-3 shall:**

(1) study whether it is reasonable and appropriate to require all counties to use a single state designed software system to provide a uniform and common property tax management system;

(2) if the commission's findings in the study under subdivision (1) are in the affirmative, study whether it is reasonable and appropriate for the state to fund any part of the system referred to in subdivision (1); and

(3) report the commission's findings in writing to:

(A) the budget committee; and

(B) the legislative council in an electronic format under IC 5-14-6.

(b) This SECTION expires July 1, 2009.

SECTION 837. [EFFECTIVE UPON PASSAGE] **(a) Before August 1, 2008, the department of local government finance shall report to the commission on state tax and financing policy established under IC 2-5-3 regarding:**

(1) the possibility of eliminating the existing method of assessing and valuing property for the purpose of property taxation; and

(2) the use of alternative methods of valuing property for the purpose of property taxation.

(b) The department of local government finance shall report to the commission on state tax and financing policy concerning at least three (3) options related to alternative methods of valuing property for the purpose of property taxation.

(c) The commission on state tax and financing policy shall study the issues described in subsection (a) and report the commission's findings and recommendations (in an electronic format under IC 5-14-6) to the legislative council before November 1, 2008.

(d) This SECTION expires July 1, 2009.

SECTION 838. [EFFECTIVE JULY 1, 2008] **(a) There is appropriated from the state general fund to the pension relief fund for the period beginning July 1, 2008, and ending June 30, 2009, forty-eight million six hundred eleven thousand dollars ($48,611,000) for the payment of pension, disability, and survivor benefits.**

(b) This SECTION expires July 1, 2009.

SECTION 839. [EFFECTIVE UPON PASSAGE] **(a) The pension management oversight commission established under IC 2-5-12 shall:**

(1) study issues related to the payment of benefits under the 1925 police pension fund (IC 36-8-6), the 1937 firefighters' pension fund (IC 36-8-7), and the 1953 police pension fund (IC 36-8-7.5) by the state of Indiana; and

(2) report the commission's findings in writing to:

(A) the budget committee; and

(B) the legislative council in an electronic format under IC 5-14-6.

(b) This SECTION expires July 1, 2009.

SECTION 840. [EFFECTIVE JULY 1, 2008] **For property taxes first due and payable after December 31, 2008, the department of local government finance shall reduce the maximum permissible ad valorem property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the state of Indiana under IC 5-10.3-11, as amended by this act, for benefits to members (and survivors and beneficiaries of members) of the 1925 police pension fund, the 1937 firefighters' fund, or the 1953 police pension fund.**

SECTION 841. [EFFECTIVE JULY 1, 2008] **IC 1-1-5-1 applies to the expiration of IC 14-23-3-3 and IC 15-13-9, both as amended by this act. Liability and penalties for delinquent tax payments for a property tax imposed under IC 14-23-3-3 or IC 15-13-9 before January 1, 2009, are not extinguished as a result of the expiration of these provisions under this act. Delinquent property taxes collected after December 31, 2008, from a property tax imposed under IC 14-23-3-3 or IC 15-13-9 before January 1, 2009, shall be deposited and used after December 31, 2008, as provided in IC 14-23-3-3 or IC 15-13-9, both as effective December 30, 2008.**

SECTION 842. [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.

SECTION 843. [EFFECTIVE JULY 1, 2008] **IC 6-1.1-12-37.5, as added by this act, applies to property taxes first due and payable after December 31, 2008.**

SECTION 844. [EFFECTIVE UPON PASSAGE] **IC 6-3.5-1.1-26(j), as added by this act, applies to property taxes first due and payable after December 31, 2007.**

SECTION 845. [EFFECTIVE APRIL 1, 2008] **(a) IC 6-2.5-6-10, as amended by this act, applies to reporting periods beginning after June 30, 2008.**

(b) For purposes of:

(1) IC 6-2.5-2-2, as amended by this act;

(2) IC 6-2.5-6-7, as amended by this act;

(3) IC 6-2.5-6-8, as amended by this act;

(4) IC 6-2.5-6-10, as amended by this act;

(5) IC 6-2.5-7-3, as amended by this act; and

(6) IC 6-2.5-7-5, as amended by this act;

all transactions, except the furnishing of public utility, telephone or related services, cable television or similar video and related services, cable radio, satellite television, or satellite radio services and related commodities by retail merchants described in IC 6-2.5-4-5, IC 6-2.5-4-6, and IC 6-2.5-4-11, shall be considered as having occurred after March 31, 2008, to the extent that delivery of the property or services constituting selling at retail is made after that date to the purchaser or to the place of delivery designated by the purchaser. However, a transaction shall be considered as having occurred before April 1, 2008, to the extent that the agreement of the parties to the transaction was entered into before April 1, 2008, and payment for the property or services furnished in the transaction is made before April 1, 2008, notwithstanding the delivery of the property or services after March 31, 2008.

(c) With respect to a transaction constituting the furnishing of public utility, telephone or related services, cable television or similar video and related services, cable radio, satellite television, or satellite radio services and related commodities, only transactions for which the charges are collected upon original statements and billings dated after April 30, 2008, shall be considered as having occurred after March 31, 2008.

SECTION 846. [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.**

SECTION 847. [EFFECTIVE JANUARY 1, 2009] **(a) 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.**

(b) 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.

SECTION 848. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)] **(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) An owner entitled to a homestead credit under IC 6-1.1-20.9 for property taxes assessed for the March 1, 2007, and January 15, 2008, assessment dates is entitled to an additional homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5) imposed against the taxpayer's homestead for the March 1, 2007, and January 15, 2008, assessment dates.

(c) Subject to subsection (j), the amount of the credit to which an owner is entitled under this SECTION equals the product of:

(1) the percentage prescribed in subsection (d)(3); multiplied by

(2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5) that is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of all deductions from assessed valuation that the owner claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property and the property tax replacement credit under IC 6-1.1-21.

(d) The county auditor of each county shall determine:

(1) the amount of the county's additional homestead credit allotment determined under subsection (e);

(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).

(e) There is granted under this SECTION a total of six hundred twenty million dollars ($620,000,000) of additional homestead credits. Subject to subsection (j), the additional homestead credits shall be distributed to each county as prescribed in subsection (f). Before distribution, the department of local government finance shall certify each county's additional homestead credit allotment to the department of state revenue and to each county auditor.

(f) Each county's certified additional homestead credit allotment, which shall be calculated by the budget agency, shall be determined under the following STEPS:

STEP ONE: For each county, determine the total of state homestead credits granted in the county for the most recent calendar year.

STEP TWO: Determine the sum of the amounts determined under STEP ONE.

STEP THREE: Divide the amount determined in STEP ONE by the amount determined in STEP TWO.

STEP FOUR: Multiply the result of STEP THREE by six hundred twenty million dollars ($620,000,000).

(g) Each county's additional homestead credit allotment authorized in this SECTION shall be distributed to that county not more than two (2) weeks after the county mails a property tax bill for which the additional homestead credit under this SECTION is granted.

(h) In addition to any other appropriation made to the property tax replacement fund board under P.L.234-2007, there is appropriated to the property tax replacement fund board six hundred twenty million dollars ($620,000,000) from the state general fund to make distributions for the additional homestead credits provided by this SECTION for property taxes assessed for the March 1, 2007, and January 15, 2008, assessment dates. The appropriation in this subsection is not subject to the limit in P.L.234-2007 on distributions from the property tax replacement fund. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, the budget agency, and the property tax replacement fund board shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made.

(j) This subsection applies to a county that before January 1, 2008, adopted an additional county adjusted gross income tax rate under IC 6-3.5-1.1-24 or IC 6-3.5-1.1-26 or an additional county option income tax rate under IC 6-3.5-6-30 or IC 6-3.5-6-32. The county auditor, with the approval of the county fiscal body may petition the department of local government finance in writing to permit a portion of the additional homestead credit allotment authorized for distribution under this SECTION to be used to increase the state funded homestead credit granted by this act for property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates or to increase both the state funded homestead credit granted by this act for property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates, and the state funded homestead credit granted by this act for property taxes imposed for the March 1, 2009, and January 15, 2010, assessment dates. The petition must be filed with the department of local government finance not later than twenty (20) days after the county auditor receives notice under this SECTION of the county's additional homestead credit allotment. The petition must indicate the amount or the percentage of the additional homestead credit allotment that the county chooses to apply to 2009 property taxes or the amounts or the percentages of the additional homestead credit allotment that the county chooses to apply to both 2009 and 2010 property taxes. The department of local government finance may take action on a petition with or without a hearing. The department of local government shall make a final determination of a petition not

later than twenty (20) days after receiving the petition. If the department of local government finance approves the petition:

(1) the department of local government finance shall certify to the department of state revenue and the county auditor the amount of the county's additional homestead credit allotment to be applied to:

(A) property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates; or

(B) both property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates and property taxes imposed for the March 1, 2009, and January 15, 2010, assessment dates;

as applicable;

(2) the additional homestead credits granted under this SECTION for property taxes imposed for the March 1, 2007, and January 15, 2008, assessment dates are reduced by the percentage necessary to reflect the amount of the additional homestead credit allotment under this SECTION that is to be applied to:

(A) property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates; or

(B) both property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates and property taxes imposed for the March 1, 2009, and January 15, 2010, assessment dates;

as applicable;

(3) the additional homestead credits granted by this act for:

(A) property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates; or

(B) both property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates and property taxes imposed for the March 1, 2009, and January 15, 2010, assessment dates;

as applicable are increased by the percentage necessary to reflect the amount of the additional homestead credit allotment under this SECTION that is to be applied to property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates or to both property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates and property taxes imposed for the March 1, 2009, and January 15, 2010, assessment dates (as applicable);

(4) the property tax replacement fund board shall withhold from the distribution made to the county under subsection (g), the amount of the additional homestead credit allotment that is to be applied to property taxes imposed for:

(A) the March 1, 2008, and January 15, 2009, assessment dates and distribute the amount to the county by December 31, 2008; or

(B) the March 1, 2008, and January 15, 2009, assessment dates and the March 1, 2009, and January 15, 2010, assessment dates, and distribute the proper amounts to the county by December 31, 2008, and December 31, 2009.

A county auditor shall distribute an amount received under this subsection for property taxes imposed for the March 1, 2008, and January 15, 2009, assessment dates, along with interest earned on the amount, among the taxing units in the county in proportion to the property tax revenue lost to each taxing unit from the increase in the additional homestead credit percentage made under subdivision (3).

SECTION 849. [EFFECTIVE JULY 1, 2008] **(a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal) apply throughout this SECTION.**

(b) A taxpayer that is entitled to a standard deduction under IC 6-1.1-12-37 for property taxes assessed for the March 1, 2008, and January 15, 2009, assessment dates is entitled to a homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) imposed against the taxpayer's homestead for the March 1, 2008, and January 15, 2009, assessment dates.

(c) The amount of the credit to which an owner is entitled under this SECTION equals the product of:

(1) the percentage prescribed in subsection (d)(3); multiplied by

(2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) that is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of all deductions from assessed valuation that the owner claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property and the property tax replacement credit under IC 6-1.1-21.

(d) The county auditor of each county shall determine:

(1) the amount of the county's homestead credit allotment determined under subsection (e);

(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 percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(e) There is granted under this SECTION a total of one hundred forty million dollars ($140,000,000) of homestead credits. The homestead credits shall be distributed to each county as prescribed in subsection (f). Before distribution, the department of local government finance shall certify each county's homestead credit allotment to the department of state revenue and to each county auditor.

(f) Each county's certified homestead credit allotment, which shall be calculated by the budget agency, shall be determined under the following STEPS:

STEP ONE: For each county, determine the total property tax liability of all homestead properties in the

county for the most recent calendar year before the application of any credits.

STEP TWO: For each county, determine the total property tax liability of all homestead properties resulting from property tax levies that are eliminated or replaced by this act for the most recent calendar year, before the application of any credits.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of the amounts determined under STEP THREE.

STEP FIVE: Divide the amount determined in STEP THREE by the amount determined in STEP FOUR.

STEP SIX: Multiply the result of STEP THREE by one hundred forty million dollars ($140,000,000).

(g) Each county's homestead credit allotment authorized in this SECTION shall be distributed to that county not more than two (2) weeks after the county mails a property tax bill for which the homestead credit under this SECTION is granted.

(h) In addition to any other appropriations, there is appropriated one hundred forty million dollars ($140,000,000) from the state general fund to make distributions for the homestead credits provided by this SECTION for property taxes assessed for the March 1, 2008, and January 15, 2009, assessment dates. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, and the budget agency shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made.

SECTION 850. [EFFECTIVE JULY 1, 2008] **(a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal) apply throughout this SECTION.**

(b) A taxpayer that is entitled to a standard deduction under IC 6-1.1-12-37 for property taxes assessed for the March 1, 2009, and January 15, 2010, assessment dates is entitled to a homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) imposed against the taxpayer's homestead for the March 1, 2009, and January 15, 2010, assessment dates.

(c) The amount of the credit to which an owner is entitled under this SECTION equals the product of:

(1) the percentage prescribed in subsection (d)(3); multiplied by

(2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) that is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of all deductions from assessed valuation that the owner claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property and the property tax replacement credit under IC 6-1.1-21.

(d) The county auditor of each county shall determine:

(1) the amount of the county's homestead credit allotment determined under subsection (e);

(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 percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(e) There is granted under this SECTION a total of eighty million dollars ($80,000,000) of homestead credits. The homestead credits shall be distributed to each county as prescribed in subsection (f). Before distribution, the department of local government finance shall certify each county's homestead credit allotment to the department of state revenue and to each county auditor.

(f) Each county's certified homestead credit allotment, which shall be calculated by the budget agency, shall be determined under the following STEPS:

STEP ONE: For each county, determine the total of state homestead credits granted in the county for the most recent calendar year.

STEP TWO: Determine the sum of the amounts determined under STEP ONE.

STEP THREE: Divide the amount determined in STEP ONE by the amount determined in STEP TWO.

STEP FOUR: Multiply the result of STEP THREE by eighty million dollars ($80,000,000).

(g) Each county's homestead credit allotment authorized in this SECTION shall be distributed to that county not more than two (2) weeks after the county mails a property tax bill for which the homestead credit under this SECTION is granted.

(h) In addition to any other appropriations, there is appropriated eighty million dollars ($80,000,000) from the state general fund to make distributions for the homestead credits provided by this SECTION for property taxes assessed for the March 1, 2009, and January 15, 2010, assessment dates. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, and the budget agency shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made.

SECTION 851. [EFFECTIVE JULY 1, 2008] **Notwithstanding P.L.234-2007, SECTION 10, there is appropriated to the property tax replacement fund board one**

billion one hundred nineteen million seven hundred thirty-seven thousand seventy-seven dollars ($1,119,737,077) from the state general fund for total operating expenses beginning July 1, 2008, and ending June 30, 2009. The appropriation made by this SECTION is instead of, and for the same purposes as, the appropriation of two billion one hundred thirty-three million nine hundred ninety-one thousand six hundred seventy-five dollars ($2,133,991,675) made by P.L.234-2007, SECTION 10, to the board for total operating expenses beginning July 1, 2008, and ending June 30, 2009.

SECTION 852. [EFFECTIVE JANUARY 1, 2009] **On January 1, 2009, the unencumbered balance of the property tax replacement fund, the property tax reduction trust fund, and any other fund terminated by this act shall be transferred to the state general fund.**

SECTION 853. [EFFECTIVE UPON PASSAGE] **(a) A municipal executive or county executive that is required to appoint an individual to serve as a nonvoting adviser to a redevelopment commission under IC 36-7-14-6.1, as amended by this act, shall make the initial appointment before July 1, 2008.**

(b) The legislative body of a consolidated city that is required to appoint an individual to serve as a nonvoting adviser to the metropolitan development commission under IC 36-7-4-207, as amended by this act, shall make the initial appointment before July 1, 2008.

(c) This SECTION expires July 1, 2009.

SECTION 854. [EFFECTIVE JULY 1, 2008] **(a) The definitions in P.L.234-2007, SECTION 1 apply throughout this SECTION.**

(b) The appropriation made by P.L.234-2007 to the department of education for a distribution for tuition support for the state fiscal year beginning July 1, 2008, and ending June 30, 2009, is voided. This subsection does not void the separate additional tuition support distribution appropriation made by P.L.234-2007.

(c) There is appropriated five billion two hundred thirty-four million nine hundred fifty thousand dollars ($5,234,950,000) to the department of education from the state general fund for the purposes of the total operating expenses of a distribution of tuition support under IC 20-43, beginning July 1, 2008, and ending June 30, 2009. The budget agency may transfer after June 30, 2008, and before January 1, 2009, the amount necessary, as determined by the budget agency, from the property tax replacement fund to the state general fund to fund the appropriation made by this subsection for the first six (6) months of the state fiscal year. However, the amount transferred after June 30, 2008, and before January 1, 2009, may not exceed one billion seven hundred ninety-six million one hundred eighty-seven thousand two hundred fifty-nine dollars ($1,796,187,259).

(d) The appropriation in subsection (c) shall be distributed for the purposes described in IC 20-43-2-3(a), including basic tuition support, special education programs, career and technical education programs, honors grants, and the primetime program in accordance with IC 20-43.

(e) If the appropriation in subsection (c) is more than required under this SECTION, any excess reverts to the state general fund.

(f) The appropriation in subsection (c) when added to the appropriation made for distributions of tuition support in P.L.234-2007 for the state fiscal year beginning July 1, 2007, and ending June 30, 2008, shall be made each calendar year under a schedule set by the budget agency and approved by the governor. However, the schedule must provide for at least twelve (12) payments, that one (1) payment shall be made at least every forty (40) days, and the total of the payments in each calendar year must equal the amount required under IC 20-43.

(g) The department of education shall include in its budget request prepared under IC 4-12-1-7 and IC 4-12-1-8 for the period beginning July 1, 2009, and ending June 30, 2011, a budget request for sufficient money to make distributions under IC 20-20-34 and IC 20-43 to fund special education preschool programs and tuition support, including that part funded by property taxes before January 1, 2009.

SECTION 855. [EFFECTIVE JUNE 1, 2008] **(a) The tuition reserve account in the state general fund established by IC 4-12-1-12(b) is abolished on June 30, 2008. The auditor of state shall transfer the balance of the reserve account established by IC 4-12-1-12(b) on June 30, 2008, to the state tuition reserve fund.**

(b) On one (1) or more dates specified by the budget director, but not later than December 31, 2010, the auditor of state shall transfer a total of fifty million dollars ($50,000,000) from the unrestricted balances of the state general fund to the state tuition reserve fund for the purposes of the fund.

SECTION 856. [EFFECTIVE JULY 1, 2008] **(a) In addition to the amounts appropriated to the department of education in P.L.234-2007 for distributions to children enrolled in special education preschool programs, there is appropriated to the department of education, beginning July 1, 2008, and ending June 30, 2009, three million dollars ($3,000,000) from the state general fund for distributions to children enrolled in special education preschool programs during the period beginning January 1, 2009, and ending June 30, 2009.**

(b) This SECTION expires July 1, 2009.

SECTION 857. [EFFECTIVE JANUARY 1, 2008] **The following amounts are appropriated to the department of education from the state general fund to make distributions under IC 20-20-36, as added by this act:**

(1) Twenty-five million dollars ($25,000,000) for the state fiscal year beginning July 1, 2008, and ending June 30, 2009.

(2) Sixty million dollars ($60,000,000) for the state fiscal year beginning July 1, 2009, and ending June 30, 2010.

(3) Thirty-five million dollars ($35,000,000) for the state fiscal year beginning July 1, 2010, and ending June 30,

2011.

SECTION 858. [EFFECTIVE UPON PASSAGE] **(a) The General Assembly finds and determines the following:**

(1) Lake County and St. Joseph County are counties for which limits to property tax liability under IC 6-1.1-20.6 (and as described in the proposed subsection (h) of Article 10, Section 1 of the Constitution of the State of Indiana as included in Senate Joint Resolution 1 of the 2008 session of the general assembly) are expected to reduce in 2010 the aggregate property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%).

(2) Lake County and St. Joseph County are each an eligible county for purposes of:

(A) the proposed subsection (h) of Article 10, Section 1 of the Constitution of the State of Indiana as included in Senate Joint Resolution 1 of the 2008 session of the general assembly; and

(B) IC 6-1.1-20.6.

SECTION 859. [EFFECTIVE JULY 1, 2008] **In addition to the amounts appropriated in P.L.234-2007, there is appropriated from the state general fund to the state forestry fund two million five hundred fifty-two thousand six dollars ($2,552,006) for use by the department of natural resources for the purposes of the state forestry fund during the period beginning July 1, 2008, and ending June 30, 2009.**

SECTION 860. [EFFECTIVE JULY 1, 2008] **In addition to the amounts appropriated in P.L.234-2007, there is appropriated from the state general fund to the state fair fund one million three hundred thousand three hundred eighty-five dollars ($1,300,385) for use by the state fair commission for the purposes of the state fair fund during the period beginning July 1, 2008, and ending June 30, 2009.**

SECTION 861. [EFFECTIVE JULY 1, 2008] **(a) In addition to any other appropriation, there is appropriated to the department of education from the state general fund ten million dollars ($10,000,000) for the state fiscal year beginning July 1, 2008, and ending June 30, 2009, to make new facility adjustment distributions that are approved by the department of local government finance under IC 20-43-11.5, as added by this act.**

(b) This SECTION expires July 1, 2010.

SECTION 862. [EFFECTIVE JULY 1, 2008] **(a) This SECTION applies whenever a school corporation appeals to the department of local government finance before January 1, 2009, to make up a shortfall in a tuition support levy that resulted:**

(1) because erroneous assessed valuation figures or tax rate calculations were used to determine the school corporation's total property tax rate; or

(2) because of the payment of refunds that resulted from appeals under IC 6-1.1 and IC 6-1.5.

(b) The following definitions apply throughout this SECTION:

(1) "Excessive tax levy" means a property tax levy for the school corporation's general fund for a calendar year.

(2) "School corporation" has the meaning set forth in IC 20-18-2-16.

(3) "Shortfall" means a loss in property tax collections from a tuition support levy resulting from a reason described in subsection (a).

(4) "Tax control board" refers to the school property tax control board established under IC 6-1.1-19-4.1.

(5) "Tuition support levy" refers to a property tax levy imposed under IC 6-1.1-19-1.5 (before its repeal) or IC 20-45-3-11 (before its repeal) for a year before January 1, 2009.

(c) The department of local government finance shall transmit the appeal to the tax control board. The tax control board shall conduct a hearing and determine whether:

(1) a shortfall has occurred; and

(2) the appellant school corporation cannot carry out the public educational duties committed to the appellant school corporation by law if the appellant school corporation does not receive emergency financial relief for the ensuing calendar year.

(d) If the tax control board makes the determinations described in subsection (c), the tax control board shall recommend to the department of local government finance that the appellant school corporation be permitted to collect an excessive tax levy in 2009 in the amount that does not exceed the result of:

(1) the school corporation's tuition support levy for the year covered by the appeal, as finally approved by the department of local government finance, and after subtracting the amount of revenue lost (if any) to the school corporation's general fund as a result of the application of the circuit breaker credit under IC 6-1.1-20.6 to the tuition support levy; minus

(2) the amount received by the school corporation from the tuition support levy.

(e) If the tax control board makes a recommendation under subsection (d), the tax control board may also recommend to the department of local government finance that the school corporation receive any of the following emergency financial relief:

(1) A grant or grants from any funds of the state that are available for that purpose.

(2) A loan or loans from any funds of the state that are available for that purpose.

(3) Permission to the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan.

(4) An advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations.

(5) Permission to the appellant school corporation to:

(A) cancel any unpaid obligation of the appellant school corporation's general fund to the appellant school corporation's capital projects fund; or

(B) use for general fund purposes:

(i) any unobligated balance in the appellant school corporation's capital projects fund; and

(ii) the proceeds of any levy made or to be made by the school corporation for the school corporation's capital projects fund.

(6) Permission to use, for general fund purposes, any unobligated balance in any debt service or other construction fund, including any unobligated proceeds of a sale of the school corporation's general obligation bonds.

(7) A combination of the emergency financial relief described in subdivisions (1) through (6).

(f) A recommendation made by the tax control board under this SECTION must specify the amount of the proposed excessive tax levy. Notwithstanding any other law, the department of local government finance may authorize the school corporation to make an excessive tax levy in 2009 in accordance with a recommendation under this SECTION without any other proceeding. Whenever the department of local government finance authorizes an excessive tax levy under this SECTION, the department of local government finance shall take appropriate steps to ensure that the proceeds of the excessive tax levy are first used to repay any loan authorized under this SECTION. The department of local government finance or another state agency may also take appropriate action to implement any additional recommendations made under subsection (d).

(g) This SECTION expires January 1, 2010.

SECTION 863. [EFFECTIVE JANUARY 1, 2009] **IC 6-3-4-4.1, IC 6-3-4-15.7, IC 6-3.5-1.1-18, IC 6-3.5-6-22, and IC 6-3.5-7-18, all as amended by this act, apply only to taxable years beginning after December 31, 2008.**

SECTION 864. [EFFECTIVE JANUARY 1, 2009] **IC 6-3.1-21-6, as amended by this act, applies to taxable years beginning after December 31, 2008.**

SECTION 865. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) Notwithstanding any provision in IC 5-11-10.5 or any other law, a warrant issued by a county auditor for a refund of an additional 2007 homestead credit under P.L.234-2007, SECTION 300, as amended by P.L.1-2008, SECTION 5, that is:**

(1) outstanding and unpaid for one hundred eighty (180) days after the warrant is issued; and

(2) for an amount that is not more than ten dollars ($10);

is void. An individual, a bank, a trust company, a building and loan association, or any other financial institution may not honor, cash, or accept for payment or deposit a warrant that meets the requirements of subdivisions (1) and (2).

(b) The amount of an outstanding warrant that is voided under subsection (a) shall be paid by the county treasurer to the treasurer of state for deposit in the property tax reduction trust fund established by IC 4-35-8-2 not more than ninety (90) days after the warrant is voided.

(c) This SECTION expires January 1, 2010.

SECTION 866. [EFFECTIVE UPON PASSAGE] **(a) The department of local government finance may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to carry out the department's authority under IC 6-1.1 to establish standards for computer systems used by Indiana counties for the administration of the property tax assessment, billing, and settlement processes. A temporary rule adopted under this SECTION must comply with the requirements described in IC 6-1.1-31-1(4) and IC 6-1.1-31.5-3.5(c). A temporary rule adopted under this SECTION expires on the earlier of the following:**

(1) The date specified by the department of local government finance in the temporary rule.

(2) The date that the department of local government finance adopts another temporary rule under this SECTION or a rule under IC 4-22-2 that amends, repeals, or otherwise supersedes the emergency rule.

(3) July 1, 2009.

(b) After the effective date of this SECTION, IC 6-1.1-31-1, as amended by this act, applies to all rules and standards of the department of local government finance, including rules or standards adopted before the effective date of this SECTION.

(c) IC 6-1.1-33.5-8 and IC 6-1.1-33.5-9, as added by this act, apply to all systems described in IC 6-1.1-33.5-8, as added by this act, that are tested or operated after the effective date of this SECTION, including systems for which development began before the effective date of this SECTION.

SECTION 867. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding any provision in IC 6-3.5-1.1 (including the August 1 deadlines applicable under IC 6-3.5-1.1-24(a), IC 6-3.5-1.1-24(b), IC 6-3.5-1.1-25(i), and IC 6-3.5-1.1-26(e)), a county council may in 2008 adopt or increase an additional county adjusted gross income tax rate under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 at any time before January 1, 2009.**

(b) Notwithstanding any provision in IC 6-3.5-6 (including the August 1 deadlines applicable under IC 6-3.5-6-30(a), IC 6-3.5-6-30(b), IC 6-3.5-6-31(i), and IC 6-3.5-6-32(e)), a county income tax council or county council, as applicable, may in 2008 adopt or increase an additional county option income tax rate under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32 at any time before January 1, 2009.

(c) Notwithstanding any provision of IC 6-3.5-1.1 or IC 6-3.5-6, any additional county adjusted gross income tax rate adopted or increased in 2008 under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 and any additional county option income tax rate adopted or increased in 2008 under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32 takes effect as

follows:

(1) In the case of an ordinance adopted before October 1, 2008, the tax rate takes effect October 1, 2008.

(2) In the case of an ordinance adopted after September 30, 2008, and before October 16, 2008, the tax rate takes effect November 1, 2008.

(3) In the case of an ordinance adopted after October 15, 2008, and before November 16, 2008, the tax rate takes effect December 1, 2008.

(4) In the case of an ordinance adopted after November 15, 2008, and before January 1, 2009, the tax rate takes effect January 1, 2009.

SECTION 868. [EFFECTIVE JULY 1, 2007 (RETROACTIVE)] **(a) The definitions in IC 6-1.1-1 apply throughout this SECTION.**

(b) A reference in this SECTION to IC 6-1.1-15-1 is a reference to that section as in effect on July 1, 2007.

(c) Notwithstanding IC 6-1.1-15-1(b), a taxpayer that receives a tax statement under IC 6-1.1-22 or a provisional tax statement (as defined in IC 6-1.1-22.5-2) for the first installment of property taxes based on the assessment date in 2007 and first due and payable in 2008 may appeal the assessment under IC 6-1.1-15-1 by filing a notice in writing with the county or township official referred to in IC 6-1.1-15-1(a) not later than the later of:

(1) forty-five (45) days after:

(A) the tax statement under IC 6-1.1-22; or

(B) the reconciling statement (as defined in IC 6-1.1-22.5-4) that reconciles the taxes from the provisional tax statement;

is given to the taxpayer; or

(2) July 1, 2008.

(d) This SECTION expires January 1, 2010.

SECTION 869. [EFFECTIVE JULY 1, 2008] **Notwithstanding any other provision, for property taxes first due and payable after December 31, 2008, and for budget years after 2008, the department of local government finance shall adjust the maximum permissible ad valorem property tax levy, the budget, the excise tax and local option income tax distributions, and the tax rates of any political subdivision or taxing unit as necessary to account for any changes made by this act, including the elimination of any property tax levies by this act or the transfer of governmental responsibilities by this act.**

SECTION 870. [EFFECTIVE UPON PASSAGE] **(a) The state board of accounts shall design the form required by IC 6-1.1-20-3.5(b)(5), as added by this act, before June 15, 2008.**

(b) This SECTION expires January 1, 2009.

SECTION 871. [EFFECTIVE UPON PASSAGE] **(a) The legislative services agency shall prepare legislation for introduction in the 2009 regular session of the general assembly to correct statutes affected by this act.**

(b) This SECTION expires July 1, 2009.

SECTION 872. **An emergency is declared for this act.**

(Reference is to EHB 1001 as reprinted February 26, 2008.)

Cochran, Chair	Kenley
Klinker	Skinner
House Conferees	Senate Conferees

Roll Call 364: yeas 41, nays 6. Report adopted.

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the Conference Committee Reports on Engrossed House Bills 1019–1, 1052–2, 1071–1, 1105–1, and 1119–1.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has concurred with the Senate amendments to Engrossed House Bills 1280, 1179, 1293, and 1049.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE PRESIDENT PRO TEMPORE OF THE INDIANA STATE SENATE

Madam President and Members of the Senate: I have on March 14, 2008, signed Senate Enrolled Act 31.

DAVID C. LONG
President Pro Tempore

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT

ESB 43–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill 43 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state administration and environmental law.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-21.5-3.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. **(a) Except as provided in subsection (b),** a person who applies to be a mediator under this chapter must ~~have:~~

~~(1) completed at least forty (40) hours of mediation training in courses certified as appropriate for mediation training by~~

~~the Indiana commission for continuing legal education;~~

~~(2) received a minimum of five (5) hours of mediation training during the two (2) year period before application; and~~

~~(3) received a minimum of five (5) hours of mediation training during the two (2) year period before reapplication if reapplication is required by the agency involved.~~

be qualified as a mediator under Rule 2.5 of the Indiana Supreme Court Rules for Alternative Dispute Resolution.

(b) Subject to approval of the administrative law judge, the parties may agree on any person to serve as a mediator.

SECTION 2. IC 5-24-1-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 4. IC 13-14-13 and IC 13-30-10-1 apply to the use of an electronic submission for any of the following:**

(1) Satisfaction of a state or federal requirement for reporting to the department of environmental management.

(2) Satisfaction of the requirements for an application to the department of environmental management.

(3) Submission to the department of environmental management of any other substitute for a paper document.

SECTION 3. IC 8-1.5-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The acquisition, construction, installation, operation, and maintenance of facilities and land for storm water systems may be financed through:

(1) proceeds of special taxing district bonds of the storm water district;

(2) the assumption of liability incurred to construct the storm water system being acquired;

(3) service rates;

(4) revenue bonds; or

(5) any other available funds.

(b) **Except as provided in IC 36-9-23-37,** the board, after holding a public hearing with notice given under IC 5-3-1 and obtaining the approval of the fiscal body of the unit served by the department, may assess and collect user fees from all of the property of the storm water district for the operation and maintenance of the storm water system. The amount of the user fees must be the minimum amount necessary for the operation and maintenance of the storm water system. The assessment and collection of user fees under this subsection by the board of a county must also be approved by the county executive.

(c) The collection of the fees authorized by this section may be effectuated through a periodic billing system or through a charge appearing on the semiannual property tax statement of the affected property owner.

(d) The board shall use one (1) or more of the following factors to establish the fees authorized by this section:

(1) A flat charge for each lot, parcel of property, or building.

(2) The amount of impervious surface on the property.

(3) The number and size of storm water outlets on the property.

(4) The amount, strength, or character of storm water discharged.

(5) The existence of improvements on the property that address storm water quality and quantity issues.

(6) The degree to which storm water discharged from the property affects water quality in the storm water district.

(7) Any other factors the board considers necessary.

(e) The board may exercise reasonable discretion in adopting different schedules of fees or making classifications in schedules of fees based on:

(1) variations in the costs, including capital expenditures, of furnishing services to various classes of users or to various locations;

(2) variations in the number of users in various locations; and

(3) whether the property is used primarily for residential, commercial, or agricultural purposes.

SECTION 4. IC 13-11-2-0.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.7. "ABS sensor", for purposes of IC 13-20-17.7, refers to an anti-lock braking system G-force sensor.**

SECTION 5. IC 13-13-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. The department must include the following divisions:

(1) An air pollution control division.

(2) A water pollution control division.

(3) A solid waste management division.

~~(4) A laboratory division.~~

~~(5)~~ **(4)** An administrative services division.

~~(6)~~ **(5)** A division of pollution prevention.

SECTION 6. IC 13-13-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. The:

(1) position of commissioner;

(2) highest position in each of the offices, except for the offices identified in:

(A) IC 13-13-3-1(1); and

(B) IC 13-13-3-1(3); and

(3) highest position in each of the divisions; ~~except for the division identified in IC 13-13-3-2(4);~~

are subject to IC 4-15-1.8.

SECTION 7. IC 13-14-9.5-4, AS AMENDED BY P.L.123-2006, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Except as provided in subsection (b), **with respect to the rules subject to expiration under this chapter,** the department or a board that has rulemaking authority under this title:

(1) may readopt ~~all~~ **one (1) or more of the** rules ~~subject to expiration under this chapter~~ under one (1) rule that lists all rules that are readopted by their titles and subtitles only; **and**

(2) shall publish a notice in the Indiana Register identifying:

(A) the rules, if any, that will be readopted; and

(B) the rules, if any, that will not be readopted.

A rule that has expired but is readopted under this subsection may not be removed from the Indiana Administrative Code.

(b) If a person submits to the department or a board that has rulemaking authority under this title a written request ~~and~~ **stating** a basis for the request during the first comment period that a particular rule be readopted separately from the readoption rule described in subsection (a), the department or board must:

(1) ~~readopt~~ **consider readoption of** that rule separately from the readoption rule described in subsection (a); and

(2) follow the procedure for adoption of administrative rules under IC 13-14-9 with respect to the rule.

(c) If the department or board does not receive a written request under subsection (b) regarding a rule within the first comment period, the agency may:

(1) submit the **readoption** rule for filing with the publisher under IC 4-22-2-35 and publish notice in the Indiana Register that the agency has readopted the rule; or

(2) **for one (1) or more of the rules proposed to be readopted as part of the readoption rule described in subsection (a),** elect the procedure for readoption under IC 13-14-9.

(d) If a person submits to the department or a board that has rulemaking authority under this title a written request stating a basis for the request during the first comment period that a particular rule that the department or board does not intend to readopt as part of the readoption rule described in subsection (a) be readopted, the department or board must:

(1) consider readoption of that rule separately from the readoption rule described in subsection (a); and

(2) follow the procedure for adoption of administrative rules under IC 13-14-9 with respect to the rule.

SECTION 8. IC 13-14-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 13. Electronic Applications and Reports

Sec. 1. This chapter applies to the use of an electronic submission for any of the following:

(1) Satisfaction of a state or federal requirement for reporting to the department.

(2) Satisfaction of the requirements for an application to the department.

(3) Submission to the department of any other substitute for a paper document.

Sec. 2. The department may accept the electronic submission of information only if the submission meets the following:

(1) Standards established under IC 5-24 and corresponding rules.

(2) Requirements of cross-media electronic reporting under 40 CFR 3.

(3) Procedures established by the department to accept electronic information.

Sec. 3. The department may not require a person to make electronic submissions under this chapter.

Sec. 4. (a) The department may adopt procedures that are consistent with federal law for compliance with this chapter to allow an applicant to submit an electronic document bearing the valid electronic signature of a signatory if that signatory would otherwise be required to sign the paper document for which the electronic document substitutes.

(b) The procedures adopted under subsection (a) may provide for electronic signature standards that are:

(1) acceptable to the state board of accounts under IC 5-24; and

(2) consistent with 40 CFR 3.

Sec. 5. Information submitted in an acceptable electronic document under a procedure adopted under section 4 of this chapter must have a signature uniquely assigned. The receiving system for the document must be able to attribute the signature to a specific individual. If an electronic document is submitted under an assigned signature, the signatory may not repudiate responsibility for the signature.

Sec. 6. A person is subject to applicable state or federal civil, criminal, or other penalties and remedies for failure to comply with a reporting requirement if the person submits an electronic document that:

(1) is in place of a paper document under this chapter; and

(2) fails to comply with the following:

(A) Standards established under IC 5-24 and supporting rules.

(B) Requirements of cross-media electronic reporting under 40 CFR 3.

(C) Procedures established by the department to accept electronic information.

Sec. 7. A person submitting information using an assigned signature is liable under IC 13-30-10 for the information provided and subject to penalties under that chapter, regardless of whether the information submitted is in electronic form or other form.

SECTION 9. IC 13-18-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. ~~(a)~~ The commissioner shall issue certificates attesting to the competency of operators. A certificate must indicate the classification of works, plant, or system that the operator is qualified to supervise.

~~(b) Each operator shall prominently display the operator's certificate in the office of the operator.~~

SECTION 10. IC 13-18-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) A person may not transport, treat, store, or dispose of wastewater in violation of this chapter.

(b) A person may not engage in:

(1) the cleaning of sewage disposal systems; or

(2) the transportation, treatment, storage, or disposal of wastewater;

without a wastewater management permit unless the person is exempted under section 7 of this chapter.

(c) A person may not operate a vehicle for the transportation of wastewater without a wastewater management vehicle ~~license~~ **identification number issued** under this chapter unless the person is exempted under section 4(a)(2) of this chapter.

(d) A person may not dispose of wastewater by land application without first obtaining approval of the land application site under this chapter.

(e) The department may issue a wastewater management permit that incorporates issuance of a wastewater management vehicle identification number and approval of a land application site.

~~(e)~~ **(f)** The department may issue new and renewal permits, ~~licenses,~~ **identification numbers,** and approvals under this chapter for a period the department determines appropriate. However, the period may not exceed three (3) years.

SECTION 11. IC 13-18-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) The board shall, in accordance with IC 13-14-8, adopt rules to establish the following:

(1) Standards for the following:

(A) The issuance of wastewater management permits under section 3 of this chapter.

(B) Cleaning of sewage disposal systems.

(C) Transportation, storage, and treatment of wastewater, and disposal of wastewater, including land application.

(2) ~~Licensure~~ **Issuance** of **identification numbers for** all vehicles used in wastewater management services. However, the board may exempt by rule vehicles licensed on September 1, 1983, under the industrial waste haulers rule 320 IAC 5-10 as the rule existed on September 1, 1983.

(3) Procedures and standards for approval of sites for land application of wastewater.

(b) The board may designate a county or city health agency as the board's agent to approve land application sites in accordance with rules adopted under this section.

SECTION 12. IC 13-18-12-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) Subject to subsections (b) and (c), the board may adopt a fee schedule for the issuance of:

(1) wastewater management permits;

(2) wastewater management vehicle ~~licenses,~~ **identification numbers;** and

(3) land application site approvals;

under this chapter.

(b) A permit fee may not exceed one hundred dollars ($100) per year.

(c) A vehicle ~~license~~ **identification number** or land application approval fee may not exceed thirty dollars ($30) per year per vehicle or site.

(d) Whenever the board designates a county or city health agency as the board's agent to approve land application sites under this chapter, the county or city health agency shall collect and retain the land application approval fee.

SECTION 13. IC 13-18-12-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6.5. In addition to any other authority in this title, the commissioner or a designated staff member may, under IC 4-21.5, revoke or modify a permit, ~~license,~~ **a vehicle identification number,** or **an** approval issued under this chapter for any of the following reasons:

(1) Violation of a requirement of this chapter, rules adopted under this chapter, a permit, ~~a license,~~ **an identification number,** or an approval.

(2) Failure to disclose all relevant facts.

(3) A misrepresentation made in obtaining the permit, ~~license,~~ **identification number,** or approval.

(4) Failing to meet the qualifications for a permit, ~~a license,~~ **an identification number,** or an approval or failing to comply with the requirements of the water pollution control laws or rules adopted by the board.

(5) Changes in circumstances relating to the permit, ~~license,~~ **identification number,** or approval that require either a temporary or permanent reduction in the discharge of contaminants.

SECTION 14. IC 13-18-12-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. This chapter does not require a person to obtain a permit or vehicle ~~license~~ **identification number** under this chapter if the person is:

(1) engaged in:

(A) servicing or maintaining publicly owned wastewater treatment facilities; or

(B) transportation of wastewater from a publicly owned wastewater treatment facility;

as long as the wastewater at that facility has been fully treated and is stabilized;

(2) transporting wastewater from the point of its removal to another location on the same site or tract owned by the same person, although disposal of the wastewater must be done in accordance with this chapter; or

(3) a homeowner who cleans and services the sewage disposal system serving only the homeowner's residence, although transportation and disposal of wastewater must be done in compliance with this chapter.

SECTION 15. IC 13-19-4-2, AS AMENDED BY P.L.154-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. Before an application for the issuance, transfer, or major modification of a permit for a solid waste processing facility, solid waste disposal facility, or hazardous waste facility may be granted, the applicant and each person who is a responsible party with respect to the applicant must submit to the department:

(1) a disclosure statement that:

(A) meets the requirements set forth in section 3(a) of this chapter; and

(B) is executed under section 3(b) of this chapter; or

(2) all of the following information:

(A) The information concerning legal proceedings that:

(i) is required under Section 13 or 15(d) of the federal

Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.); and

(ii) the applicant or responsible party has reported under form 10-K.

(B) A description of all judgments that:

(i) have been entered against the applicant or responsible party in a proceeding described in section 3(a)(3) of this chapter; and

(ii) have imposed upon the applicant or responsible party a fine or penalty described in section 3(a)(3)(A) of this chapter.

(C) A description of all judgments of conviction entered against the applicant or responsible party within five (5) years before the date of submission of the application for the violation of any state or federal environmental protection law.

(D) Any other related information to support the application requested by the department concerning either of the following:

(i) The applicant.

(ii) The responsible party.

SECTION 16. IC 13-19-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) In a disclosure statement required by section 2 of this chapter, the applicant or responsible party shall set forth the following information:

(1) The name **and** business address ~~and Social Security number~~ of the applicant or responsible party.

(2) A description of the applicant's or responsible party's experience in managing the type of waste that will be managed under the permit.

(3) A description of all civil and administrative complaints against the applicant or responsible party for the violation of any state or federal environmental protection law that:

(A) have resulted in a fine or penalty of more than ten thousand dollars ($10,000) within five (5) years before the date of the submission of the application; or

(B) allege an act or omission that:

(i) constitutes a material violation of the state or federal environmental protection law; and

(ii) presented a substantial endangerment to the public health or the environment.

(4) A description of all pending criminal complaints alleging the violation of any state or federal environmental protection law that have been filed against the applicant or responsible party within five (5) years before the date of submission of the application.

(5) A description of all judgments of criminal conviction entered against the applicant or responsible party within five (5) years before the date of submission of the application for the violation of any state or federal environmental protection law.

(6) A description of all judgments of criminal conviction of a felony constituting a crime of moral turpitude under the laws of any state or the United States that are entered against the applicant or responsible party within five (5) years before the date of submission of the application.

(7) The location of all facilities at which the applicant or responsible party manages the type of waste that would be managed under the permit to which the application refers.

(b) A disclosure statement submitted under section 2(1) of this chapter:

(1) must be executed under oath or affirmation; and

(2) is subject to the penalty for perjury under IC 35-44-2-1.

SECTION 17. IC 13-20-2-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10. (a) This section applies only:**

(1) in a county that does not zone under IC 36-7-4; and

(2) to a facility:

(A) that is proposed to be constructed after April 1, 2008;

(B) that is not exempt under IC 13-20-1-1 from the demonstration of needs requirements of IC 13-20-1; and

(C) for which a permit for construction or operation is required under this article.

(b) If:

(1) a person submitted to the department before April 1, 2008:

(A) an application under this chapter for an original construction permit for a facility;

(B) a modification of an application under this chapter previously submitted to the department for an original construction permit for a facility; or

(C) an application under this chapter for modification of an original construction permit issued by the department under this chapter; and

(2) the department did not issue the permit or modified permit applied for as described in subdivision (1) before April 1, 2008;

the person must submit a new application for an original construction permit for the facility and meet the requirements of all applicable environmental laws existing at the time the new permit is sought.

(c) The fee under IC 13-20-21-3 does not apply to the new application for an original construction permit under subsection (b).

(d) The county executive of a county in which a facility is proposed to be located must adopt an ordinance approving the proposed facility location before the department may issue an original construction permit in response to:

(1) a new application for an original construction permit for the facility under subsection (b); or

(2) an application for an original construction permit for the facility submitted to the department after March 31, 2008.

SECTION 18. IC 13-20-2-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11. (a) This section**

applies only:

(1) in a county that zones under IC 36-7-4; and

(2) to a facility:

(A) for which the zoning required for the construction of the facility was approved before April 1, 1985;

(B) for which the department issued a valid construction permit under this chapter before April 1, 2008; and

(C) that did not accept waste before April 1, 2008.

(b) The person that holds the permit referred to in subsection (a)(2)(B) may begin or complete construction of the facility referred to in subsection (a)(2) only if after April 1, 2008, the zoning authority that has jurisdiction reviews and approves the:

(1) appropriateness; and

(2) legality;

of the zoning referred to in subsection (a)(2)(A) under the requirements of all applicable zoning laws existing at the time of the review.

SECTION 19. IC 13-20-17.7-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. (a) The goal of the program established under this chapter is to remove at least eighty percent (80%) of all mercury switches from end of life vehicles processed in Indiana by motor vehicle recyclers.**

(b) Implementing the program established under this chapter addresses the mercury national emission standards for hazardous air pollutants for facilities using recycled steel.

SECTION 20. IC 13-20-17.7-5, AS ADDED BY P.L.170-2006, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) Beginning thirty (30) days after the earliest date the commissioner approves a plan under section 4 of this chapter, **except as provided in subsection (f),** a motor vehicle recycler is required to remove all mercury switches from each end of life vehicle the motor vehicle recycler receives upon receipt of the vehicle.

(b) ~~After~~ A mercury switch **that** is removed from a vehicle ~~the mercury switch~~ shall be collected, stored, transported, and ~~otherwise handled~~ **recycled or properly disposed of** in accordance with the plan approved under section 4 of this chapter. **Either of the following that is removed from a vehicle shall be collected, stored, transported, and recycled or properly disposed of in the same manner as a mercury switch:**

(1) An ABS sensor.

(2) Any other component containing more than ten (10) milligrams of mercury.

(c) Notwithstanding subsection (a), a motor vehicle recycler may accept an end of life vehicle containing mercury switches that has not been intentionally flattened, crushed, or baled if the motor vehicle recycler assumes responsibility for removing the mercury switches.

(d) A motor vehicle recycler or any other person that removes mercury switches, **ABS sensors, or any other components containing more than ten (10) milligrams of mercury** in accordance with this section shall maintain records that document the number of:

(1) end of life vehicles the person processed for recycling;

(2) end of life vehicles the person processed that contained mercury switches, **ABS sensors, or any other components containing more than ten (10) milligrams of mercury;** and

(3) mercury switches, **ABS sensors, and any other components containing more than ten (10) milligrams of mercury** the person collected.

A person that maintains records under this section shall retain the records for at least three (3) years.

(e) A person may not represent that mercury switches, **ABS sensors, or any other components containing more than ten (10) milligrams of mercury** have been removed from a motor vehicle being sold or otherwise conveyed for recycling if the person has not removed the mercury switches, **sensors, or other components** from the vehicle.

(f) ~~A motor vehicle recycler or other person that receives an~~ **Subsection (a) does not apply to a mercury switch in an end of life vehicle that is:**

(1) intentionally flattened, crushed, or baled; ~~and of life vehicle may not be considered to be in violation of this section if a mercury switch is found in the vehicle after the person acquires the vehicle.~~ **or**

(2) damaged to the extent that the mercury switch cannot be removed without dismantling the vehicle.

SECTION 21. IC 13-20-17.7-6, AS ADDED BY P.L.170-2006, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) Subject to subsections (b), (c), and (d), a person is entitled to payment from the department for each ~~mercury switch~~ **of the following** the person removes from an end of life vehicle under ~~section 5(a)~~ **section 5** of this chapter:

(1) A mercury switch.

(2) An ABS sensor.

(3) Any other component containing more than ten (10) milligrams of mercury.

(b) The commissioner shall establish:

(1) the amount of the payment under subsection (a), which must be:

(A) at least one dollar ($1); and

(B) not more than five dollars ($5);

per mercury switch, **ABS sensor, or other component containing more than ten (10) milligrams of mercury;** and

(2) a procedure for claims for payment under this section.

(c) The commissioner shall determine:

(1) whether to use money in the state solid waste management fund; and

(2) if the commissioner determines under subdivision (1) to use money in that fund, the amount of money from the fund to be used;

to make payments under this section.

(d) The department is required to make payments under this section only to the extent of the amount of money determined by the commissioner under subsection (c)(2).

SECTION 22. IC 13-21-3-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. Except as provided in section 14.5 of this chapter, the powers of a district include the following:

(1) The power to develop and implement a district solid waste management plan under IC 13-21-5.

(2) The power to impose district fees on the final disposal of solid waste within the district under IC 13-21-13.

(3) The power to receive and disburse money, if the primary purpose of activities undertaken under this subdivision is to carry out the provisions of this article.

(4) The power to sue and be sued.

(5) The power to plan, design, construct, finance, manage, own, lease, operate, and maintain facilities for solid waste management.

(6) The power to enter with any person into a contract or an agreement that is necessary or incidental to the management of solid waste. Contracts or agreements that may be entered into under this subdivision include those for the following:

(A) The design, construction, operation, financing, ownership, or maintenance of facilities by the district or any other person.

(B) The managing or disposal of solid waste.

(C) The sale or other disposition of materials or products generated by a facility.

Notwithstanding any other statute, the maximum term of a contract or an agreement described in this subdivision may not exceed forty (40) years.

(7) The power to enter into agreements for the leasing of facilities in accordance with IC 36-1-10 or IC 36-9-30.

(8) The power to purchase, lease, or otherwise acquire real or personal property for the management or disposal of solid waste.

(9) The power to sell or lease any facility or part of a facility to any person.

(10) The power to make and contract for plans, surveys, studies, and investigations necessary for the management or disposal of solid waste.

(11) The power to enter upon property to make surveys, soundings, borings, and examinations.

(12) The power to:

(A) accept gifts, grants, loans of money, other property, or services from any source, public or private; and

(B) comply with the terms of the gift, grant, or loan.

(13) The power to levy a tax within the district to pay costs of operation in connection with solid waste management, subject to the following:

(A) Regular budget and tax levy procedures.

(B) Section 16 of this chapter.

However, except as provided in sections 15 and 15.5 of this chapter, a property tax rate imposed under this article may not exceed eight and thirty-three hundredths cents ($0.0833) on each one hundred dollars ($100) of assessed valuation of property in the district.

(14) The power to borrow in anticipation of taxes.

(15) The power to hire the personnel necessary for the management or disposal of solid waste in accordance with an approved budget and to contract for professional services.

(16) The power to otherwise do all things necessary for the:

(A) reduction, management, and disposal of solid waste; and

(B) recovery of waste products from the solid waste stream;

if the primary purpose of activities undertaken under this subdivision is to carry out the provisions of this article.

(17) The power to adopt resolutions that have the force of law. However, a resolution is not effective in a municipality unless the municipality adopts the language of the resolution by ordinance or resolution.

(18) The power to do the following:

(A) Implement a household hazardous waste and conditionally exempt small quantity generator (as described in 40 CFR 261.5(a)) collection and disposal project.

(B) Apply for a household hazardous waste collection and disposal project grant under IC 13-20-20 and carry out all commitments contained in a grant application.

(C) Establish and maintain a program of self-insurance for a household hazardous waste and conditionally exempt small quantity generator (as described in 40 CFR 261.5(a)) collection and disposal project, so that at the end of the district's fiscal year the unused and unencumbered balance of appropriated money reverts to the district's general fund only if the district's board specifically provides by resolution to discontinue the self-insurance fund.

(D) Apply for a household hazardous waste project grant as described in IC 13-20-22-2 and carry out all commitments contained in a grant application.

(19) The power to enter into an interlocal cooperation agreement under IC 36-1-7 to obtain:

(A) fiscal;

(B) administrative;

(C) managerial; or

(D) operational;

services from a county or municipality.

(20) The power to compensate advisory committee members for attending meetings at a rate determined by the board.

(21) The power to reimburse board and advisory committee members for travel and related expenses at a rate determined by the board.

(22) ~~In a joint district,~~ The power to pay a fee from district money to:

(A) in a joint district, the **county or** counties ~~in the district~~ in which a final disposal facility is located; **or**

(B) a county that:

(i) was part of a joint district;

(ii) has withdrawn from the joint district as of January 1, 2008; and

(iii) has established its own district in which a final disposal facility is located.

(23) The power to make grants or loans of:

(A) money;

(B) property; or

(C) services;

to public or private recycling programs, composting programs, or any other programs that reuse any component of the waste stream as a material component of another product, if the primary purpose of activities undertaken under this subdivision is to carry out the provisions of this article.

(24) The power to establish by resolution a nonreverting capital fund. A district's board may appropriate money in the fund for:

(A) equipping;

(B) expanding;

(C) modifying; or

(D) remodeling;

an existing facility. Expenditures from a capital fund established under this subdivision must further the goals and objectives contained in a district's solid waste management plan. Not more than five percent (5%) of the district's total annual budget for the year may be transferred to the capital fund that year. The balance in the capital fund may not exceed twenty-five percent (25%) of the district's total annual budget. If a district's board determines by resolution that a part of a capital fund will not be needed to further the goals and objectives contained in the district's solid waste management plan, that part of the capital fund may be transferred to the district's general fund, to be used to offset tipping fees, property tax revenues, or both tipping fees and property tax revenues.

(25) The power to conduct promotional or educational programs that include giving awards and incentives that further the district's solid waste management plan.

(26) The power to conduct educational programs under IC 13-20-17.5 to provide information to the public concerning:

(A) the reuse and recycling of mercury in:

(i) mercury commodities; and

(ii) mercury-added products; and

(B) collection programs available to the public for:

(i) mercury commodities; and

(ii) mercury-added products.

(27) The power to implement mercury collection programs under IC 13-20-17.5 for the public and small businesses.

SECTION 23. IC 13-23-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. **(a) Subject to subsection (b),** the underground petroleum storage tank excess liability trust fund is established for the following purposes:

(1) Assisting owners and operators of underground petroleum storage tanks to establish evidence of financial responsibility as required under IC 13-23-4.

(2) Providing a source of money to satisfy liabilities incurred by owners and operators of underground petroleum storage tanks under IC 13-23-13-8 for corrective action.

(3) Providing a source of money for the indemnification of third parties under IC 13-23-9-3.

(4) Providing a source of money to pay for the expenses of the department incurred in paying and administering claims against the trust fund. Money may be provided under this subdivision only for those job activities and expenses that consist exclusively of administering the excess liability trust fund.

(5) Providing a source of money to pay for the expenses of the department incurred in inspecting underground storage tanks.

(b) The combined amount of payments described in subsection (a)(4) and (a)(5) from the underground petroleum storage tank excess liability trust fund in a state fiscal year may not exceed ten percent (10%) of the fund income in the immediately preceding state fiscal year.

SECTION 24. IC 13-30-8-1, AS AMENDED BY P.L.137-2007, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A vehicle that is used to transport hazardous waste in the commission of an offense described in ~~IC 13-30-10-4~~ **IC 13-30-10-1.5** is subject to forfeiture under IC 34-24-1.

SECTION 25. IC 13-30-10-1, AS ADDED BY P.L.137-2007, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. ~~(a) A person who knowingly or intentionally makes a material misstatement in connection with an application for a permit submitted to the department commits a Class D felony.~~

~~(b)~~ **(a)** A person who knowingly or intentionally destroys, alters, conceals, or falsely certifies a record that:

(1) is required to be maintained under the terms of a permit issued by the department; and

(2) may be used to determine the status of compliance;

commits a ~~Class D felony.~~ **Class B misdemeanor.**

~~(c)~~ **(b)** A person who knowingly or intentionally renders inaccurate or inoperative a recording device or a monitoring device required to be maintained by a permit issued by the department commits a ~~Class D felony.~~ **Class B misdemeanor.**

~~(d)~~ **(c)** A person who knowingly or intentionally falsifies testing or monitoring data required by a permit issued by the department commits a ~~Class D felony.~~ **Class B misdemeanor.**

(d) The penalties under this section apply regardless of whether a person uses electronic submissions or paper documents to accomplish the actions described in this section.

SECTION 26. IC 13-30-10-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) Except as provided in subsection (b), a person regulated under IC 13-22 who knowingly does any of the following commits a Class B misdemeanor:**

(1) Transports hazardous waste to an unpermitted facility.

(2) Treats, stores, or disposes of hazardous waste without a permit issued by the department.

(3) Transports, treats, stores, disposes, recycles, or causes to be transported used oil regulated under 329 IAC 13 in violation of the standards established by the department for the management of used oil.

(4) Makes a false material statement or representation in any label, manifest, record, report, or other document filed or maintained under the hazardous waste or used oil standards.

(b) An offense under subsection (a) is a Class D felony if the offense results in damage to the environment that renders the environment unfit for human or vertebrate animal life. An offense under subsection (a) is a Class C felony if the offense results in the death of another person.

(c) Before imposing sentence upon conviction of an offense under subsection (a) or (b), the court shall consider either or both of the following factors, if found by the jury or if stipulated to by the parties in a plea agreement:

(1) If the offense involves discharge of a contaminant into the environment, whether that discharge resulted in any or a combination of the following:

(A) A substantial risk of serious bodily injury.

(B) Serious bodily injury to an individual.

(C) The death of a vertebrate animal.

(D) Damage to the environment that:

(i) renders the environment unfit for human or vertebrate animal life; or

(ii) causes damage to an endangered, an at risk, or a threatened species.

(2) Whether the person did not know and could not reasonably have been expected to know that the contaminant discharged into the environment was capable of causing a result described in subdivision (1).

(d) Notwithstanding the maximum fine under IC 35-50-3-3, the court shall order a person convicted under subsection (a) to pay a fine of at least five thousand dollars ($5,000) per day for each violation and not more than twenty-five thousand dollars ($25,000) per day for each violation.

(e) Notwithstanding the maximum fine under IC 35-50-2-6(a) or IC 35-50-2-7(a), the court shall order a person convicted under subsection (b) to pay:

(1) a fine of at least five thousand dollars ($5,000) and not more than fifty thousand dollars ($50,000) for each day of violation; or

(2) if the person has a prior unrelated conviction for an offense under this title that may be punished as a felony, a fine of at least five thousand dollars ($5,000) and not more than one hundred thousand dollars ($100,000) for each day of violation.

(f) Except as provided in subsection (g), a person regulated under IC 13-17 who does any of the following commits a Class C misdemeanor:

(1) Knowingly violates any applicable requirements of IC 13-17-4, IC 13-17-5, IC 13-17-6, IC 13-17-7, IC 13-17-8, IC 13-17-9, IC 13-17-10, IC 13-17-13, or IC 13-17-14.

(2) Knowingly violates any air pollution registration, construction, or operating permit condition issued by the department.

(3) Knowingly violates any fee or filing requirement in IC 13-17.

(4) Knowingly makes any false material statement, representation, or certification in any form, notice, or report required by an air pollution registration, construction, or operating permit issued by the department.

(g) An offense under subsection (f) is a Class D felony if the offense results in damage to the environment that renders the environment unfit for human or vertebrate animal life. An offense under subsection (f) is a Class C felony if the offense results in the death of another person.

(h) Before imposing sentence upon conviction of an offense under subsection (f) or (g), the court shall consider either or both of the following factors, if found by the jury or if stipulated to by the parties in a plea agreement:

(1) If the offense involves discharge of a contaminant into the environment, whether that discharge resulted in any or a combination of the following:

(A) A substantial risk of serious bodily injury.

(B) Serious bodily injury to an individual.

(C) The death of a vertebrate animal.

(D) Damage to the environment that:

(i) renders the environment unfit for human or vertebrate animal life; or

(ii) causes damage to an endangered, an at risk, or a threatened species.

(2) Whether the person did not know and could not reasonably have been expected to know that the contaminant discharged into the environment was capable of causing a result described in subdivision (1).

(i) Notwithstanding the maximum fine under IC 35-50-3-4, the court shall order a person convicted under subsection (f) to pay a fine of at least five thousand dollars ($5,000) per day for each violation and not more than twenty-five thousand dollars ($25,000) per day for each violation.

(j) Notwithstanding the maximum fine under IC 35-50-2-6(a) or IC 35-50-2-7(a), the court shall order a person convicted under subsection (g) to pay:

(1) a fine of at least five thousand dollars ($5,000) and

not more than fifty thousand dollars ($50,000) for each day of violation; or

(2) if the person has a prior unrelated conviction for an offense under this title that may be punished as a felony, a fine of at least five thousand dollars ($5,000) and not more than one hundred thousand dollars ($100,000) for each day of violation.

(k) Except as provided in subsection (l), a person regulated under IC 13-18 who does any of the following commits a Class C misdemeanor:

(1) Willfully or recklessly violates any applicable standards or limitations of IC 13-18-3-2.4, IC 13-18-4-5, IC 13-18-8, IC 13-18-9, IC 13-18-10, IC 13-18-12, IC 13-18-14, IC 13-18-15, or IC 13-18-16.

(2) Willfully or recklessly violates any National Pollutant Discharge Elimination System permit condition issued by the department under IC 13-18-19.

(3) Willfully or recklessly violates any National Pollutant Discharge Elimination System Permit filing requirement.

(4) Knowingly makes any false material statement, representation, or certification in any National Pollutant Discharge Elimination System Permit form or in any notice or report required by a National Pollutant Discharge Elimination System permit issued by the department.

(l) An offense under subsection (k) is a Class D felony if the offense results in damage to the environment that renders the environment unfit for human or vertebrate animal life. An offense under subsection (k) is a Class C felony if the offense results in the death of another person.

(m) Before imposing sentence upon conviction of an offense under subsection (k) or (l), the court shall consider any or a combination of the following factors, if found by the jury or if stipulated to by the parties in a plea agreement:

(1) If the offense involves discharge of a contaminant into the environment, whether that discharge resulted in any or a combination of the following:

(A) A substantial risk of serious bodily injury.

(B) Serious bodily injury to an individual.

(C) The death of a vertebrate animal.

(D) Damage to the environment that:

(i) renders the environment unfit for human or vertebrate animal life; or

(ii) causes damage to an endangered, an at risk, or a threatened species.

(2) Whether the person did not know and could not reasonably have been expected to know that the contaminant discharged into the environment was capable of causing a result described in subdivision (1).

(3) Whether the discharge was the result of a combined sewer overflow and the person regulated had given notice of that fact to the department.

(n) Notwithstanding the maximum fine under IC 35-50-3-4, the court shall order a person convicted under subsection (k)(1), (k)(2), or (k)(3) to pay a fine of at least five thousand dollars ($5,000) a day for each violation and not more than twenty-five thousand dollars ($25,000) a day for each violation.

(o) Notwithstanding the maximum fine under IC 35-50-3-4, the court shall order a person convicted under subsection (k)(4) to pay a fine of at least five thousand dollars ($5,000) for each instance of violation and not more than ten thousand dollars ($10,000) for each instance of violation.

(p) Notwithstanding the maximum fine under IC 35-50-2-6(a) or IC 35-50-2-7(a), the court shall order a person convicted under subsection (l) to pay:

(1) a fine of at least five thousand dollars ($5,000) and not more than fifty thousand dollars ($50,000) for each day of violation; or

(2) if the person has a prior unrelated conviction for an offense under this title that may be punished as a felony, a fine of at least five thousand dollars ($5,000) and not more than one hundred thousand dollars ($100,000) for each day of violation.

(q) The penalties under this section apply regardless of whether a person uses electronic submissions or paper documents to accomplish the actions described in this section.

SECTION 27. IC 34-24-1-1, AS AMENDED BY P.L.137-2007, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The following may be seized:

(1) All vehicles (as defined by IC 35-41-1), if they are used or are intended for use by the person or persons in possession of them to transport or in any manner to facilitate the transportation of the following:

(A) A controlled substance for the purpose of committing, attempting to commit, or conspiring to commit any of the following:

(i) Dealing in or manufacturing cocaine or a narcotic drug (IC 35-48-4-1).

(ii) Dealing in methamphetamine (IC 35-48-4-1.1).

(iii) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).

(iv) Dealing in a schedule IV controlled substance (IC 35-48-4-3).

(v) Dealing in a schedule V controlled substance (IC 35-48-4-4).

(vi) Dealing in a counterfeit substance (IC 35-48-4-5).

(vii) Possession of cocaine or a narcotic drug (IC 35-48-4-6).

(viii) Possession of methamphetamine (IC 35-48-4-6.1).

(ix) Dealing in paraphernalia (IC 35-48-4-8.5).

(x) Dealing in marijuana, hash oil, or hashish (IC 35-48-4-10).

(B) Any stolen (IC 35-43-4-2) or converted property (IC 35-43-4-3) if the retail or repurchase value of that property is one hundred dollars ($100) or more.

(C) Any hazardous waste in violation of ~~IC 13-30-10-4.~~ **IC 13-30-10-1.5.**

(D) A bomb (as defined in IC 35-41-1-4.3) or weapon of mass destruction (as defined in IC 35-41-1-29.4) used to commit, used in an attempt to commit, or used in a conspiracy to commit an offense under IC 35-47 as part of or in furtherance of an act of terrorism (as defined by IC 35-41-1-26.5).

(2) All money, negotiable instruments, securities, weapons, communications devices, or any property used to commit, used in an attempt to commit, or used in a conspiracy to commit an offense under IC 35-47 as part of or in furtherance of an act of terrorism or commonly used as consideration for a violation of IC 35-48-4 (other than items subject to forfeiture under IC 16-42-20-5 or IC 16-6-8.5-5.1 before its repeal):

(A) furnished or intended to be furnished by any person in exchange for an act that is in violation of a criminal statute;

(B) used to facilitate any violation of a criminal statute; or

(C) traceable as proceeds of the violation of a criminal statute.

(3) Any portion of real or personal property purchased with money that is traceable as a proceed of a violation of a criminal statute.

(4) A vehicle that is used by a person to:

(A) commit, attempt to commit, or conspire to commit;

(B) facilitate the commission of; or

(C) escape from the commission of;

murder (IC 35-42-1-1), kidnapping (IC 35-42-3-2), criminal confinement (IC 35-42-3-3), rape (IC 35-42-4-1), child molesting (IC 35-42-4-3), or child exploitation (IC 35-42-4-4), or an offense under IC 35-47 as part of or in furtherance of an act of terrorism.

(5) Real property owned by a person who uses it to commit any of the following as a Class A felony, a Class B felony, or a Class C felony:

(A) Dealing in or manufacturing cocaine or a narcotic drug (IC 35-48-4-1).

(B) Dealing in methamphetamine (IC 35-48-4-1.1).

(C) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).

(D) Dealing in a schedule IV controlled substance (IC 35-48-4-3).

(E) Dealing in marijuana, hash oil, or hashish (IC 35-48-4-10).

(6) Equipment and recordings used by a person to commit fraud under IC 35-43-5-4(10).

(7) Recordings sold, rented, transported, or possessed by a person in violation of IC 24-4-10.

(8) Property (as defined by IC 35-41-1-23) or an enterprise (as defined by IC 35-45-6-1) that is the object of a corrupt business influence violation (IC 35-45-6-2).

(9) Unlawful telecommunications devices (as defined in IC 35-45-13-6) and plans, instructions, or publications used to commit an offense under IC 35-45-13.

(10) Any equipment used or intended for use in preparing, photographing, recording, videotaping, digitizing, printing, copying, or disseminating matter in violation of IC 35-42-4-4.

(11) Destructive devices used, possessed, transported, or sold in violation of IC 35-47.5.

(12) Tobacco products that are sold in violation of IC 24-3-5, tobacco products that a person attempts to sell in violation of IC 24-3-5, and other personal property owned and used by a person to facilitate a violation of IC 24-3-5.

(13) Property used by a person to commit counterfeiting or forgery in violation of IC 35-43-5-2.

(14) After December 31, 2005, if a person is convicted of an offense specified in IC 25-26-14-26(b) or IC 35-43-10, the following real or personal property:

(A) Property used or intended to be used to commit, facilitate, or promote the commission of the offense.

(B) Property constituting, derived from, or traceable to the gross proceeds that the person obtained directly or indirectly as a result of the offense.

(15) Except as provided in subsection (e), a motor vehicle used by a person who operates the motor vehicle:

(A) while intoxicated, in violation of IC 9-30-5-1 through IC 9-30-5-5, if in the previous five (5) years the person has two (2) or more prior unrelated convictions:

(i) for operating a motor vehicle while intoxicated in violation of IC 9-30-5-1 through IC 9-30-5-5; or

(ii) for an offense that is substantially similar to IC 9-30-5-1 through IC 9-30-5-5 in another jurisdiction; or

(B) on a highway while the person's driver's license is suspended in violation of IC 9-24-19-2 through IC 9-24-19-4, if in the previous five (5) years the person has two (2) or more prior unrelated convictions:

(i) for operating a motor vehicle while intoxicated in violation of IC 9-30-5-1 through IC 9-30-5-5; or

(ii) for an offense that is substantially similar to IC 9-30-5-1 through IC 9-30-5-5 in another jurisdiction.

If a court orders the seizure of a motor vehicle under this subdivision, the court shall transmit an order to the bureau of motor vehicles recommending that the bureau not permit a motor vehicle to be registered in the name of the person whose motor vehicle was seized until the person possesses a current driving license (as defined in IC 9-13-2-41).

(b) A vehicle used by any person as a common or contract carrier in the transaction of business as a common or contract carrier is not subject to seizure under this section, unless it can be proven by a preponderance of the evidence that the owner of the vehicle knowingly permitted the vehicle to be used to engage in conduct that subjects it to seizure under subsection (a).

(c) Equipment under subsection (a)(10) may not be seized

unless it can be proven by a preponderance of the evidence that the owner of the equipment knowingly permitted the equipment to be used to engage in conduct that subjects it to seizure under subsection (a)(10).

(d) Money, negotiable instruments, securities, weapons, communications devices, or any property commonly used as consideration for a violation of IC 35-48-4 found near or on a person who is committing, attempting to commit, or conspiring to commit any of the following offenses shall be admitted into evidence in an action under this chapter as prima facie evidence that the money, negotiable instrument, security, or other thing of value is property that has been used or was to have been used to facilitate the violation of a criminal statute or is the proceeds of the violation of a criminal statute:

(1) IC 35-48-4-1 (dealing in or manufacturing cocaine or a narcotic drug).

(2) IC 35-48-4-1.1 (dealing in methamphetamine).

(3) IC 35-48-4-2 (dealing in a schedule I, II, or III controlled substance).

(4) IC 35-48-4-3 (dealing in a schedule IV controlled substance).

(5) IC 35-48-4-4 (dealing in a schedule V controlled substance) as a Class B felony.

(6) IC 35-48-4-6 (possession of cocaine or a narcotic drug) as a Class A felony, Class B felony, or Class C felony.

(7) IC 35-48-4-6.1 (possession of methamphetamine) as a Class A felony, Class B felony, or Class C felony.

(8) IC 35-48-4-10 (dealing in marijuana, hash oil, or hashish) as a Class C felony.

(e) A motor vehicle operated by a person who is not:

(1) an owner of the motor vehicle; or

(2) the spouse of the person who owns the motor vehicle;

is not subject to seizure under subsection (a)(15) unless it can be proven by a preponderance of the evidence that the owner of the vehicle knowingly permitted the vehicle to be used to engage in conduct that subjects it to seizure under subsection (a)(15)

SECTION 28. IC 36-9-23-5, AS AMENDED BY P.L.1-2007, SECTION 247, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. As used in sections 6 through ~~36~~ **37** of this chapter, "board" means:

(1) the municipal works board; or

(2) if the municipality has transferred the powers and duties of the works board under section 3 of this chapter, the:

(A) sanitary board; or

(B) utility service board;

to which those powers have been transferred.

SECTION 29. IC 36-9-23-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) **Subject to section 37 of this chapter,** the municipal legislative body shall, by ordinance, establish just and equitable fees for the services rendered by the sewage works, and provide the dates on which the fees are due.

(b) Just and equitable fees are the fees required to maintain the sewage works in the sound physical and financial condition necessary to render adequate and efficient service. The fees must be sufficient to:

(1) pay all expenses incidental to the operation of the works, including legal expenses, maintenance costs, operating charges, repairs, lease rentals, and interest charges on bonds or other obligations;

(2) provide the sinking fund required by section 21 of this chapter;

(3) provide adequate money to be used as working capital; and

(4) provide adequate money for improving and replacing the works.

Fees established after notice and hearing under this chapter are presumed to be just and equitable.

(c) The fees are payable by the owner of each lot, parcel of real property, or building that:

(1) is connected with the sewage works by or through any part of the municipal sewer system; or

(2) uses or is served by the works.

Unless the municipal legislative body finds otherwise, the works are considered to benefit every lot, parcel of real property, or building connected or to be connected with the municipal sewer system as a result of construction work under the contract, and the fees shall be billed and collected accordingly.

(d) The municipal legislative body may use one (1) or more of the following factors to establish the fees:

(1) A flat charge for each sewer connection.

(2) The amount of water used on the property.

(3) The number and size of water outlets on the property.

(4) The amount, strength, or character of sewage discharged into the sewers.

(5) The size of sewer connections.

(6) Whether the property has been or will be required to pay separately for any part of the sewage works.

(7) Whether the property, although vacant or unimproved, is benefited by a local or lateral sewer because of the availability of that sewer. However, the owner must have been notified, by recorded covenants and restrictions or deed restrictions in the chain of title of his property, that a fee or assessment for sewer availability may be charged, and the fee may reflect only the capital cost of the sewer and not the cost of operation and maintenance of the sewage works.

(8) The cost of collecting, treating, and disposing of garbage in a sanitary manner, including equipment and wages.

(9) The amount of money sufficient to compensate the municipality for the property taxes that would be paid on the sewage works if the sewage works were privately owned.

(10) Any other factors the legislative body considers necessary.

Fees collected under subdivision (8) may be spent for that purpose only after compliance with all provisions of the ordinance authorizing the issuance of the revenue bonds for the sewage works. The board may transfer fees collected in lieu of

taxes under subdivision (9) to the general fund of the municipality.

(e) The municipal legislative body may exercise reasonable discretion in adopting different schedules of fees, or making classifications in schedules of fees, based on variations in:

(1) the costs, including capital expenditures, of furnishing services to various classes of users or to various locations; or

(2) the number of users in various locations.

SECTION 30. IC 36-9-23-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) After the introduction of the ordinance establishing fees under section 25 of this chapter, but before it is finally adopted, the municipal legislative body shall hold a public hearing at which users of the sewage works, owners of property served or to be served by the works, and other interested persons may be heard concerning the proposed fees. Notice of the hearing, setting forth the proposed schedule of fees, shall be:

(1) published in accordance with IC 5-3-1;

(2) mailed to owners of vacant or unimproved property if the ordinance includes a fee for sewer availability to vacant or unimproved property; and

(3) mailed to users of the sewage works located outside the municipality's corporate boundaries.

The notice may be mailed in any form so long as the notice of the hearing is conspicuous. The hearing may be adjourned from time to time.

(b) After the hearing, the municipal legislative body shall adopt the ordinance establishing the fees, either as originally introduced or as modified. A copy of the schedule of fees adopted shall be kept on file and available for public inspection in the offices of the board and the municipal clerk.

(c) **Subject to section 37 of this chapter,** the fees established for any class of users or property shall be extended to cover any additional property that is subsequently served and falls within the same class, without any hearing or notice.

(d) The municipal legislative body may change or readjust the fees in the same manner by which they were established.

(e) Fees collected under this chapter are considered revenues of the sewage works.

SECTION 31. IC 36-9-23-36 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 36. **(a) Except as provided in subsections (b) and (c),** a municipality may exercise powers granted by this chapter in areas within ten (10) miles outside its corporate boundaries. ~~However, this~~

(b) The mileage limitation **in subsection (a)** does not apply to the provision of sewage treatment service for an entity that is described in section 16(b)(2) of this chapter.

(c) In an area referred to in subsection (a), a municipality may not:

(1) impose fees under this chapter; or

(2) otherwise exercise powers granted by this chapter; to provide storm water management services to the area if the county provides storm water management services to the area under IC 8-1.5-5.

SECTION 32. IC 36-9-23-37 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 37. (a) As used in this section:**

(1) "service" means:

(A) imposing fees; and

(B) otherwise exercising powers;

to provide storm water management services; and

(2) "storm water board" refers to a board defined in IC 8-1.5-5-2.

(b) This section applies only if actions of:

(1) a board under section 36 of this chapter; and

(2) a storm water board under IC 8-1.5-5;

are pending at the same time to service the same area outside a municipality's corporate boundaries.

(c) The board and the storm water board must negotiate the adoption by the board and the storm water board of a memorandum of understanding that permits only the board or only the storm water board to service the area referred to in subsection (b). Neither the board nor the storm water board may service the area before a memorandum of understanding is adopted under this subsection. The entity designated to service the area in the memorandum of understanding may finalize the entity's action referred to in subsection (b). The entity not designated to service the area in the memorandum of understanding must terminate the entity's action referred to in subsection (b).

SECTION 33. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2008]: IC 13-30-10-2; IC 13-30-10-3; IC 13-30-10-4.

SECTION 34. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "task force" refers to the environmental crimes task force established by this SECTION.**

(b) There is established the environmental crimes task force.

(c) The task force consists of the members of the environmental crimes task force created by P.L.1-2006, SECTION 590, who served on December 31, 2007.

(d) The appointed members of the task force serve at the pleasure of the appointing authority under P.L.1-2006, SECTION 590. The appointing authority under P.L.1-2006, SECTION 590, shall fill any vacancy on the task force within forty-five (45) days.

(e) The chairman of the legislative council shall designate a legislative member of the task force to serve as chairperson of the task force.

(f) The expenses of the task force shall be paid from appropriations made to the legislative council or the legislative services agency.

(g) The task force shall do the following:

(1) Conduct at least one (1) public hearing to receive comments from the public on the need for further amendments to IC 13-30-10.

(2) If the task force determines that further amendments to IC 13-30-10 are appropriate, prepare

recommendations for amendments to IC 13-30-10 that are consistent with the minimum requirements for the department of environmental management delegated state programs.

(3) Submit its final report before November 1, 2008, to:

(A) the governor;

(B) the executive director of the legislative services agency in an electronic format under IC 5-14-6; and

(C) the environmental quality service council.

(h) The legislative services agency shall provide staff support to the task force.

(i) The task force shall operate under the policies governing study committees adopted by the legislative council.

(j) A quorum of the task force must be present to conduct business. A quorum consists of a majority of the members of the task force. The task force may not take an official action unless the official action has been approved by at least a majority of the members of the task force.

(k) This SECTION expires January 1, 2009.

SECTION 35. [EFFECTIVE UPON PASSAGE] **IC 13-30-10-1, as amended by this act, and IC 13-30-10-1.5, as added by this act, apply only to crimes committed on or after the effective date of this SECTION.**

SECTION 36. **An emergency is declared for this act.**

(Reference is to ESB 43 as reprinted February 27, 2008.)

Gard, Chair	Grubb
Hume	Wolkins
Senate Conferees	House Conferees

Roll Call 365: yeas 47, nays 0. Report adopted.

CONFERENCE COMMITTEE REPORT

ESB 258–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill 258 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and corrections.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 11-8-8-1.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1.2. As used in this chapter, "electronic chat room username" means an identifier that allows a person to communicate over the Internet in real time using typed text.**

SECTION 2. IC 11-8-8-1.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1.4. As used in this chapter, "electronic mail address" means a destination, commonly expressed as a string of characters, to which electronic mail may be sent or delivered.**

SECTION 3. IC 11-8-8-1.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1.6. As used in this chapter, "instant messaging username" means an identifier that allows a person to communicate over the Internet in real time using typed text.**

SECTION 4. IC 11-8-8-1.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1.8. As used in this chapter, "social networking web site username" means an identifier or profile that allows a person to create, use, or modify a social networking web site, as defined in IC 35-42-4-12.**

SECTION 5. IC 11-8-8-7, AS AMENDED BY P.L.216-2007, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) Subject to section 19 of this chapter, the following persons must register under this chapter:

(1) A sex or violent offender who resides in Indiana. A sex or violent offender resides in Indiana if either of the following applies:

(A) The sex or violent offender spends or intends to spend at least seven (7) days (including part of a day) in Indiana during a one hundred eighty (180) day period.

(B) The sex or violent offender owns real property in Indiana and returns to Indiana at any time.

(2) A sex or violent offender who works or carries on a vocation or intends to work or carry on a vocation full-time or part-time for a period:

(A) exceeding seven (7) consecutive days; or

(B) for a total period exceeding fourteen (14) days;

during any calendar year in Indiana regardless of whether the sex or violent offender is financially compensated, volunteered, or is acting for the purpose of government or educational benefit.

(3) A sex or violent offender who is enrolled or intends to be enrolled on a full-time or part-time basis in any public or private educational institution, including any secondary school, trade, or professional institution, or postsecondary educational institution.

(b) Except as provided in subsection (e), a sex or violent offender who resides in Indiana shall register with the local law enforcement authority in the county where the sex or violent offender resides. If a sex or violent offender resides in more than one (1) county, the sex or violent offender shall register with the local law enforcement authority in each county in which the sex or violent offender resides. If the sex or violent offender is also required to register under subsection (a)(2) or (a)(3), the sex or violent offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (c) or (d).

(c) A sex or violent offender described in subsection (a)(2) shall register with the local law enforcement authority in the county where the sex or violent offender is or intends to be employed or carry on a vocation. If a sex or violent offender is or intends to be employed or carry on a vocation in more than one (1) county, the sex or violent offender shall register with the local law enforcement authority in each county. If the sex or violent offender is also required to register under subsection (a)(1) or (a)(3), the sex or violent offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (b) or (d).

(d) A sex or violent offender described in subsection (a)(3) shall register with the local law enforcement authority in the county where the sex or violent offender is enrolled or intends to be enrolled as a student. If the sex or violent offender is also required to register under subsection (a)(1) or (a)(2), the sex or violent offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (b) or (c).

(e) A sex or violent offender described in subsection (a)(1)(B) shall register with the local law enforcement authority in the county in which the real property is located. If the sex or violent offender is also required to register under subsection (a)(1)(A), (a)(2), or (a)(3), the sex or violent offender shall also register with the local law enforcement authority in the county in which the offender is required to register under subsection (b), (c), or (d).

(f) A sex or violent offender committed to the department shall register with the department before the sex or violent offender is released from incarceration. The department shall forward the sex or violent offender's registration information to the local law enforcement authority of every county in which the sex or violent offender is required to register.

(g) This subsection does not apply to a sex or violent offender who is a sexually violent predator. A sex or violent offender not committed to the department shall register not more than seven (7) days after the sex or violent offender:

(1) is released from a penal facility (as defined in IC 35-41-1-21);
(2) is released from a secure private facility (as defined in IC 31-9-2-115);
(3) is released from a juvenile detention facility;
(4) is transferred to a community transition program;
(5) is placed on parole;
(6) is placed on probation;
(7) is placed on home detention; or
(8) arrives at the place where the sex or violent offender is required to register under subsection (b), (c), or (d);

whichever occurs first. A sex or violent offender required to register in more than one (1) county under subsection (b), (c), (d), or (e) shall register in each appropriate county not more than seventy-two (72) hours after the sex or violent offender's arrival in that county or acquisition of real estate in that county.

(h) This subsection applies to a sex or violent offender who is a sexually violent predator. A sex or violent offender who is a sexually violent predator shall register not more than seventy-two (72) hours after the sex or violent offender:

(1) is released from a penal facility (as defined in IC 35-41-1-21);
(2) is released from a secure private facility (as defined in IC 31-9-2-115);
(3) is released from a juvenile detention facility;
(4) is transferred to a community transition program;
(5) is placed on parole;
(6) is placed on probation;
(7) is placed on home detention; or
(8) arrives at the place where the sexually violent predator is required to register under subsection (b), (c), or (d);

whichever occurs first. A sex or violent offender who is a sexually violent predator required to register in more than one (1) county under subsection (b), (c), (d), or (e) shall register in each appropriate county not more than seventy-two (72) hours after the offender's arrival in that county or acquisition of real estate in that county.

(i) The local law enforcement authority with whom a sex or violent offender registers under this section shall make and publish a photograph of the sex or violent offender on the Indiana sex and violent offender registry web site established under IC 36-2-13-5.5. The local law enforcement authority shall make a photograph of the sex or violent offender that complies with the requirements of IC 36-2-13-5.5 at least once per year. The sheriff of a county containing a consolidated city shall provide the police chief of the consolidated city with all photographic and computer equipment necessary to enable the police chief of the consolidated city to transmit sex or violent offender photographs (and other identifying information required by IC 36-2-13-5.5) to the Indiana sex and violent offender registry web site established under IC 36-2-13-5.5. In addition, the sheriff of a county containing a consolidated city shall provide all funding for the county's financial obligation for the establishment and maintenance of the Indiana sex and violent offender registry web site established under IC 36-2-13-5.5.

(j) When a sex or violent offender registers, the local law enforcement authority shall:

(1) immediately update the Indiana sex and violent offender registry web site established under IC 36-2-13-5.5;
(2) notify every law enforcement agency having jurisdiction in the county where the sex or violent offender resides; and
(3) update the National Crime Information Center National Sex Offender Registry data base via the Indiana data and communications system (IDACS).

When a sex or violent offender from a jurisdiction outside Indiana registers a change of address, **electronic mail address, instant messaging username, electronic chat room username, social networking web site username,** employment, vocation, or enrollment in Indiana, the local law enforcement authority shall provide the department with the information provided by the sex or violent offender during registration.

SECTION 6. IC 11-8-8-8, AS AMENDED BY P.L.216-2007, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. **(a)** The registration required under this chapter must include the following information:

(1) The sex or violent offender's full name, alias, any name by which the sex or violent offender was previously known, date of birth, sex, race, height, weight, hair color, eye color, any scars, marks, or tattoos, Social Security number, driver's license number or state identification card number, vehicle description and vehicle plate number for any vehicle the sex or violent offender owns or operates on a regular basis, principal residence address, other address where the sex or violent offender spends more than seven (7) nights in a fourteen (14) day period, and mailing address, if different from the sex or violent offender's principal residence address.

(2) A description of the offense for which the sex or violent offender was convicted, the date of conviction, the county of the conviction, the cause number of the conviction, and the sentence imposed, if applicable.

(3) If the person is required to register under section 7(a)(2) or 7(a)(3) of this chapter, the name and address of each of the sex or violent offender's employers in Indiana, the name and address of each campus or location where the sex or violent offender is enrolled in school in Indiana, and the address where the sex or violent offender stays or intends to stay while in Indiana.

(4) A recent photograph of the sex or violent offender.

(5) If the sex or violent offender is a sexually violent predator, that the sex or violent offender is a sexually violent predator.

(6) If the sex or violent offender is required to register for life, that the sex or violent offender is required to register for life.

(7) Any electronic mail address, instant messaging username, electronic chat room username, or social networking web site username that the sex or violent offender uses or intends to use.

~~(7)~~ **(8)** Any other information required by the department.

(b) If the sex or violent offender registers any information under subsection (a)(7), the offender shall sign a consent form authorizing the:

(1) search of the sex or violent offender's personal computer or device with Internet capability, at any time; and

(2) installation on the sex or violent offender's personal computer or device with Internet capability, at the sex or violent offender's expense, of hardware or software to monitor the sex or violent offender's Internet usage.

SECTION 7. IC 11-8-8-11, AS AMENDED BY P.L.216-2007, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) If a sex or violent offender who is required to register under this chapter changes:

(1) principal residence address; or

(2) if section 7(a)(2) or 7(a)(3) of this chapter applies, the place where the sex or violent offender stays in Indiana;

the sex or violent offender shall report in person to the local law enforcement authority having jurisdiction over the sex or violent offender's current principal address or location and, if the offender moves to a new county in Indiana, to the local law enforcement authority having jurisdiction over the sex or violent offender's new principal address or location not more than seventy-two (72) hours after the address change.

(b) If a sex or violent offender moves to a new county in Indiana, the local law enforcement authority where the sex or violent offender's current principal residence address is located shall inform the local law enforcement authority in the new county in Indiana of the sex or violent offender's residence and forward all relevant registration information concerning the sex or violent offender to the local law enforcement authority in the new county. The local law enforcement authority receiving notice under this subsection shall verify the address of the sex or violent offender under section 13 of this chapter not more than seven (7) days after receiving the notice.

(c) If a sex or violent offender who is required to register under section 7(a)(2) or 7(a)(3) of this chapter changes the sex or violent offender's principal place of employment, principal place of vocation, or campus or location where the sex or violent offender is enrolled in school, the sex or violent offender shall report in person:

(1) to the local law enforcement authority having jurisdiction over the sex or violent offender's current principal place of employment, principal place of vocation, or campus or location where the sex or violent offender is enrolled in school; and

(2) if the sex or violent offender changes the sex or violent offender's place of employment, vocation, or enrollment to a new county in Indiana, to the local law enforcement authority having jurisdiction over the sex or violent offender's new principal place of employment, principal place of vocation, or campus or location where the sex or violent offender is enrolled in school;

not more than seventy-two (72) hours after the change.

(d) If a sex or violent offender moves the sex or violent offender's place of employment, vocation, or enrollment to a new county in Indiana, the local law enforcement authority having jurisdiction over the sex or violent offender's current principal place of employment, principal place of vocation, or campus or location where the sex or violent offender is enrolled in school shall inform the local law enforcement authority in the new county of the sex or violent offender's new principal place of employment, vocation, or enrollment by forwarding relevant registration information to the local law enforcement authority in the new county.

(e) If a sex or violent offender moves the sex or violent offender's residence, place of employment, vocation, or enrollment to a new state, the local law enforcement authority shall inform the state police in the new state of the sex or violent

offender's new place of residence, employment, vocation, or enrollment.

(f) If a sex or violent offender who is required to register under this chapter changes or obtains a new:

(1) electronic mail address;

(2) instant messaging username;

(3) electronic chat room username; or

(4) social networking web site username;

the sex or violent offender shall report in person to the local law enforcement authority having jurisdiction over the sex or violent offender's current principal address or location and shall provide the local law enforcement authority with the new address or username not more than seventy-two (72) hours after the change or creation of the address or username.

~~(f)~~ **(g)** A local law enforcement authority shall make registration information, including information concerning the duty to register and the penalty for failing to register, available to a sex or violent offender.

~~(g)~~ **(h)** A local law enforcement authority who is notified of a change under subsection (a), ~~or~~ (c), **or (f)** shall:

(1) immediately update the Indiana sex and violent offender registry web site established under IC 36-2-13-5.5;

(2) update the National Crime Information Center National Sex Offender Registry data base via the Indiana data and communications system (IDACS); and

(3) notify the department.

~~(h)~~ **(i)** If a sex or violent offender who is registered with a local law enforcement authority becomes incarcerated, the local law enforcement authority shall transmit a copy of the information provided by the sex or violent offender during registration to the department.

~~(i)~~ **(j)** If a sex or violent offender is no longer required to register due to the expiration of the registration period, the local law enforcement authority shall transmit a copy of the information provided by the sex or violent offender during registration to the department.

SECTION 8. IC 11-8-8-19, AS AMENDED BY P.L.216-2007, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 19. (a) Except as provided in subsections (b) through (e), a sex or violent offender is required to register under this chapter until the expiration of ten (10) years after the date the sex or violent offender:

(1) is released from a penal facility (as defined in IC 35-41-1-21) or a secure juvenile detention facility of a state or another jurisdiction;

(2) is placed in a community transition program;

(3) is placed in a community corrections program;

(4) is placed on parole; or

(5) is placed on probation;

for the sex or violent offense requiring registration, whichever occurs last. **The registration period is tolled during any period that the sex or violent offender is incarcerated. The registration period does not restart if the offender is convicted of a subsequent offense; however, if the subsequent offense is a sex or violent offense, a new registration period may be imposed in accordance with this chapter.** The department shall ensure that an offender who is no longer required to register as a sex or violent offender is notified that the obligation to register has expired.

(b) A sex or violent offender who is a sexually violent predator is required to register for life.

(c) A sex or violent offender who is convicted of at least one (1) offense under section 5(a) of this chapter that the sex or violent offender committed:

(1) when the person was at least eighteen (18) years of age; and

(2) against a victim who was less than twelve (12) years of age at the time of the crime;

is required to register for life.

(d) A sex or violent offender who is convicted of at least one (1) offense under section 5(a) of this chapter in which the sex offender:

(1) proximately caused serious bodily injury or death to the victim;

(2) used force or the threat of force against the victim or a member of the victim's family, unless the offense is sexual battery as a Class D felony; or

(3) rendered the victim unconscious or otherwise incapable of giving voluntary consent;

is required to register for life.

(e) A sex or violent offender who is convicted of at least two (2) unrelated offenses under section 5(a) of this chapter is required to register for life.

(f) A person who is required to register as a sex or violent offender in any jurisdiction shall register for the period required by the other jurisdiction or the period described in this section, whichever is longer.

SECTION 9. IC 11-10-12-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 6. (a) The department, during the ninety (90) days before a committed offender is:**

(1) released on parole;

(2) assigned to a community transition program;

(3) discharged from the department; or

(4) released on probation;

shall allow the committed offender to have Internet access to use web sites that contain employment information in accordance with rules adopted by the department.

(b) The department shall provide employment counseling and Internet assistance to a committed offender who qualifies for Internet access under subsection (a), by a person trained in employment counseling and the use of Internet employment services.

(c) The department may restrict Internet access for a committed offender under subsection (a) if the committed offender:

(1) has a warrant or detainer seeking transfer of the person to a county or another jurisdiction;

(2) is no longer within ninety (90) days of release due to loss of credit time, or the imposition of an additional criminal sentence;

(3) does not reside in a department facility; or

(4) has engaged in misconduct involving use of the Internet.

SECTION 10. IC 11-13-3-4, AS AMENDED BY P.L.216-2007, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) A condition to remaining on parole is that the parolee not commit a crime during the period of parole.

(b) The parole board may also adopt, under IC 4-22-2, additional conditions to remaining on parole and require a parolee to satisfy one (1) or more of these conditions. These conditions must be reasonably related to the parolee's successful reintegration into the community and not unduly restrictive of a fundamental right.

(c) If a person is released on parole, the parolee shall be given a written statement of the conditions of parole. Signed copies of this statement shall be:

(1) retained by the parolee;

(2) forwarded to any person charged with the parolee's supervision; and

(3) placed in the parolee's master file.

(d) The parole board may modify parole conditions if the parolee receives notice of that action and had ten (10) days after receipt of the notice to express the parolee's views on the proposed modification. This subsection does not apply to modification of parole conditions after a revocation proceeding under section 10 of this chapter.

(e) As a condition of parole, the parole board may require the parolee to reside in a particular parole area. In determining a parolee's residence requirement, the parole board shall:

(1) consider:

(A) the residence of the parolee prior to the parolee's incarceration; and

(B) the parolee's place of employment; and

(2) assign the parolee to reside in the county where the parolee resided prior to the parolee's incarceration unless assignment on this basis would be detrimental to the parolee's successful reintegration into the community.

(f) As a condition of parole, the parole board may require the parolee to:

(1) periodically undergo a laboratory chemical test (as defined in IC 14-15-8-1) or series of tests to detect and confirm the presence of a controlled substance (as defined in IC 35-48-1-9); and

(2) have the results of any test under this subsection reported to the parole board by the laboratory.

The parolee is responsible for any charges resulting from a test required under this subsection. However, a person's parole may not be revoked on the basis of the person's inability to pay for a test under this subsection.

(g) As a condition of parole, the parole board:

(1) may require a parolee who is a sex offender (as defined in IC 11-8-8-4.5) to:

(A) participate in a treatment program for sex offenders approved by the parole board; and

(B) avoid contact with any person who is less than sixteen (16) years of age unless the parolee:

(i) receives the parole board's approval; or

(ii) successfully completes the treatment program referred to in clause (A); and

(2) shall:

(A) require a parolee who is a sex or violent offender (as defined in IC 11-8-8-5) to register with a local law enforcement authority under IC 11-8-8;

(B) prohibit a parolee who is a sex offender from residing within one thousand (1,000) feet of school property (as defined in IC 35-41-1-24.7) for the period of parole, unless the sex offender obtains written approval from the parole board;

(C) prohibit a parolee who is a sex offender convicted of a sex offense (as defined in IC 35-38-2-2.5) from residing within one (1) mile of the victim of the sex offender's sex offense unless the sex offender obtains a waiver under IC 35-38-2-2.5; ~~and~~

(D) prohibit a parolee who is a sex offender from owning, operating, managing, being employed by, or volunteering at any attraction designed to be primarily enjoyed by children less than sixteen (16) years of age;

(E) require a parolee who is a sex offender to consent:

(i) to the search of the sex offender's personal computer at any time; and

(ii) to the installation on the sex offender's personal computer or device with Internet capability, at the sex offender's expense, of one (1) or more hardware or software systems to monitor Internet usage; and

(F) prohibit the sex offender from:

(i) accessing or using certain web sites, chat rooms, or instant messaging programs frequented by children; and

(ii) deleting, erasing, or tampering with information on the sex offender's personal computer with intent to conceal an activity prohibited by item (i).

The parole board may not grant a sexually violent predator (as defined in IC 35-38-1-7.5) or a sex offender who is an offender against children under IC 35-42-4-11 a waiver under subdivision (2)(B) or (2)(C). If the parole board allows the sex offender to reside within one thousand (1,000) feet of school property under subdivision (2)(B), the parole board shall notify each school within one thousand (1,000) feet of the sex offender's residence of the order.

(h) The address of the victim of a parolee who is a sex offender convicted of a sex offense (as defined in IC 35-38-2-2.5) is confidential, even if the sex offender obtains a waiver under IC 35-38-2-2.5.

(i) As a condition of parole, the parole board may require a parolee to participate in a reentry court program.

(j) As a condition of parole, the parole board:

(1) shall require a parolee who is a sexually violent predator under IC 35-38-1-7.5; and

(2) may require a parolee who is a sex or violent offender (as defined in IC 11-8-8-5);

to wear a monitoring device (as described in IC 35-38-2.5-3) that can transmit information twenty-four (24) hours each day regarding a person's precise location.

(k) As a condition of parole, the parole board may prohibit, in accordance with IC 35-38-2-2.6, a parolee who has been convicted of stalking from residing within one thousand (1,000) feet of the residence of the victim of the stalking for a period that does not exceed five (5) years.

SECTION 11. IC 11-13-9 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 9. Rehabilitation Based Discharge for Long Term Inmates

Sec. 1. This chapter does not apply to the following:

(1) An inmate who receives a sentence of death or life without parole under IC 35-50-2.

(2) An inmate who has committed an offense described in IC 11-8-8-4.5.

(3) A person convicted of a crime of violence (as defined in IC 35-50-1-2).

Sec. 2. Notwithstanding any other law, as soon as practicable after an inmate has been confined to the custody of the department for twenty-five (25) consecutive years, the department shall:

(1) identify the inmate to the parole board; and

(2) provide the parole board with the inmate's offender progress report.

Sec. 3. Upon receipt of the material described in section 2 of this chapter, the parole board shall set a hearing to determine whether the circumstances warrant the inmate's discharge from the custody of the department.

Sec. 4. The parole board shall consider all relevant factors in determining whether the inmate is to be discharged under this chapter and must consider a community investigation report submitted to the parole board. The parole board shall give special consideration to an inmate who demonstrates each of the following:

(1) A good conduct history during confinement.

(2) Proof that the inmate will have suitable living quarters in a community if the inmate is discharged.

(3) Proof that one (1) or more employers in the area in which the inmate would reside if discharged have offered to employ the inmate for at least thirty (30) hours a week on the same terms as the employer employs other employees.

(4) Proof that the inmate:

(A) is at least a high school graduate; or

(B) has obtained:

(i) a general equivalency degree; or

(ii) a state of Indiana general educational development (GED) diploma.

Sec. 5. (a) If the parole board determines that the inmate:

(1) has been properly rehabilitated; and

(2) has suitable plans to carry out if discharged;

the parole board shall discharge the inmate from the custody of the department. An inmate who is released from confinement under this subsection must be placed on parole as described in subsection (b).

(b) An inmate who is discharged from the department under this section shall be placed on parole as follows:

(1) An inmate who is required to be placed on parole for the remainder of the inmate's life under IC 35-50-6-1(e) shall be placed on parole for the remainder of the inmate's life.

(2) An inmate who is:

(A) not an inmate described in subdivision (1); and

(B) not required to serve a period of probation;

shall be placed on parole for two (2) years.

Sec. 6. If the parole board denies an inmate's request to be discharged under this chapter, the inmate may petition for a new review not earlier than one (1) year after the parole board denies the request.

Sec. 7. The parole board or the department shall notify a registered crime victim in accordance with IC 11-8-7-2 if an inmate is discharged under this chapter.

Sec. 8. The department shall transmit the materials described in section 2 of this chapter to the legislative council in an electronic format under IC 5-14-6.

Sec. 9. The department shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 12. IC 20-30-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 5.5. Internet Safety

Sec. 1. Each school corporation shall include in the school corporation's curriculum for grades 3 and above instruction concerning safe usage of the Internet by children.

Sec. 2. The:

(1) department shall develop guidelines; and

(2) state board shall adopt rules under IC 4-22-2;

concerning the instruction required under this chapter to assist teachers assigned to teach the material described in this chapter.

Sec. 3. Guidelines and rules adopted under section 2 of this chapter must cover:

(1) safe online communication;

(2) privacy protection;

(3) cyberbullying;

(4) viewing inappropriate material;

(5) file sharing;

(6) the importance of open communication with responsible adults; and

(7) any other matters that the department or the state

board finds will assist children in using the Internet safely.

SECTION 13. IC 34-24-1-1, AS AMENDED BY P.L.137-2007, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) The following may be seized:

(1) All vehicles (as defined by IC 35-41-1), if they are used or are intended for use by the person or persons in possession of them to transport or in any manner to facilitate the transportation of the following:

(A) A controlled substance for the purpose of committing, attempting to commit, or conspiring to commit any of the following:

(i) Dealing in or manufacturing cocaine or a narcotic drug (IC 35-48-4-1).

(ii) Dealing in methamphetamine (IC 35-48-4-1.1).

(iii) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).

(iv) Dealing in a schedule IV controlled substance (IC 35-48-4-3).

(v) Dealing in a schedule V controlled substance (IC 35-48-4-4).

(vi) Dealing in a counterfeit substance (IC 35-48-4-5).

(vii) Possession of cocaine or a narcotic drug (IC 35-48-4-6).

(viii) Possession of methamphetamine (IC 35-48-4-6.1).

(ix) Dealing in paraphernalia (IC 35-48-4-8.5).

(x) Dealing in marijuana, hash oil, or hashish (IC 35-48-4-10).

(B) Any stolen (IC 35-43-4-2) or converted property (IC 35-43-4-3) if the retail or repurchase value of that property is one hundred dollars ($100) or more.

(C) Any hazardous waste in violation of IC 13-30-10-4.

(D) A bomb (as defined in IC 35-41-1-4.3) or weapon of mass destruction (as defined in IC 35-41-1-29.4) used to commit, used in an attempt to commit, or used in a conspiracy to commit an offense under IC 35-47 as part of or in furtherance of an act of terrorism (as defined by IC 35-41-1-26.5).

(2) All money, negotiable instruments, securities, weapons, communications devices, or any property used to commit, used in an attempt to commit, or used in a conspiracy to commit an offense under IC 35-47 as part of or in furtherance of an act of terrorism or commonly used as consideration for a violation of IC 35-48-4 (other than items subject to forfeiture under IC 16-42-20-5 or IC 16-6-8.5-5.1 before its repeal):

(A) furnished or intended to be furnished by any person in exchange for an act that is in violation of a criminal statute;

(B) used to facilitate any violation of a criminal statute; or

(C) traceable as proceeds of the violation of a criminal statute.

(3) Any portion of real or personal property purchased with money that is traceable as a proceed of a violation of a criminal statute.

(4) A vehicle that is used by a person to:

(A) commit, attempt to commit, or conspire to commit;

(B) facilitate the commission of; or

(C) escape from the commission of;

murder (IC 35-42-1-1), kidnapping (IC 35-42-3-2), criminal confinement (IC 35-42-3-3), rape (IC 35-42-4-1), child molesting (IC 35-42-4-3), or child exploitation (IC 35-42-4-4), or an offense under IC 35-47 as part of or in furtherance of an act of terrorism.

(5) Real property owned by a person who uses it to commit any of the following as a Class A felony, a Class B felony, or a Class C felony:

(A) Dealing in or manufacturing cocaine or a narcotic drug (IC 35-48-4-1).

(B) Dealing in methamphetamine (IC 35-48-4-1.1).

(C) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).

(D) Dealing in a schedule IV controlled substance (IC 35-48-4-3).

(E) Dealing in marijuana, hash oil, or hashish (IC 35-48-4-10).

(6) Equipment and recordings used by a person to commit fraud under IC 35-43-5-4(10).

(7) Recordings sold, rented, transported, or possessed by a person in violation of IC 24-4-10.

(8) Property (as defined by IC 35-41-1-23) or an enterprise (as defined by IC 35-45-6-1) that is the object of a corrupt business influence violation (IC 35-45-6-2).

(9) Unlawful telecommunications devices (as defined in IC 35-45-13-6) and plans, instructions, or publications used to commit an offense under IC 35-45-13.

(10) Any equipment, ~~used or intended for use in preparing, photographing, recording, videotaping, digitizing, printing, copying, or disseminating matter in violation of IC 35-42-4-4.~~ **including computer equipment and cellular telephones, used for or intended for use in preparing, photographing, recording, videotaping, digitizing, printing, copying, or disseminating matter in violation of IC 35-42-4.**

(11) Destructive devices used, possessed, transported, or sold in violation of IC 35-47.5.

(12) Tobacco products that are sold in violation of IC 24-3-5, tobacco products that a person attempts to sell in violation of IC 24-3-5, and other personal property owned and used by a person to facilitate a violation of IC 24-3-5.

(13) Property used by a person to commit counterfeiting or forgery in violation of IC 35-43-5-2.

(14) After December 31, 2005, if a person is convicted of an offense specified in IC 25-26-14-26(b) or IC 35-43-10, the following real or personal property:

(A) Property used or intended to be used to commit, facilitate, or promote the commission of the offense.

(B) Property constituting, derived from, or traceable to the gross proceeds that the person obtained directly or indirectly as a result of the offense.

(15) Except as provided in subsection (e), a motor vehicle used by a person who operates the motor vehicle:

(A) while intoxicated, in violation of IC 9-30-5-1 through IC 9-30-5-5, if in the previous five (5) years the person has two (2) or more prior unrelated convictions:

(i) for operating a motor vehicle while intoxicated in violation of IC 9-30-5-1 through IC 9-30-5-5; or

(ii) for an offense that is substantially similar to IC 9-30-5-1 through IC 9-30-5-5 in another jurisdiction; or

(B) on a highway while the person's driver's license is suspended in violation of IC 9-24-19-2 through IC 9-24-19-4, if in the previous five (5) years the person has two (2) or more prior unrelated convictions:

(i) for operating a motor vehicle while intoxicated in violation of IC 9-30-5-1 through IC 9-30-5-5; or

(ii) for an offense that is substantially similar to IC 9-30-5-1 through IC 9-30-5-5 in another jurisdiction.

If a court orders the seizure of a motor vehicle under this subdivision, the court shall transmit an order to the bureau of motor vehicles recommending that the bureau not permit a motor vehicle to be registered in the name of the person whose motor vehicle was seized until the person possesses a current driving license (as defined in IC 9-13-2-41).

(b) A vehicle used by any person as a common or contract carrier in the transaction of business as a common or contract carrier is not subject to seizure under this section, unless it can be proven by a preponderance of the evidence that the owner of the vehicle knowingly permitted the vehicle to be used to engage in conduct that subjects it to seizure under subsection (a).

(c) Equipment under subsection (a)(10) may not be seized unless it can be proven by a preponderance of the evidence that the owner of the equipment knowingly permitted the equipment to be used to engage in conduct that subjects it to seizure under subsection (a)(10).

(d) Money, negotiable instruments, securities, weapons, communications devices, or any property commonly used as consideration for a violation of IC 35-48-4 found near or on a person who is committing, attempting to commit, or conspiring to commit any of the following offenses shall be admitted into evidence in an action under this chapter as prima facie evidence that the money, negotiable instrument, security, or other thing of value is property that has been used or was to have been used to facilitate the violation of a criminal statute or is the proceeds of the violation of a criminal statute:

(1) IC 35-48-4-1 (dealing in or manufacturing cocaine or a narcotic drug).

(2) IC 35-48-4-1.1 (dealing in methamphetamine).

(3) IC 35-48-4-2 (dealing in a schedule I, II, or III controlled substance).

(4) IC 35-48-4-3 (dealing in a schedule IV controlled substance).

(5) IC 35-48-4-4 (dealing in a schedule V controlled substance) as a Class B felony.

(6) IC 35-48-4-6 (possession of cocaine or a narcotic drug) as a Class A felony, Class B felony, or Class C felony.

(7) IC 35-48-4-6.1 (possession of methamphetamine) as a Class A felony, Class B felony, or Class C felony.

(8) IC 35-48-4-10 (dealing in marijuana, hash oil, or hashish) as a Class C felony.

(e) A motor vehicle operated by a person who is not:

(1) an owner of the motor vehicle; or

(2) the spouse of the person who owns the motor vehicle;

is not subject to seizure under subsection (a)(15) unless it can be proven by a preponderance of the evidence that the owner of the vehicle knowingly permitted the vehicle to be used to engage in conduct that subjects it to seizure under subsection (a)(15).

SECTION 14. IC 35-38-1-7.1, AS AMENDED BY P.L.213-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7.1. (a) In determining what sentence to impose for a crime, the court may consider the following aggravating circumstances:

(1) The harm, injury, loss, or damage suffered by the victim of an offense was:

(A) significant; and

(B) greater than the elements necessary to prove the commission of the offense.

(2) The person has a history of criminal or delinquent behavior.

(3) The victim of the offense was less than twelve (12) years of age or at least sixty-five (65) years of age at the time the person committed the offense.

(4) The person:

(A) committed a crime of violence (IC 35-50-1-2); and

(B) knowingly committed the offense in the presence or within hearing of an individual who:

(i) was less than eighteen (18) years of age at the time the person committed the offense; and

(ii) is not the victim of the offense.

(5) The person violated a protective order issued against the person under IC 34-26-5 (or IC 31-1-11.5, IC 34-26-2, or IC 34-4-5.1 before their repeal), a workplace violence restraining order issued against the person under IC 34-26-6, or a no contact order issued against the person.

(6) The person has recently violated the conditions of any probation, parole, pardon, community corrections placement, or pretrial release granted to the person.

(7) The victim of the offense was:

(A) a person with a disability (as defined in IC 27-7-6-12), and the defendant knew or should have known that the victim was a person with a disability; or

(B) mentally or physically infirm.

(8) The person was in a position having care, custody, or control of the victim of the offense.

(9) The injury to or death of the victim of the offense was the result of shaken baby syndrome (as defined in IC 16-41-40-2).

(10) The person threatened to harm the victim of the offense or a witness if the victim or witness told anyone about the offense.

(11) The person:

(A) committed trafficking with an inmate under IC 35-44-3-9; and

(B) is an employee of the penal facility.

(b) The court may consider the following factors as mitigating circumstances or as favoring suspending the sentence and imposing probation:

(1) The crime neither caused nor threatened serious harm to persons or property, or the person did not contemplate that it would do so.

(2) The crime was the result of circumstances unlikely to recur.

(3) The victim of the crime induced or facilitated the offense.

(4) There are substantial grounds tending to excuse or justify the crime, though failing to establish a defense.

(5) The person acted under strong provocation.

(6) The person has no history of delinquency or criminal activity, or the person has led a law-abiding life for a substantial period before commission of the crime.

(7) The person is likely to respond affirmatively to probation or short term imprisonment.

(8) The character and attitudes of the person indicate that the person is unlikely to commit another crime.

(9) The person has made or will make restitution to the victim of the crime for the injury, damage, or loss sustained.

(10) Imprisonment of the person will result in undue hardship to the person or the dependents of the person.

(11) The person was convicted of a crime involving the use of force against a person who had repeatedly inflicted physical or sexual abuse upon the convicted person and evidence shows that the convicted person suffered from the effects of battery as a result of the past course of conduct of the individual who is the victim of the crime for which the person was convicted.

(c) The criteria listed in subsections (a) and (b) do not limit the matters that the court may consider in determining the sentence.

(d) A court may impose any sentence that is:

(1) authorized by statute; and

(2) permissible under the Constitution of the State of Indiana;

regardless of the presence or absence of aggravating circumstances or mitigating circumstances.

SECTION 15. IC 35-38-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. **(a)** If a convicted person is sentenced to a term of imprisonment, the court shall send a copy of:

(1) the presentence report;

(2) any presentence memorandum filed by the convicted person;

(3) the report of any physical or mental examination made incident to the question of sentence; ~~and~~

(4) any record made under IC 35-35-2 **or IC 35-35-3;**

(5) the abstract of judgment;

(6) the judgment of conviction; and

(7) the sentencing order;

to the department of correction.

(b) Copies of the information sent to the department of correction under subsection (a) may be sent through any electronic means approved by the department of correction.

SECTION 16. IC 35-38-2-2.2, AS AMENDED BY P.L.216-2007, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2.2. As a condition of probation for a sex offender (as defined in IC 11-8-8-4.5), the court shall:

(1) require the sex offender to register with the local law enforcement authority under IC 11-8-8; ~~and~~

(2) prohibit the sex offender from residing within one thousand (1,000) feet of school property (as defined in IC 35-41-1-24.7), **as measured from the property line of the sex offender's residence to the property line of the school property,** for the period of probation, unless the sex offender obtains written approval from the court;

(3) require the sex offender to consent:

(A) to the search of the sex offender's personal computer at any time; and

(B) to the installation on the sex offender's personal computer or device with Internet capability, at the sex offender's expense, of one (1) or more hardware or software systems to monitor Internet usage; and

(4) prohibit the sex offender from:

(A) accessing or using certain web sites, chat rooms, or instant messaging programs frequented by children; and

(B) deleting, erasing, or tampering with information on the sex offender's personal computer with intent to conceal an activity prohibited by clause (A).

If the court allows the sex offender to reside within one thousand (1,000) feet of school property under subdivision (2), the court shall notify each school within one thousand (1,000) feet of the sex offender's residence of the order. However, a court may not allow a sex offender who is a sexually violent predator (as defined in IC 35-38-1-7.5) or an offender against children under IC 35-42-4-11 to reside within one thousand (1,000) feet of school property.

SECTION 17. IC 35-38-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) When a

convicted person is sentenced to imprisonment, the court shall, without delay, certify, under the seal of the court **or through any electronic means approved by the department of correction,** copies of the judgment of conviction and sentence to the receiving authority.

(b) The judgment must include:

(1) the crime for which the convicted person is adjudged guilty and the classification of the criminal offense;

(2) the period, if any, for which the person is rendered incapable of holding any office of trust or profit;

(3) the amount of the fines or costs assessed, if any, whether or not the convicted person is indigent, and the method by which the fines or costs are to be satisfied;

(4) the amount of credit, including credit time earned, for time spent in confinement before sentencing; and

(5) the amount to be credited toward payment of the fines or costs for time spent in confinement before sentencing.

(c) The judgment may specify the degree of security recommended by the court.

(d) A term of imprisonment begins on the date sentence is imposed, unless execution of the sentence is stayed according to law.

SECTION 18. IC 35-42-4-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 12. (a) This section does not apply to a person to whom all of the following apply:**

(1) The person is not more than:

(A) four (4) years older than the victim if the offense was committed after June 30, 2007; or

(B) five (5) years older than the victim if the offense was committed before July 1, 2007.

(2) The relationship between the person and the victim was a dating relationship or an ongoing personal relationship. The term "ongoing personal relationship" does not include a family relationship.

(3) The crime:

(A) was not committed by a person who is at least twenty-one (21) years of age;

(B) was not committed by using or threatening the use of deadly force;

(C) was not committed while armed with a deadly weapon;

(D) did not result in serious bodily injury;

(E) was not facilitated by furnishing the victim, without the victim's knowledge, with a drug (as defined in IC 16-42-19-2(1)) or a controlled substance (as defined in IC 35-48-1-9) or knowing that the victim was furnished with the drug or controlled substance without the victim's knowledge; and

(F) was not committed by a person having a position of authority or substantial influence over the victim.

(b) This section applies only to a person required to register as a sex or violent offender under IC 11-8-8 who has been:

(1) found to be a sexually violent predator under IC 35-38-1-7.5; or

(2) convicted of one (1) or more of the following offenses:

(A) Child molesting (IC 35-42-4-3).

(B) Child exploitation (IC 35-42-4-4(b)).

(C) Possession of child pornography (IC 35-42-4-4(c)).

(D) Vicarious sexual gratification (IC 35-42-4-5(a) or IC 35-42-4-5(b)).

(E) Sexual conduct in the presence of a minor (IC 35-42-4-5(c)).

(F) Child solicitation (IC 35-42-4-6).

(G) Child seduction (IC 35-42-4-7).

(H) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age and the person is not the child's parent or guardian.

(I) Attempt to commit or conspiracy to commit an offense listed in clauses (A) through (H).

(J) An offense in another jurisdiction that is substantially similar to an offense described in clauses (A) through (H).

(c) As used in this section, "instant messaging or chat room program" means a software program that requires a person to register or create an account, a username, or a password to become a member or registered user of the program and allows two (2) or more members or authorized users to communicate over the Internet in real time using typed text. The term does not include an electronic mail program or message board program.

(d) As used in this section, "social networking web site" means an Internet web site that:

(1) facilitates the social introduction between two (2) or more persons;

(2) requires a person to register or create an account, a username, or a password to become a member of the web site and to communicate with other members;

(3) allows a member to create a web page or a personal profile; and

(4) provides a member with the opportunity to communicate with another person.

The term does not include an electronic mail program or message board program.

(e) A person described in subsection (b) who knowingly or intentionally uses:

(1) a social networking web site; or

(2) an instant messaging or chat room program;

that the offender knows allows a person who is less than eighteen (18) years of age to access or use the web site or program commits a sex offender Internet offense, a Class A misdemeanor. However, the offense is a Class D felony if the person has a prior unrelated conviction under this section.

(f) It is a defense to a prosecution under this section that the person:

(1) did not know that the web site or program allowed a person who is less than eighteen (18) years of age to access or use the web site or program; and

(2) upon discovering that the web site or program allows a person who is less than eighteen (18) years of age to access or use the web site or program, immediately ceased further use or access of the web site or program.

SECTION 19. IC 35-42-4-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 13. (a) This section does not apply to the following:**

(1) A parent, guardian, or custodian of a child.

(2) A person who acts with the permission of a child's parent, guardian, or custodian.

(3) A person to whom a child makes a report of abuse or neglect.

(4) A person to whom a child reports medical symptoms that relate to or may relate to sexual activity.

(b) As used in this section, "sexual activity" means sexual intercourse, deviate sexual conduct, or the fondling or touching of the buttocks, genitals, or female breasts.

(c) A person at least twenty-one (21) years of age who knowingly or intentionally communicates with an individual whom the person believes to be a child less than fourteen (14) years of age concerning sexual activity with the intent to gratify the sexual desires of the person or the individual commits inappropriate communication with a child, a Class B misdemeanor. However, the offense is a Class A misdemeanor if the person commits the offense by using a computer network (as defined in IC 35-43-2-3(a)).

SECTION 20. [EFFECTIVE JULY 1, 2008] **(a) Notwithstanding IC 11-13-3-4(j), the parole board is not required to require a parolee who is a sexually violent predator under IC 35-38-1-7.5 to wear a monitoring device (as described in IC 35-38-2.5-3) that can transmit information twenty-four (24) hours each day regarding a person's precise location unless the parolee was released to parole after June 30, 2009.**

(b) The parole board may require a parolee described in subsection (a) to wear a monitoring device (as described in IC 35-38-2.5-3) that can transmit information twenty-four (24) hours each day regarding a person's precise location, even if the parolee was released to parole before July 1, 2009.

(c) This SECTION expires January 1, 2010.

SECTION 21. [EFFECTIVE JULY 1, 2008] **IC 35-38-1-7.1, as amended by this act, and IC 35-42-4-12 and IC 35-52-4-13, both as added by this act, apply only to crimes committed after June 30, 2008.**

(Reference is to ESB 258 as reprinted February 27, 2008.)

Waterman, Chair	V. Smith
Simpson	Borders
Senate Conferees	House Conferees

Roll Call 366: yeas 46, nays 0. Report adopted.

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 59

Senate Concurrent Resolution 59, introduced by Senator Kenley:

A CONCURRENT RESOLUTION urging the Indiana Department of Transportation to name the part of State Road 3 running from Hartford City north to Highway 18 in honor of Senator David C. Ford.

Whereas, Throughout his 14 year tenure in the Indiana Senate, Senator David C. Ford has been a respected leader and tireless advocate for his constituents and the people of the State of Indiana;

Whereas, Regardless of late nights and early mornings during session, Senator Ford traveled home to Hartford City each night;

Whereas, On his numerous trips between the State House and his home, Senator Ford spent a great deal of time traveling State Road 3; and

Whereas, In recognition of his service to the State of Indiana, the members of the General Assembly urge the Indiana Department of Transportation to name the designated portion of State Road 3 in honor of Senator David C. Ford: Therefore,

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

SECTION 1. That the Indiana General Assembly urges the Indiana Department of Transportation to name the part of State Road 3 from Hartford City north to Highway 18 in honor of Senator David C. Ford.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to the Indiana Department of Transportation.

The resolution was read in full and adopted by standing vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsors: Representatives Harris and Turner.

SENATE MOTION

Madam President: I move that Senators Alting, Arnold, Becker, Boots, Bray, Breaux, Broden, Charbonneau, Deig, Delph, Dillon, Drozda, Errington, Gard, Hershman, Hume, Jackman, Kruse, Lanane, Landske, Lawson, Lewis, Long, Lubbers, Meeks, Merritt, Miller, Mishler, Mrvan, Nugent, Paul, Riegsecker, Rogers, Simpson, Sipes, Skinner, Smith, Steele, Tallian, Walker, Waltz, Waterman, Weatherwax, Wyss, M. Young, R. Young, and Zakas be added as coauthors of Senate Concurrent Resolution 59.

KENLEY

Motion prevailed.

ACTION ON GUBERNATORIAL VETOES

VETO MESSAGE FROM THE GOVERNOR

Mr. Speaker and Members of the House: By the authority vested in me as Governor of Indiana, under the provisions of Article 5, Section 14, of the Constitution of the State of Indiana, I do hereby veto House Enrolled Act 1429, enacted during the regular session of the 115th General Assembly. The bill would increase fees paid to attorneys in cases where Medicaid liens are recovered. It mandates a three-fold increase in the lawyers' share of recoveries in certain personal injury cases where a Medicaid lien exists against any compensation a plaintiff might obtain, with no demonstrable prospect that *total recoveries* (to reimburse Medicaid) would increase as a result. The more likely outcome of higher attorney fees would be less money flowing back to taxpayers and the Indiana Patients Compensation Fund.

MITCHELL E. DANIELS JR.
Governor

The Chair handed down House Enrolled Act 1429, passed by the One hundred and fifteenth, First Regular Session, entitled:

AN ACT to amend the Indiana Code concerning Medicaid.

The question was, Shall House Enrolled Act 1429 pass, the Governor's veto notwithstanding?

Roll Call 367: yeas 28, nays 19. The Governor's veto was not sustained.

The Chair instructed the Secretary to inform the House that the Senate had passed House Enrolled Act 1429, the Governor's veto notwithstanding.

MESSAGE FROM THE GOVERNOR

Madam President and Members of the Senate: On March 14, 2008, I signed the following enrolled acts into law: SEA 22 and 51.

MITCHELL E. DANIELS, JR.
Governor

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the Conference Committee Reports on Engrossed House Bills 1140–1, 1204–1, 1219–1, 1284–1, 1359–1, and 1246–1.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the following motion:

"I move that the Speaker of the House of Representatives appoint a committee of four members of the House of Representatives to inform the Senate that the House of Representatives has completed its business and is ready to adjourn."

The Speaker has appointed Representatives Micon, Bartlett, Espich, and Pond.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the following motion:

"I move that the Speaker of the House of Representatives appoint a committee of four members of the House of Representatives to confer with the Senate for the purpose of ascertaining if the Senate has any further legislative business to transact with the House of Representatives."

The Speaker has appointed Representatives Crooks, Hoy, Ripley, and Elrod.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the following motion:

"I move that the Speaker of the House of Representatives appoint a committee of four members of the House of Representatives to inform the Governor that the House of Representatives has completed its business and is ready to adjourn."

The Speaker has appointed Representatives Oxley, Pflum, Wolkins, and Burton.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the following motion:

"I move that the Speaker of the House of Representatives appoint a committee of four members of the House of Representatives to confer with the Governor for the purpose of ascertaining if the Governor has any further communication to make to the House of Representatives."

The Speaker has appointed Representatives Mays, Orentlicher, Buell, and Gutwein.

CLINTON MCKAY
Principal Clerk of the House

SENATE MOTION

Madam President: I move that Senators Mishler and Sipes be appointed as a committee of two members of the Senate to confer with the Governor for the purpose of ascertaining if the Governor has any further communications to make to the Senate.

LONG

Motion prevailed.

SENATE MOTION

Madam President: I move that Senators Landske and Lanane be appointed as a committee of two members of the Senate to confer with the House of Representatives for the purpose of ascertaining if the House of Representatives has any further legislative business to transact with the Senate.

LONG

Motion prevailed.

SENATE MOTION

Madam President: I move that all requests for interim studies, including those made by concurrent resolutions, bills which failed to pass both Houses of the General Assembly, or written or oral requests to the President Pro Tempore of the Senate, are hereby referred to the Legislative Council for further consideration as it deems necessary or appropriate.

LONG

Motion prevailed.

4:05 p.m.

The Chair declared a recess until the fall of the gavel.

RECESS

The Senate reconvened at 5:21 p.m., with the President of the Senate in the Chair.

COMMITTEE REPORT

Madam President: Pursuant to Senate Rule 83(k) your Committee on Rules and Legislative Procedure to which was referred Conference Committee Report #1 filed on Engrossed House Bill 1125 has had the same under consideration and begs leave to report back to the Senate with the recommendation that said Conference Committee Report is eligible for consideration.

LONG, Chair

Report adopted.

SENATE MOTION

Madam President: I move that Senate Rule 83(a) be suspended with regard to its application to the following Conference Committee Report: 1125–1.

LONG

Motion prevailed.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred the motion of Senator Long requesting suspension of Senate Rule 83(a) for Conference Committee Report filed for Engrossed House Bill 1125, has had the same under consideration and begs leave to repor tthe same back to the Senate with the recommendation that said motion be adopted.

LONG, Chair

Report adopted.

SENATE MOTION

Madam President: I move that Senators M. Young and Lubbers be added as cosponsors of Engrossed House Bill 1172.

KENLEY

Motion prevailed.

CONFERENCE COMMITTEE REPORTS

CONFERENCE COMMITTEE REPORT

EHB 1125–1

Madam President: Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill 1125 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-10.2-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) A member who becomes disabled while receiving a salary or employer provided income protection benefits or who is on leave under the Family and Medical Leave Act may retire for the duration of ~~his~~ **the member's** disability if:

(1) the member has at least five (5) years of creditable service before the:

(A) termination of a salary or employer provided income protection benefits or Family and Medical Leave Act leave; or

(B) exhaustion of all worker's compensation benefits;

(2) the member has qualified for Social Security disability benefits and has furnished proof of the Social Security qualification to the board; and

(3) at least once each year until the member reaches age sixty-five (65) a representative of the board verifies the continued disability.

For the purposes of this section, a member of the public employees' retirement fund who has qualified for disability benefits under the federal civil service system is considered to have met the requirement of subdivision (2) if ~~he~~ **the member** furnishes proof of the qualification to the board of the public employees' retirement fund.

(b) Benefits for disability shall be paid beginning with the month following the onset of disability as determined by the Social Security Administration. The benefit is the retirement benefit specified in section 4 of this chapter with the pension computed using only the years of creditable service worked to the date of disability and without reduction for early retirement. ~~However,~~ The monthly disability retirement benefit **payable before July 1, 2008,** may not be less than one hundred dollars ($100). **The monthly disability retirement benefit payable after June 30, 2008, may not be less than one hundred eighty dollars ($180).**

(c) The member may have ~~his~~ **the member's** benefit paid under any of the retirement benefit options specified in section 7 of this chapter, except that the member may not choose to have the member's disability retirement benefit paid under the method specified under section 7(b)(3) of this chapter.

(d) This section applies to:

(1) a member of the public employees' retirement fund who became disabled after June 30, 1973; and

(2) a member of the Indiana state teachers' retirement fund who becomes disabled after June 30, 1984, and who chooses disability retirement under this section.

(e) To the extent required by the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and any amendments and regulations to the Act, the transcripts, records, and other material compiled to determine the existence of a disability shall be:

(1) kept in separate medical files for each member; and

(2) treated as confidential medical records.

(f) A member may continue to receive disability benefits from the public employees' retirement fund or the Indiana state teachers' retirement fund so long as the member is entitled to receive Social Security benefits, including periods of trial employment or rehabilitation under the Social Security guidelines. However, during a period of trial employment or rehabilitation, service credit may not be granted under the public employees' retirement fund or the Indiana state teachers' retirement fund.

SECTION 2. IC 6-1.1-1-11, AS AMENDED BY P.L.214-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: 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) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;

~~(4) 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)~~ **(4)** foundations (other than foundations which support a building or structure) on which machinery or equipment:

(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) held as an investment;

is installed; ~~and~~

~~(6)~~ **(5)** all other tangible property (other than real property) which is being:

(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) held as an investment; **and**

(6) mobile homes that do not qualify as real property and are not described in subdivision (5).

(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 inventory (as defined in IC 6-1.1-3-11).

SECTION 3. IC 6-1.1-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. **(a) As used in this section, "nonbusiness personal property" means personal property that is not:**

(1) held for sale in the ordinary course of a trade or business;

(2) held, used, or consumed in connection with the production of income; or

(3) held as an investment.

(b) 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 **motorized** boat **or sailboat** 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) A recreational vehicle or truck camper that is subject to the annual excise tax imposed under IC 6-6-5.1.

(7) The following types of nonbusiness personal property:

(A) All-terrain vehicles.

(B) Snowmobiles.

(C) Rowboats, canoes, kayaks, and other human powered boats.

(D) Invalid chairs.

(E) Yard and garden tractors.

(F) Trailers that are not subject to an excise tax under:

(i) IC 6-6-5-5.5;

(ii) IC 6-6-5.1; or

(iii) IC 6-6-5.5.

SECTION 4. IC 6-1.1-20.6-4, AS AMENDED BY HEA 1001-2008, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. As used in this chapter, "residential property" refers to real property that consists of any of the following:

(1) A single family dwelling that is not part of a homestead and the land, not exceeding one (1) acre, on which the dwelling is located.

(2) Real property that consists of:

(A) a building that includes two (2) or more dwelling units;

(B) any common areas shared by the dwelling units; and

(C) the land, not exceeding the area of the building footprint, on which the building is located.

(3) Land rented or leased for the placement of a manufactured home or mobile home, **including any common areas shared by the manufactured homes or mobile homes.**

SECTION 5. IC 6-1.1-21.4 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 21.4. Rainy Day Fund Loans for Eligible School Corporations

Sec. 1. As used in this chapter, "board" refers to the state board of finance.

Sec. 2. As used in this chapter, "eligible school corporation" refers to a school corporation located in a county in which distributions of property tax revenue for 2007 or 2008 to the taxing units (as defined in IC 6-1.1-1-21) of the county:

(1) have not been made; or

(2) were delayed by more than sixty (60) days after either due date specified in IC 6-1.1-22-9.

Sec. 3. An eligible school corporation may apply to the board for a loan from the counter-cyclical revenue and economic stabilization fund.

Sec. 4. (a) The board, after review by the budget committee, shall determine the terms of any loan made under this chapter. However, the interest rate on the loan may not exceed one percent (1%).

(b) The total amount of all loans under this chapter for all calendar years may not exceed six million dollars ($6,000,000).

(c) An eligible school corporation receiving a loan under this chapter must repay the loan within seventy-two (72) months after the date on which the loan is made.

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

(e) An eligible school corporation may repay a loan made under this chapter from any sources of revenue.

(f) The obligation to repay a loan made under this chapter is not a basis for an eligible school corporation to obtain an excessive tax levy under IC 6-1.1-19.

(g) 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.

Sec. 5. The proceeds of a loan received by an eligible school corporation under this chapter are not considered to be part of the ad valorem property tax levy actually collected by the eligible school corporation for taxes first due and payable during a particular calendar year for the purpose of calculating levy excess.

Sec. 6. A loan under this chapter is not bonded indebtedness for purposes of IC 6-1.1-18.5.

SECTION 6. 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, 2008 (RETROACTIVE)]: Sec. 3. (a) The board, not later than December 31, ~~2007,~~ **2009,** 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) 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) 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 7. IC 6-2.3-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Gross receipts do not include a wholesale sale to another generator or reseller of utility services.

(b) A sale is a retail sale if the taxpayer sells utility services to a buyer that subsequently makes a sale described in IC 6-2.3-4-5.

(c) A sale of utility services is a wholesale sale if the utility services are natural gas and the buyer consumes the natural gas in the direct production of electricity to be sold by the buyer.

SECTION 8. IC 6-2.5-4-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 16. (a) This section applies to transactions occurring after June 30, 2008.**

(b) A person is a retail merchant making a retail transaction when the person:

(1) leases or rents an aircraft to another person; and

(2) provides flight instruction services to the lessee or renter during the term of the lease or rental.

(c) The amount of the gross retail income attributable to a retail transaction described in subsection (b) is the amount charged by the retail merchant for the lease or rental of the aircraft used in conjunction with the flight instruction services provided to the lessee or renter.

SECTION 9. IC 6-2.5-5-41, AS AMENDED BY P.L.235-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 41. (a) As used in this section, "qualified media production" has the meaning set forth in IC 6-3.1-32-5.

(b) Except as provided in ~~subsections~~ **subsection** (d), ~~and (e),~~ a transaction involving tangible personal property is exempt from the state gross retail tax if the person acquiring the property acquires it for the person's direct use in a qualified media production in Indiana after December 31, 2006.

(c) For purposes of this section, the following are not considered to be directly used in the production of a qualified media production:

(1) Food and beverage services.

(2) A vehicle or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.

(3) Fuel, parts, supplies, or other consumables used in a vehicle or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.

(4) Lodging.

(5) Packaging materials.

(d) A person is not entitled to an exemption under this section with respect to a transaction involving tangible personal property that is:

(1) a qualified production expenditure (as defined in IC 6-3.1-32-6) for which a tax credit is claimed under IC 6-3.1-32; or

(2) acquired for direct use in a qualified media production in Indiana if the transaction occurs after December 31, ~~2008.~~ **2011.**

SECTION 10. IC 6-2.5-6-1, AS AMENDED BY P.L.211-2007, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Except as otherwise provided in this section, each person liable for collecting the state gross retail or use tax shall file a return for each calendar month and pay the state gross retail and use taxes that the person collects during that month. A person shall file the person's return for a particular month with the department and make the person's tax payment for that month to the department not more than thirty (30) days after the end of that month, if that person's average monthly liability for collections of state gross retail and use taxes under this section as determined by the department for the preceding calendar year did not exceed one thousand dollars ($1,000). If a person's average monthly liability for collections of state gross retail and use taxes under this section as determined by the department for the preceding calendar year exceeded one thousand dollars ($1,000), that person shall file the person's return for a particular month and make the person's tax payment for that month to the department not more than twenty (20) days after the end of that month.

(b) If a person files a combined sales and withholding tax report and either this section or IC 6-3-4-8.1 requires sales or withholding tax reports to be filed and remittances to be made within twenty (20) days after the end of each month, then the person shall file the combined report and remit the sales and withholding taxes due within twenty (20) days after the end of each month.

(c) Instead of the twelve (12) monthly reporting periods required by subsection (a), the department may permit a person to divide a year into a different number of reporting periods. The return and payment for each reporting period is due not more than twenty (20) days after the end of the period.

(d) Instead of the reporting periods required under subsection (a), the department may permit a retail merchant to report and pay the merchant's state gross retail and use taxes for a period covering

~~(1)~~ a calendar year, if the retail merchant's ~~average monthly~~ state gross retail and use tax liability in the previous calendar year does not exceed ~~ten dollars ($10);~~

~~(2) a calendar half year, if the retail merchant's average monthly state gross retail and use tax liability in the previous calendar year does not exceed twenty-five dollars ($25); or~~

~~(3) a calendar quarter, if the retail merchant's average monthly state gross retail and use tax liability in the previous calendar year does not exceed seventy-five dollars ($75).~~

one thousand dollars ($1,000). A retail merchant using a reporting period allowed under this subsection must file the merchant's return and pay the merchant's tax for a reporting period not later than the last day of the month immediately following the close of that reporting period.

(e) If a retail merchant reports the merchant's adjusted gross income tax, or the tax the merchant pays in place of the adjusted gross income tax, over a fiscal year ~~or fiscal quarter~~ not corresponding to the calendar year, ~~or calendar quarter,~~ the merchant may, without prior departmental approval, report and pay the merchant's state gross retail and use taxes over the merchant's fiscal ~~period~~ **year** that corresponds to the calendar ~~period~~ **year** the merchant is permitted to use under subsection (d). However, the department may, at any time, require the retail merchant to stop using the fiscal reporting period.

(f) If a retail merchant files a combined sales and withholding tax report, the reporting period for the combined report is the shortest period required under:

(1) this section;

(2) IC 6-3-4-8; or

(3) IC 6-3-4-8.1.

(g) If the department determines that a person's:

(1) estimated monthly gross retail and use tax liability for the current year; or

(2) average monthly gross retail and use tax liability for the preceding year;

exceeds five thousand dollars ($5,000), the person shall pay the monthly gross retail and use taxes due by electronic funds transfer (as defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.

~~(h) If a person's gross retail and use tax payment is made by electronic funds transfer, the taxpayer is not required to file a monthly gross retail and use tax return. However, the person shall file a quarterly gross retail and use tax return before the twentieth day after the end of each calendar quarter.~~

~~(i)~~ **(h)** A person:

(1) who has voluntarily registered as a seller under the Streamlined Sales and Use Tax Agreement;

(2) who is not a Model 1, Model 2, or Model 3 seller (as defined in the Streamlined Sales and Use Tax Agreement); and

(3) whose liability for collections of state gross retail and use taxes under this section for the preceding calendar year as determined by the department does not exceed one thousand dollars ($1,000);

is not required to file a monthly gross retail and use tax return.

SECTION 11. 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, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, 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.

(25) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.

(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 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, 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, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, 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).

SECTION 12. IC 6-3-1-11, AS AMENDED BY P.L.234-2007, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 11. (a) The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, ~~2007.~~ **2008.**

(b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on January 1, ~~2007,~~ **2008,** that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent the provisions apply to this article, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on January 1, ~~2007,~~ **2008,** shall be regarded as rules adopted by the department under this article, unless the department adopts specific rules that supersede the regulation.

(c) An amendment to the Internal Revenue Code made by an act passed by Congress before January 1, ~~2007,~~ **2008,** that is effective for any taxable year that began before January 1, ~~2007,~~ **2008,** and that affects:

(1) individual adjusted gross income (as defined in Section

62 of the Internal Revenue Code);

(2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);

(3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);

(4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue Code);

(5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or

(6) taxable income (as defined in Section 832 of the Internal Revenue Code);

is also effective for that same taxable year for purposes of determining adjusted gross income under section 3.5 of this chapter.

SECTION 13. IC 6-3-3-12, AS AMENDED BY P.L.211-2007, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 12. (a) As used in this section, "account" has the meaning set forth in IC 21-9-2-2.

(b) As used in this section, "account beneficiary" has the meaning set forth in IC 21-9-2-3.

(c) As used in this section, "account owner" has the meaning set forth in IC 21-9-2-4.

(d) As used in this section, "college choice 529 education savings plan" refers to a college choice 529 investment plan established under IC 21-9.

(e) As used in this section, "nonqualified withdrawal" means a withdrawal or distribution from a college choice 529 education savings plan that is not a qualified withdrawal.

(f) As used in this section, "qualified higher education expenses" has the meaning set forth in IC 21-9-2-19.5.

(g) As used in this section, "qualified withdrawal" means a withdrawal or distribution from a college choice 529 education savings plan that is made:

(1) to pay for qualified higher education expenses, excluding any withdrawals or distributions used to pay for qualified higher education expenses if the withdrawals or distributions are made from an account of a college choice 529 education savings plan that is terminated within twelve (12) months after the account is opened;

(2) as a result of the death or disability of an account beneficiary;

(3) because an account beneficiary received a scholarship that paid for all or part of the qualified higher education expenses of the account beneficiary, to the extent that the withdrawal or distribution does not exceed the amount of the scholarship; or

(4) by a college choice 529 education savings plan as the result of a transfer of funds by a college choice 529 education savings plan from one (1) third party custodian to another.

A qualified withdrawal does not include a rollover distribution or transfer of assets from a college choice 529 education savings plan to any other qualified tuition program under Section 529 of the Internal Revenue Code ~~that is not a college choice 529 education savings~~ **or to any other similar** plan.

(h) As used in this section, "taxpayer" means:

(1) an individual filing a single return; or

(2) a married couple filing a joint return.

(i) A taxpayer is entitled to a credit against the taxpayer's adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for a taxable year equal to the least of the following:

(1) Twenty percent (20%) of the amount of the total contributions made by the taxpayer to an account or accounts of a college choice 529 education savings plan during the taxable year.

(2) One thousand dollars ($1,000).

(3) The amount of the taxpayer's adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

(j) A taxpayer is not entitled to a carryback, carryover, or refund of an unused credit.

(k) A taxpayer may not sell, assign, convey, or otherwise transfer the tax credit provided by this section.

(l) To receive the credit provided by this section, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department all information that the department determines is necessary for the calculation of the credit provided by this section.

(m) An account owner of an account of a college choice 529 education savings plan must repay all or a part of the credit in a taxable year in which any nonqualified withdrawal is made from the account. The amount the taxpayer must repay is equal to the lesser of:

(1) twenty percent (20%) of the total amount of nonqualified withdrawals made during the taxable year from the account; or

(2) the excess of:

(A) the cumulative amount of all credits provided by this section that are claimed by any taxpayer with respect to the taxpayer's contributions to the account for all prior taxable years beginning on or after January 1, 2007; over

(B) the cumulative amount of repayments paid by the account owner under this subsection for all prior taxable years beginning on or after January 1, 2008.

(n) Any required repayment under subsection (m) shall be reported by the account owner on the account owner's annual state income tax return for any taxable year in which a nonqualified withdrawal is made.

(o) A nonresident account owner who is not required to file an annual income tax return for a taxable year in which a nonqualified withdrawal is made shall make any required repayment on the form required under IC 6-3-4-1(2). If the nonresident account owner does not make the required repayment, the department shall issue a demand notice in accordance with IC 6-8.1-5-1.

~~(o)~~ **(p)** The executive director of the Indiana education savings authority shall submit or cause to be submitted to the department a copy of all information returns or statements issued to account owners, account beneficiaries, and other taxpayers for each taxable year with respect to:

(1) nonqualified withdrawals made from accounts of a college choice 529 education savings plan for the taxable year; or

(2) account closings for the taxable year.

SECTION 14. IC 6-3-4-1.5, AS ADDED BY P.L.211-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1.5. **(a)** If a professional preparer files more than one hundred (100) returns in a calendar year for persons described in section 1(1) or 1(2) of this chapter, in the immediately following calendar year the professional preparer shall file returns for persons described in section 1(1) or 1(2) of this chapter in an electronic format specified by the department.

(b) A professional preparer described in subsection (a) is not required to file a return in an electronic format if the taxpayer requests in writing that the return not be filed in an electronic format. Returns filed by a professional preparer under this subsection shall not be used in determining the professional preparer's requirement to file returns in an electronic format.

(c) After December 31, 2010, a professional preparer who does not comply with subsection (a) is subject to a penalty of fifty dollars ($50) for each return not filed in an electronic format, with a maximum penalty of twenty-five thousand dollars ($25,000) per calendar year.

SECTION 15. IC 6-3-4-4.1, AS AMENDED BY P.L.211-2007, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4.1. (a) Any individual required by the Internal Revenue Code to file estimated tax returns and to make payments on account of such estimated tax shall file estimated tax returns and make payments of the tax imposed by this article to the department at the time or times and in the installments as provided by Section 6654 of the Internal Revenue Code. However, **the following apply to estimated tax returns filed and payments made under this subsection:**

(1) In applying Section 6654 of the Internal Revenue Code for the purposes of this article, "estimated tax" means the amount which the individual estimates as the amount of the adjusted gross income tax imposed by this article for the taxable year, minus the amount which the individual estimates as the sum of any credits against the tax provided by IC 6-3-3.

(2) Estimated tax for a nonresident alien (as defined in Section 7701 of the Internal Revenue Code) must be computed by applying not more than one (1) exclusion under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4), regardless of the total number of exclusions that IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4) permit the taxpayer to apply on the taxpayer's final return for the taxable year.

(b) Every individual who has adjusted gross income subject to the tax imposed by this article and from which tax is not withheld under the requirements of section 8 of this chapter shall make a declaration of estimated tax for the taxable year. However, no such declaration shall be required if the estimated tax can reasonably be expected to be less than one thousand dollars ($1,000). In the case of an underpayment of the estimated tax as provided in Section 6654 of the Internal Revenue Code, there shall be added to the tax a penalty in an amount prescribed by IC 6-8.1-10-2.1(b).

(c) Every corporation subject to the adjusted gross income tax liability imposed by this article shall be required to report and pay an estimated tax equal to the lesser of:

(1) twenty-five percent (25%) of such corporation's estimated adjusted gross income tax liability for the taxable year; or

(2) the annualized income installment calculated in the manner provided by Section 6655(e) of the Internal Revenue Code as applied to the corporation's liability for adjusted gross income tax.

A taxpayer who uses a taxable year that ends on December 31 shall file the taxpayer's estimated adjusted gross income tax returns and pay the tax to the department on or before April 20, June 20, September 20, and December 20 of the taxable year. If a taxpayer uses a taxable year that does not end on December 31, the due dates for filing estimated adjusted gross income tax returns and paying the tax are on or before the twentieth day of the fourth, sixth, ninth, and twelfth months of the taxpayer's taxable year. The department shall prescribe the manner and forms for such reporting and payment.

(d) The penalty prescribed by IC 6-8.1-10-2.1(b) shall be assessed by the department on corporations failing to make payments as required in subsection (c) or (f). However, no penalty shall be assessed as to any estimated payments of adjusted gross income tax which equal or exceed:

(1) the annualized income installment calculated under subsection (c); or

(2) twenty-five percent (25%) of the final tax liability for the taxpayer's previous taxable year.

In addition, the penalty as to any underpayment of tax on an estimated return shall only be assessed on the difference between the actual amount paid by the corporation on such estimated return and twenty-five percent (25%) of the corporation's final adjusted gross income tax liability for such taxable year.

(e) The provisions of subsection (c) requiring the reporting and estimated payment of adjusted gross income tax shall be applicable only to corporations having an adjusted gross income tax liability which, after application of the credit allowed by IC 6-3-3-2 (repealed), shall exceed two thousand five hundred dollars ($2,500) for its taxable year.

(f) If the department determines that a corporation's:

(1) estimated quarterly adjusted gross income tax liability for the current year; or

(2) average estimated quarterly adjusted gross income tax

liability for the preceding year;

exceeds five thousand dollars ($5,000), after the credit allowed by IC 6-3-3-2 (repealed), the corporation shall pay the estimated adjusted gross income taxes due by electronic funds transfer (as defined in IC 4-8.1-2-7) or by delivering in person or overnight by courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.

(g) If a corporation's adjusted gross income tax payment is made by electronic funds transfer, the corporation is not required to file an estimated adjusted gross income tax return.

SECTION 16. IC 6-3-4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 8. (a) Except as provided in subsection (d) or (l), every employer making payments of wages subject to tax under this article, regardless of the place where such payment is made, who is required under the provisions of the Internal Revenue Code to withhold, collect, and pay over income tax on wages paid by such employer to such employee, shall, at the time of payment of such wages, deduct and retain therefrom the amount prescribed in withholding instructions issued by the department. The department shall base its withholding instructions on the adjusted gross income tax rate for persons, on the total rates of any income taxes that the taxpayer is subject to under IC 6-3.5, and on the total amount of exclusions the taxpayer is entitled to under IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4). **However, the withholding instructions on the adjusted gross income of a nonresident alien (as defined in Section 7701 of the Internal Revenue Code) are to be based on applying not more than one (1) withholding exclusion, regardless of the total number of exclusions that IC 6-3-1-3.5(a)(3) and IC 6-3-1-3.5(a)(4) permit the taxpayer to apply on the taxpayer's final return for the taxable year.** Such employer making payments of any wages:

(1) shall be liable to the state of Indiana for the payment of the tax required to be deducted and withheld under this section and shall not be liable to any individual for the amount deducted from the individual's wages and paid over in compliance or intended compliance with this section; and

(2) shall make return of and payment to the department monthly of the amount of tax which under this article and IC 6-3.5 the employer is required to withhold.

(b) An employer shall pay taxes withheld under subsection (a) during a particular month to the department no later than thirty (30) days after the end of that month. However, in place of monthly reporting periods, the department may permit an employer to report and pay the tax for:

(1) a calendar year reporting period, if the average monthly amount of all tax required to be withheld by the employer in the previous calendar year does not exceed ten dollars ($10);

(2) a six (6) month reporting period, if the average monthly amount of all tax required to be withheld by the employer in the previous calendar year does not exceed twenty-five dollars ($25); or

(3) a three (3) month reporting period, if the average monthly amount of all tax required to be withheld by the employer in the previous calendar year does not exceed seventy-five dollars ($75).

An employer using a reporting period (other than a monthly reporting period) must file the employer's return and pay the tax for a reporting period no later than the last day of the month immediately following the close of the reporting period. If an employer files a combined sales and withholding tax report, the reporting period for the combined report is the shortest period required under this section, section 8.1 of this chapter, or IC 6-2.5-6-1.

(c) For purposes of determining whether an employee is subject to taxation under IC 6-3.5, an employer is entitled to rely on the statement of an employee as to the employee's county of residence as represented by the statement of address in forms claiming exemptions for purposes of withholding, regardless of when the employee supplied the forms. Every employee shall notify the employee's employer within five (5) days after any change in the employee's county of residence.

(d) A county that makes payments of wages subject to tax under this article:

(1) to a precinct election officer (as defined in IC 3-5-2-40.1); and

(2) for the performance of the duties of the precinct election officer imposed by IC 3 that are performed on election day;

is not required, at the time of payment of the wages, to deduct and retain from the wages the amount prescribed in withholding instructions issued by the department.

(e) Every employer shall, at the time of each payment made by the employer to the department, deliver to the department a return upon the form prescribed by the department showing:

(1) the total amount of wages paid to the employer's employees;

(2) the amount deducted therefrom in accordance with the provisions of the Internal Revenue Code;

(3) the amount of adjusted gross income tax deducted therefrom in accordance with the provisions of this section;

(4) the amount of income tax, if any, imposed under IC 6-3.5 and deducted therefrom in accordance with this section; and

(5) any other information the department may require.

Every employer making a declaration of withholding as provided in this section shall furnish the employer's employees annually, but not later than thirty (30) days after the end of the calendar year, a record of the total amount of adjusted gross income tax and the amount of each income tax, if any, imposed under IC 6-3.5, withheld from the employees, on the forms prescribed by the department.

(f) All money deducted and withheld by an employer shall immediately upon such deduction be the money of the state, and every employer who deducts and retains any amount of money under the provisions of this article shall hold the same in trust for

the state of Indiana and for payment thereof to the department in the manner and at the times provided in this article. Any employer may be required to post a surety bond in the sum the department determines to be appropriate to protect the state with respect to money withheld pursuant to this section.

(g) The provisions of IC 6-8.1 relating to additions to tax in case of delinquency and penalties shall apply to employers subject to the provisions of this section, and for these purposes any amount deducted or required to be deducted and remitted to the department under this section shall be considered to be the tax of the employer, and with respect to such amount the employer shall be considered the taxpayer. In the case of a corporate or partnership employer, every officer, employee, or member of such employer, who, as such officer, employee, or member is under a duty to deduct and remit such taxes shall be personally liable for such taxes, penalties, and interest.

(h) Amounts deducted from wages of an employee during any calendar year in accordance with the provisions of this section shall be considered to be in part payment of the tax imposed on such employee for the employee's taxable year which begins in such calendar year, and a return made by the employer under subsection (b) shall be accepted by the department as evidence in favor of the employee of the amount so deducted from the employee's wages. Where the total amount so deducted exceeds the amount of tax on the employee as computed under this article and IC 6-3.5, the department shall, after examining the return or returns filed by the employee in accordance with this article and IC 6-3.5, refund the amount of the excess deduction. However, under rules promulgated by the department, the excess or any part thereof may be applied to any taxes or other claim due from the taxpayer to the state of Indiana or any subdivision thereof. No refund shall be made to an employee who fails to file the employee's return or returns as required under this article and IC 6-3.5 within two (2) years from the due date of the return or returns. In the event that the excess tax deducted is less than one dollar ($1), no refund shall be made.

(i) This section shall in no way relieve any taxpayer from the taxpayer's obligation of filing a return or returns at the time required under this article and IC 6-3.5, and, should the amount withheld under the provisions of this section be insufficient to pay the total tax of such taxpayer, such unpaid tax shall be paid at the time prescribed by section 5 of this chapter.

(j) Notwithstanding subsection (b), an employer of a domestic service employee that enters into an agreement with the domestic service employee to withhold federal income tax under Section 3402 of the Internal Revenue Code may withhold Indiana income tax on the domestic service employee's wages on the employer's Indiana individual income tax return in the same manner as allowed by Section 3510 of the Internal Revenue Code.

(k) To the extent allowed by Section 1137 of the Social Security Act, an employer of a domestic service employee may report and remit state unemployment insurance contributions on the employee's wages on the employer's Indiana individual income tax return in the same manner as allowed by Section 3510 of the Internal Revenue Code.

(l) The department shall adopt rules under IC 4-22-2 to exempt an employer from the duty to deduct and remit from the wages of an employee adjusted gross income tax withholding that would otherwise be required under this section whenever:

(1) an employee has at least one (1) qualifying child, as determined under Section 32 of the Internal Revenue Code;

(2) the employee is eligible for an earned income tax credit under IC 6-3.1-21;

(3) the employee elects to receive advance payments of the earned income tax credit under IC 6-3.1-21 from money that would otherwise be withheld from the employee's wages for adjusted gross income taxes; and

(4) the amount that is not deducted and remitted is distributed to the employee, in accordance with the procedures prescribed by the department, as an advance payment of the earned income tax credit for which the employee is eligible under IC 6-3.1-21.

The rules must establish the procedures and reports required to carry out this subsection.

(m) A person who knowingly fails to remit trust fund money as set forth in this section commits a Class D felony.

SECTION 17. IC 6-3.1-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 6. (a) **Except as provided by subsection (b),** 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%) 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) 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 amount of the credit is equal to the product of:

(1) the amount determined under subsection (a); multiplied by

(2) the quotient of the taxpayer's income taxable in Indiana divided by the taxpayer's total income.

~~(b)~~ **(c)** 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.

SECTION 18. IC 6-3.1-32-9, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. **(a) Subject to subsection (b),** a qualified applicant that:

(1) incurs or makes qualified production expenditures of:

(A) at least one hundred thousand dollars ($100,000), in the case of a qualified media production described in section 5(a)(1) of this chapter; or

(B) at least fifty thousand dollars ($50,000), in the case of a qualified media production described in section 5(a)(2), 5(a)(3), 5(a)(4), or 5(a)(5) of this chapter; and

(2) satisfies the requirements of this chapter;

~~is entitled to~~ **may claim** a refundable tax credit as provided in this chapter.

(b) The maximum amount of tax credits that may be allowed under this chapter during a state fiscal year for all taxpayers is five million dollars ($5,000,000).

SECTION 19. IC 6-3.1-32-11, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. **(a)** This section applies to a taxpayer that claims qualified production expenditures of at least six million dollars ($6,000,000) in a taxable year for purposes of the tax credit under this chapter.

~~If the corporation approves the granting of a tax credit to the taxpayer~~ **(b) Subject to section 9(b) of this chapter and the corporation's approval of a tax credit for the taxpayer** under section 13 of this chapter, ~~the amount of the tax credit to which the~~ **a** taxpayer ~~is entitled~~ **may claim a tax credit** under this chapter **that** equals the product of:

(1) the percentage determined by the corporation under section 13 of this chapter; multiplied by

(2) the amount of the taxpayer's qualified production expenditures in the taxable year.

SECTION 20. IC 6-3.1-32-13, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. (a) A taxpayer that proposes to claim a tax credit under section 11 of this chapter must, before incurring or making the qualified production expenditures, apply to the corporation for approval of the tax credit.

(b) After receiving an application under subsection (a), the corporation may enter into an agreement with the applicant for a tax credit under section 11 of this chapter if the corporation determines that:

(1) the applicant's proposed qualified media production:

(A) is economically viable; and

(B) will increase economic growth and job creation in Indiana; and

(2) the applicant's proposed qualified media production and qualified production expenditures otherwise satisfy the requirements of this chapter.

(c) If the corporation and an applicant enter into an agreement under this section, the agreement must specify the following:

(1) The percentage to be used under section 11(1) of this chapter in determining the amount of the tax credit. The percentage may not be more than fifteen percent (15%).

(2) Any requirements or restrictions that the applicant must satisfy before the applicant may claim the tax credit.

~~(d) The maximum amount of tax credits that the corporation may approve under this section during a particular taxable year for all taxpayers is five million dollars ($5,000,000).~~

SECTION 21. IC 6-6-5-9, AS AMENDED BY P.L.184-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The bureau, in the administration and collection of the annual license excise tax imposed by this chapter, may utilize the services and facilities of license branches operated under IC 9-16 in its administration of the motor vehicle registration laws of the state of Indiana. The license branches may be so utilized in accordance with such procedures, in such manner, and to such extent as the bureau shall deem necessary and proper to implement and effectuate the administration and collection of the excise tax imposed by this chapter. However, in the event the bureau shall utilize such license branches in the collection of excise tax, the following apply:

(1) The excise taxes so collected by each license branch, less any refunds made by the license branch, shall be deposited daily by the license branch ~~in a separate account~~ in a depository duly designated by the state board of finance. The county treasurer of the county for which the collections are due may withdraw funds from the account at least two (2) times each week. The county treasurer is responsible for the safekeeping and investment of money withdrawn by the county treasurer under this subsection. Before the eleventh day of the month following the month in which the collections are made, the bureau of motor vehicles shall report the excise taxes collected and refunds made outside the county to the county treasurer of the county to which the collections are due and the refunds apply. The bureau shall forward a copy of this excise tax report to the county auditor of the county.

(2) A license branch shall each week forward a report to the county auditor of the county to whom the collections are due, showing the excise tax collected on each vehicle, each refund on a vehicle, and a copy of each registration certificate for all collections and refunds within the county.

(3) Each license branch shall also report to the bureau all excise taxes collected and refunds made under this chapter in the same manner and at the same time as registration fees are reported.

(4) Premiums for insurance to protect the funds collected by license branches against theft shall be paid by the bureau, except that the bureau may issue blanket coverage for all branches at its discretion. At the discretion of the bureau, the bureau may:

(A) self-insure to cover the activities of the license branches; or

(B) rather than purchase a bond or crime policy for each branch, purchase a single blanket bond or crime insurance policy endorsed to include faithful performance to cover all branches.

(5) If the services of a license branch are used by the bureau in the collection of the excise tax imposed by this chapter, the license branch shall collect the service charge prescribed under IC 9-29 for each vehicle registered upon which an excise tax is collected by that branch.

(6) If the excise tax imposed by this chapter is collected by the department of state revenue, the money collected shall be deposited in the state general fund to the credit of the appropriate county and reported to the bureau of motor vehicles on the first working day following the week of

collection. Except as provided in subdivision (7), any amount collected by the department which represents interest or a penalty shall be retained by the department and used to pay its costs of enforcing this chapter.

(7) This subdivision applies only to interest or a penalty collected by the department of state revenue from a person who:

(A) fails to properly register a vehicle as required by IC 9-18 and pay the tax due under this chapter; and

(B) during any time after the date by which the vehicle was required to be registered under IC 9-18 displays on the vehicle a license plate issued by another state.

The total amount collected by the department that represents interest or a penalty, minus a reasonable amount determined by the department to represent its administrative expenses, shall be deposited in the state general fund for the credit of the county in which the person resides. The amount shall be reported to the bureau of motor vehicles on the first working day following the week of collection.

The bureau may contract with a bank card or credit card vendor for acceptance of bank or credit cards.

(b) On or before April 1 of each year the bureau shall provide to the auditor of state the amount of motor vehicle excise taxes collected for each county for the preceding year.

(c) On or before May 10 and November 10 of each year the auditor of state shall distribute to each county one-half (1/2) of:

(1) the amount of delinquent taxes; and

(2) any penalty or interest described in subsection (a)(7);

that have been credited to the county under subsection (a). There is appropriated from the state general fund the amount necessary to make the distributions required by this subsection. The county auditor shall apportion and distribute the delinquent tax distributions to the taxing units in the county at the same time and in the same manner as excise taxes are apportioned and distributed under section 10 of this chapter.

(d) The commissioner of insurance shall prescribe the form of the bonds or crime policies required by this section.

SECTION 22. IC 6-6-5.1 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

Chapter 5.1. Excise Tax on Recreational Vehicles and Truck Campers

Sec. 1. This chapter does not apply to the following:

(1) A vehicle subject to the motor vehicle excise tax under IC 6-6-5.

(2) A vehicle owned or leased and operated by the United States, the state, or a political subdivision of the state.

(3) A mobile home.

(4) A vehicle assessed under IC 6-1.1-8.

(5) A vehicle subject to the commercial vehicle excise tax under IC 6-6-5.5.

(6) A trailer subject to the annual excise tax imposed under IC 6-6-5-5.5.

(7) A bus (as defined in IC 9-13-2-17(a)).

(8) A vehicle owned or leased and operated by a postsecondary educational institution (as described in IC 6-3-3-5(d)).

(9) A vehicle owned or leased and operated by a volunteer fire department (as defined in IC 36-8-12-2).

(10) A vehicle owned or leased and operated by a volunteer emergency ambulance service that:

(A) meets the requirements of IC 16-31; and

(B) has only members who serve for no compensation or a nominal annual compensation of not more than three thousand five hundred dollars ($3,500).

(11) A vehicle that is exempt from the payment of registration fees under IC 9-18-3-1.

(12) A farm wagon.

(13) A recreational vehicle or truck camper in the inventory of recreational vehicles and truck campers held for sale by a manufacturer, distributor, or dealer in the course of business.

Sec. 2. As used in this chapter, "bureau" refers to the bureau of motor vehicles.

Sec. 3. As used in this chapter, "last preceding annual excise tax liability" means the amount of excise tax liability to which a recreational vehicle or truck camper was subject on the owner's last preceding regular annual registration date or to which:

(1) the recreational vehicle would have been subject if the recreational vehicle had been registered; or

(2) the truck camper would have been subject if the truck camper had been owned by the owner and located in Indiana;

on the owner's last preceding regular annual registration date.

Sec. 4. As used in this chapter, "mobile home" has the meaning set forth in IC 6-1.1-7-1.

Sec. 5. As used in this chapter, "owner" means:

(1) in the case of a recreational vehicle, the person in whose name the recreational vehicle is registered under IC 9-18; or

(2) in the case of a truck camper, the person holding title to the truck camper.

Sec. 6. As used in this chapter, "recreational vehicle" has the meaning set forth in IC 9-13-2-150(a).

Sec. 7. As used in this chapter, "trailer" has the meaning set forth in IC 6-6-5-1(h).

Sec. 8. As used in this chapter, "truck camper" means a device without motive power that is installed in the bed of a truck to provide living quarters for persons traveling on public highways.

Sec. 9. As used in this chapter, "vehicle" has the meaning set forth in IC 9-13-2-196(a).

Sec. 10. (a) Beginning January 1, 2010, there is imposed an annual license excise tax on recreational vehicles and truck campers. The excise tax is imposed instead of the ad valorem

property tax levied for state or local purposes but in addition to any registration fees imposed on recreational vehicles.

(b) The tax imposed by this chapter is a listed tax and subject to IC 6-8.1.

(c) A recreational vehicle subject to this chapter may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes after December 31, 2008, and is not subject to ad valorem taxes first due and payable after December 31, 2009, regardless of whether the recreational vehicle is registered under the state motor vehicle registration laws. A person may not be required to give proof of the payment of ad valorem taxes as a condition to the registration of a recreational vehicle subject to the tax imposed by this chapter.

(d) A truck camper subject to this chapter may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes after December 31, 2008, and is not subject to ad valorem taxes first due and payable after December 31, 2009.

Sec. 11. As the basis for measuring the tax imposed by this chapter, the bureau shall determine the value of each recreational vehicle and truck camper as of the time it is first offered for sale in Indiana as a new recreational vehicle or truck camper. The bureau shall adopt rules under IC 4-22-2 for determining the value of recreational vehicles and truck campers by using:

(1) the factory advertised delivered price or the port of entry price; or

(2) any other information available.

Sec. 12. After determining the value of a recreational vehicle or truck camper under section 11 of this chapter, the bureau shall classify every recreational vehicle and truck camper in its proper class by value according to the following classification plan:

Class	I	less than $2,250	
Class	II	at least $ 2,250	but less than $ 4,000
Class	III	at least $ 4,000	but less than $ 7,000
Class	IV	at least $ 7,000	but less than $ 10,000
Class	V	at least $10,000	but less than $ 15,000
Class	VI	at least $15,000	but less than $ 22,000
Class	VII	at least $22,000	but less than $ 30,000
Class	VIII	at least $30,000	but less than $ 42,500
Class	IX	at least $42,500	but less than $ 50,000
Class	X	at least $50,000	but less than $ 60,000
Class	XI	at least $60,000	but less than $ 70,000
Class	XII	at least $70,000	but less than $ 80,000
Class	XIII	at least $80,000	but less than $ 90,000
Class	XIV	at least $90,000	but less than $100,000
Class	XV	at least $100,000	but less than $150,000
Class	XVI	at least $150,000	but less than $200,000
Class	XVII	at least $200,000	

Sec. 13. (a) Subject to any reductions permitted under this chapter, the amount of tax imposed under this chapter on a recreational vehicle or truck camper is prescribed by the schedule set out in subsection (c). The amount of tax imposed by this chapter is determined using:

(1) the classification of the recreational vehicle or truck camper under section 12 of this chapter; and

(2) the age of the recreational vehicle or truck camper.

(b) If a person who owns a recreational vehicle or truck camper is entitled to an ad valorem property tax assessed valuation deduction under IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, or IC 6-1.1-12-17.4 in a year in which a tax is imposed by this chapter and any part of the deduction is unused after allowance of the deduction on real property and personal property owned by the person, the person is entitled to a credit that reduces the annual tax imposed by this chapter. The amount of the credit is determined by multiplying the amount of the unused deduction by two (2) and dividing the result by one hundred (100). The county auditor shall, upon request, furnish a certified statement to the person verifying the credit allowable under this subsection. The statement shall be presented to and retained by the bureau to support the credit.

(c) The tax schedule for each class of recreational vehicles and truck campers is as follows:

Year of Manufacture	I	II	III	IV	V
1st	$15	$36	$50	$59	$103
2nd	12	31	43	51	91
3rd	12	26	35	41	75
4th	12	20	28	38	62
5th	12	15	20	34	53
6th	12	12	15	26	41
7th	12	12	12	16	32
8th	12	12	12	13	21
9th	12	12	12	12	13
10th and thereafter	12	12	12	12	12

Year of Manufacture	VI	VII	VIII
1st	$164	$241	$346
2nd	148	212	302
3rd	131	185	261
4th	110	161	223
5th	89	131	191
6th	68	108	155
7th	53	86	126
8th	36	71	97
9th	23	35	48
10th and thereafter	12	12	17

Year of Manufacture	IX	X	XI	XII
1st	$470	$667	$879	$1,045
2nd	412	572	763	907
3rd	360	507	658	782
4th	307	407	574	682
5th	253	341	489	581
6th	204	279	400	475

7th	163	224	317	377
8th	116	154	214	254
9th	55	70	104	123
10th and thereafter	25	33	46	55

Year of Manufacture	XIII	XIV	XV	XVI	XVII
1st	$1,235	$1,425	$1,615	$1,805	$2,375
2nd	1,072	1,236	1,401	1,566	2,060
3rd	924	1,066	1,208	1,350	1,777
4th	806	929	1,053	1,177	1,549
5th	687	793	898	1,004	1,321
6th	562	648	734	821	1,080
7th	445	514	582	651	856
8th	300	346	392	439	577
9th	146	168	190	213	280
10th and thereafter.	64	74	84	94	123

(d) Each recreational vehicle or truck camper shall be taxed as a recreational vehicle or truck camper in its first year of manufacture throughout the calendar year in which a recreational vehicle or truck camper of that make and model is first offered for sale in Indiana. However, a recreational vehicle or truck camper of a make and model first offered for sale in Indiana after August 1 of any year continues to be taxed as a recreational vehicle or truck camper in its first year of manufacture until the end of the calendar year following the year in which it is first offered for sale. Thereafter, the recreational vehicle or truck camper shall be considered to have aged one (1) year as of January 1 of each year.

Sec. 14. (a) Except as otherwise provided in this chapter, the tax imposed on a recreational vehicle by this chapter is payable for each registration year by the owner with respect to a recreational vehicle required to be registered for the registration year as provided in the state motor vehicle laws. Except as provided in section 15 of this chapter, the tax is due on or before the regular annual registration date in each year on or before which the owner is required under the state motor vehicle registration laws to register vehicles. The tax shall be paid to the bureau at the time the recreational vehicle is registered by the owner as provided in the state motor vehicle registration laws. A recreational vehicle subject to taxation under this chapter shall be registered by the owner as being taxable in the county of the owner's residence. The payment of the tax imposed by this chapter is a condition to the right to register or reregister the recreational vehicle and is in addition to all other conditions prescribed by law.

(b) The tax imposed on a truck camper by this chapter is due on or before the annual registration date in each year on or before which the owner is required under the state motor vehicle registration laws to register vehicles. The tax on the truck camper must be paid to the bureau. A truck camper subject to taxation under this chapter is taxable in the county of the owner's residence.

(c) A voucher from the department of state revenue showing payment of the tax imposed by this chapter may be accepted by the bureau instead of a payment under subsection (a).

Sec. 15. (a) This section applies only to recreational vehicles.

(b) With respect to a recreational vehicle that has been acquired, has been brought into Indiana, or for any other reason becomes subject to registration after the regular annual registration date in the year on or before which the owner of the recreational vehicle is required under the state motor vehicle registration laws to register vehicles, the tax imposed by this chapter is due and payable at the time the recreational vehicle is acquired, is brought into Indiana, or otherwise becomes subject to registration. The amount of tax to be paid by the owner for the remainder of the year shall be reduced by ten percent (10%) for each full calendar month that has elapsed since the regular annual registration date in the year fixed by the state motor vehicle registration laws for annual registration by the owner. The tax shall be paid at the time of the registration of the recreational vehicle.

(c) If a recreational vehicle is acquired, is brought into Indiana, or for any other reason becomes subject to registration after January 1 of any year, the owner may pay the applicable registration fee on the recreational vehicle as provided in the state motor vehicle registration laws and may pay any excise tax due on the recreational vehicle for the remainder of the annual registration year and simultaneously register the recreational vehicle and pay the applicable registration fee and the excise tax due for the next succeeding annual registration year.

(d) Except as provided in subsection (h), a reduction in the applicable annual excise tax may not be allowed to an Indiana resident applicant upon registration of a recreational vehicle that was owned by the applicant on or before the first day of the applicant's annual registration period. A recreational vehicle that is owned by an Indiana resident applicant and that was located in and registered for use in another state during the same calendar year is entitled to the same reduction when registered in Indiana.

(e) The owner of a recreational vehicle who sells the recreational vehicle in a year in which the owner has paid the tax imposed by this chapter shall receive a credit equal to the remainder of:

(1) the tax paid for the recreational vehicle; minus

(2) ten percent (10%) for each full or partial calendar month that has elapsed in the owner's annual registration year before the date of the sale.

The credit shall be applied to the tax due on any other recreational vehicle purchased or subsequently registered by the owner in the owner's annual registration year. If the credit is not fully used and the amount of the credit remaining is at least four dollars ($4), the owner is entitled to a refund in the amount of the unused credit. The owner must

pay a fee of three dollars ($3) to the bureau to cover costs of providing the refund, which may be deducted from the refund. The bureau shall issue the refund. The bureau shall transfer three dollars ($3) of the fee to the bureau of motor vehicles commission to cover the commission's costs in processing the refund. To claim the credit and refund provided by this subsection, the owner of the recreational vehicle must present to the bureau proof of sale of the recreational vehicle.

(f) Subject to the requirements of subsection (g), if a recreational vehicle is destroyed in a year in which the owner has paid the tax imposed by this chapter and the recreational vehicle is not replaced by a replacement vehicle for which a credit is issued under this section, the owner is entitled to a refund in an amount equal to ten percent (10%) of the tax paid for each full calendar month remaining in the owner's annual registration year after the date of destruction, but only upon presentation or return to the bureau of the following:

(1) A request for refund on a form furnished by the bureau.

(2) A statement of proof of destruction on an affidavit furnished by the bureau.

(3) The license plate from the recreational vehicle.

(4) The registration from the recreational vehicle.

However, the refund may not exceed ninety percent (90%) of the tax paid on the destroyed recreational vehicle. The amount shall be refunded by a warrant issued by the auditor of the county that received the excise tax revenue and shall be paid out of the special account created under section 21 of this chapter for settlement of the excise tax collections. For purposes of this subsection, a recreational vehicle is considered destroyed if the cost of repair of damages suffered by the recreational vehicle exceeds the recreational vehicle's fair market value.

(g) To claim a refund under subsection (f) for a recreational vehicle that is destroyed, the owner of the recreational vehicle must present to the bureau a valid registration for the recreational vehicle within ninety (90) days after the date that the recreational vehicle is destroyed. The bureau shall then fix the amount of the refund that the owner is entitled to receive.

(h) If the name of the owner of a recreational vehicle is legally changed and the change has caused a change in the owner's annual registration date, the excise tax liability of the owner for the recreational vehicle shall be adjusted as follows:

(1) If the name change requires the owner to register sooner than the owner would have been required to register if there had been no name change, the owner is, at the time the name change is reported, entitled to a refund from the county treasurer in the amount of the product of:

(A) ten percent (10%) of the owner's last preceding annual excise tax liability; multiplied by

(B) the number of full calendar months beginning after the owner's new regular annual registration month and ending before the next succeeding regular annual registration month that is based on the owner's former name.

(2) If the name change requires the owner to register later than the owner would have been required to register if there had been no name change, the recreational vehicle is subject to excise tax for the period beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month in the amount of the product of:

(A) ten percent (10%) of the owner's excise tax liability computed as of the time the owner would have been required to register if there had been no name change; multiplied by

(B) the number of full calendar months beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month.

Sec. 16. (a) This section applies only to truck campers.

(b) With respect to a truck camper that has been acquired, has been brought into Indiana, or for any other reason becomes subject to taxation after the regular annual registration date in the year on or before which the owner of the truck camper is required under the state motor vehicle registration laws to register vehicles, the tax imposed by this chapter is due and payable at the time the truck camper is acquired, is brought into Indiana, or otherwise becomes subject to taxation under this chapter. The amount of tax to be paid by the owner for the remainder of the year shall be reduced by ten percent (10%) for each full calendar month that has elapsed since the regular annual registration date in the year fixed by the state motor vehicle registration laws for annual registration by the owner. The tax shall be paid within thirty (30) days after the date on which the truck camper is acquired, is brought into Indiana, or otherwise becomes subject to taxation under this chapter.

(c) If a truck camper is acquired, is brought into Indiana, or for any other reason becomes subject to taxation under this chapter after January 1 of any year, the owner may pay any excise tax due on the truck camper for the remainder of the annual registration year and simultaneously pay the excise tax due for the next succeeding annual registration year.

(d) The owner of a truck camper who sells the truck camper in a year in which the owner has paid the tax imposed by this chapter shall receive a credit equal to the remainder of:

(1) the tax paid for the truck camper; reduced by

(2) ten percent (10%) for each full or partial calendar month that has elapsed in the owner's annual

registration year before the date of the sale.

The credit shall be applied to the tax due on any other truck camper acquired by the owner in the owner's annual registration year. If the credit is not fully used and the amount of the credit remaining is at least four dollars ($4), the owner is entitled to a refund in the amount of the unused credit. The owner must pay a fee of three dollars ($3) to the bureau to cover the costs of providing the refund, which may be deducted from the refund. The bureau shall issue the refund. The bureau shall transfer three dollars ($3) of the fee to the bureau of motor vehicles commission to cover the commission's costs in processing the refund. To claim the credit and refund provided by this subsection, the owner of the truck camper must present to the bureau proof of sale of the truck camper.

(e) Subject to the requirements of subsection (f), if a truck camper is destroyed in a year in which the owner has paid the tax imposed by this chapter and the truck camper is not replaced by a replacement truck camper for which a credit is issued under this section, the owner is entitled to a refund in an amount equal to ten percent (10%) of the tax paid for each full calendar month remaining in the owner's annual registration year after the date of destruction, but only upon presentation or return to the bureau of the following:

(1) A request for refund on a form furnished by the bureau.

(2) A statement of proof of destruction on an affidavit furnished by the bureau.

However, the refund may not exceed ninety percent (90%) of the tax paid on the destroyed truck camper. The amount shall be refunded by a warrant issued by the auditor of the county that received the excise tax revenue and shall be paid out of the special account created under section 21 of this chapter for settlement of the excise tax collections. For purposes of this subsection, a truck camper is considered destroyed if the cost of repair of damages suffered by the truck camper exceeds the truck camper's fair market value.

(f) To claim a refund under subsection (e) for a truck camper that is destroyed, the owner of the truck camper must present to the bureau a valid receipt for the excise tax paid under this chapter on the truck camper within ninety (90) days after the date that the truck camper is destroyed. The bureau shall then fix the amount of the refund that the owner is entitled to receive.

(g) If the name of the owner of a truck camper is legally changed and the change has caused a change in the owner's annual registration date, the excise tax liability of the owner for the truck camper shall be adjusted as follows:

(1) If the name change requires the owner to register a motor vehicle sooner than the owner would have been required to register if there had been no name change, the owner is, at the time the name change is reported, entitled to a refund from the county treasurer in the amount of the product of:

(A) ten percent (10%) of the owner's last preceding annual excise tax liability; multiplied by

(B) the number of full calendar months beginning after the owner's new regular annual registration month and ending before the next succeeding regular annual registration month that is based on the owner's former name.

(2) If the name change requires the owner to register a motor vehicle later than the owner would have been required to register if there had been no name change, the truck camper is subject to excise tax for the period beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month in the amount of the product of:

(A) ten percent (10%) of the owner's excise tax liability computed as of the time the owner would have been required to register a motor vehicle if there had been no name change; multiplied by

(B) the number of full calendar months beginning after the month in which the owner would have been required to register a motor vehicle if there had been no name change and ending before the owner's new regular annual registration month.

Sec. 17. (a) This section applies only to recreational vehicles.

(b) The owner of a recreational vehicle registered with the bureau is entitled to a refund of taxes paid under this chapter if, after the owner's regular registration date, the owner:

(1) registers the recreational vehicle for use in another state; and

(2) pays tax for use of the recreational vehicle to another state for the same period for which the tax was paid under this chapter.

(c) The refund provided under subsection (b) is equal to:

(1) the annual license excise tax paid for use of the recreational vehicle by the owner of the vehicle for the year; minus

(2) ten percent (10%) of the annual license excise tax paid for use of the recreational vehicle for each full or partial calendar month beginning after the date the annual license excise tax was due and ending before the date the owner registered the recreational vehicle for use in another state.

(d) To claim the refund provided by this section, the owner of the recreational vehicle must provide the bureau with:

(1) a request for a refund on a form furnished by the bureau; and

(2) proof that a tax described in subsection (b)(2) was paid.

Sec. 18. (a) This section applies only to truck campers.

(b) The owner of a truck camper is entitled to a refund of taxes paid under this chapter if, after the owner's regular vehicle registration date:

(1) the owner moves and registers the truck on which the truck camper is installed for use in another state;

(2) the owner pays tax for use of the truck camper to another state for the same period for which the tax was paid under this chapter; and

(3) the truck camper is located and used in the other state for the same period for which the tax was paid under this chapter.

(c) The refund provided under subsection (b) is equal to:

(1) the annual excise tax paid for use of the truck camper by the owner of the truck camper for the year; minus

(2) ten percent (10%) of the annual excise tax paid for use of the truck camper for each full or partial calendar month beginning after the date the annual excise tax was due and ending before the date the owner registered the truck for use in another state.

Sec. 19. (a) To claim a credit or refund, or both, under this chapter, a person must provide a sworn statement to the bureau or to an agent branch of the bureau that the person is entitled to the credit or refund, or both, claimed by the person.

(b) The bureau may inspect records of a person claiming a credit or refund, or both, under this chapter to determine if a credit or refund, or both, were properly allowed against the excise tax imposed on a recreational vehicle or truck camper owned by the person.

(c) If the bureau determines that a credit or refund, or both, were improperly allowed for a recreational vehicle or truck camper, the person who claimed the credit or refund, or both, shall pay the bureau an amount equal to the credit or refund, or both, improperly allowed to the person plus a penalty of ten percent (10%) of the credit or refund, or both, improperly allowed. The tax collected under this subsection shall be paid to the county treasurer of the county in which the person resides. However, a penalty collected under this subsection shall be retained by the bureau.

Sec. 20. (a) The bureau shall include on all registration forms for recreational vehicles suitable spaces for the applicant's Social Security number or federal tax identification number, the amount of the registration fee, the amount of excise tax, the amount of a credit, if any, provided under section 13 of this chapter, and the total amount of payment due on account of the applicable registration fees and excise taxes upon the registration of the recreational vehicle. The forms must include spaces for showing the county, city or town, township, and address of the owner's residence.

(b) The bureau shall list on all registration forms for recreational vehicles the amount of registration fees and taxes due. In addition, the bureau shall prepare by December 1 of each year a schedule showing the excise tax payable on each make and model of recreational vehicle or truck camper.

Sec. 21. (a) The bureau, in the administration and collection of the tax imposed by this chapter, may use the services and facilities of license branches operated under IC 9-16 in the bureau's administration of the state motor vehicle registration laws. The license branches may be used in the manner and to the extent the bureau considers necessary and proper to implement and effectuate the administration and collection of the excise tax imposed by this chapter. However, if the bureau uses the license branches in the collection of excise taxes, the following apply:

(1) The excise taxes collected by each license branch, less any refunds made by the license branch, shall be deposited daily by the license branch in a separate account in a depository designated by the state board of finance. The county treasurer of the county for which the collections are due may withdraw funds from the account at least two (2) times each week. The county treasurer is responsible for the safekeeping and investment of money withdrawn by the county treasurer under this subdivision. Before the eleventh day of the month following the month in which the collections are made, the bureau shall report the excise taxes collected and refunds made outside the county to the county treasurer of the county to which the collections are due and the refunds apply. The bureau shall forward a copy of the excise tax report to the county auditor of the county.

(2) A license branch shall each week forward a report to the county auditor of the county to which the collections are due, showing the excise tax collected by the license branch on each recreational vehicle or truck camper, each refund made by the license branch on a recreational vehicle or truck camper, and a copy of each registration certificate for all collections and refunds of excise tax by the license branch within the county.

(3) Each license branch shall report to the bureau all excise taxes collected and refunds made by the license branch under this chapter in the same manner and at the same time as registration fees are reported.

(4) Premiums for insurance to protect the funds collected by license branches against theft shall be paid by the bureau, except that the bureau may issue blanket coverage for all branches. The bureau may:

(A) self-insure to cover the activities of the license branches; or

(B) rather than purchase a bond or crime insurance policy for each branch, purchase a single blanket bond or crime insurance policy endorsed to include faithful performance to cover all branches.

(5) If the services of a license branch are used by the bureau in the collection of the excise tax imposed by this chapter, the license branch shall collect the service charge prescribed under IC 9-29 for each vehicle registered on which an excise tax is collected by that branch.

(6) If the excise tax imposed by this chapter is collected by the department of state revenue, the money collected shall be deposited in the state general fund to the credit of the appropriate county and reported to the bureau on the first working day following the week of collection. Except as provided in subdivision (7), money collected by the department that represents interest or a penalty shall be retained by the department and used to pay the department's costs of enforcing this chapter.

(7) This subdivision applies only to interest or a penalty collected by the department of state revenue from a person who:

(A) fails to properly register a recreational vehicle as required by IC 9-18 and pay the tax due under this chapter; and

(B) during any time after the date by which the recreational vehicle was required to be registered under IC 9-18 displays on the recreational vehicle a license plate issued by another state.

The total amount collected by the department of state revenue that represents interest or a penalty, minus a reasonable amount determined by the department to represent its administrative expenses, shall be deposited in the state general fund to the credit of the county in which the person resides. The amount shall be reported to the bureau on the first working day following the week of collection.

The bureau may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards. However, if a bank card or credit card vendor charges a vendor transaction charge or discount fee, whether billed to the bureau or charged directly to the bureau's account, the bureau shall collect from a person using the card an official fee that may not exceed the highest transaction charge or discount fee charged to the bureau by bank card or credit card vendors during the most recent collection period. The fee may be collected regardless of retail merchant agreements between the bank card and credit card vendors that may prohibit such a fee. The fee is a permitted additional charge under IC 24-4.5-3-202.

(b) On or before April 1 of each year, the bureau shall provide to the auditor of state the amount of taxes collected under this chapter for each county for the preceding year.

(c) On or before May 10 and November 10 of each year, the auditor of state shall distribute to each county one-half (1/2) of:

(1) the amount of delinquent taxes; and

(2) any interest or penalty described in subsection (a)(7);

that have been credited to the county under subsection (a). There is appropriated from the state general fund the amount necessary to make the distributions required by this subsection. The county auditor shall apportion and distribute the delinquent tax distributions to the taxing units in the county at the same time and in the same manner as excise taxes are apportioned and distributed under section 22 of this chapter.

(d) The insurance commissioner shall prescribe the form of the bonds or crime insurance policies required by this section.

Sec. 22. (a) The bureau shall establish procedures necessary for the collection and proper accounting of the tax imposed by this chapter. The necessary forms and records are subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall place the collections into a separate account for settlement at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the county treasurer and county auditor to make advances before the time of final settlement of property taxes in the same manner as provided in IC 5-13-6-3.

(c) The county auditor shall determine the total amount of excise taxes collected under this chapter for each taxing unit in the county. The amount collected shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

(d) The determination under subsection (c) shall be made from copies of vehicle registration forms and receipts for excise taxes paid on truck campers furnished by the bureau. Before the determination, the county assessor shall, from copies of registration forms and receipts, verify information pertaining to legal residence of persons owning taxable recreational vehicles and truck campers from the county assessor's records, to the extent the verification can be made. The county assessor shall further identify and verify from the assessor's records the taxing units within which the persons reside.

(e) Verifications under subsection (d) shall be completed not later than thirty (30) days after receipt of vehicle registration forms and receipts by the county assessor. The county assessor shall certify the information to the county auditor for the county auditor's use when the information is checked and completed.

Sec. 23. The county auditor shall, from the copies of vehicle registration forms and truck camper receipts furnished by the bureau, verify and determine the total amount of excise taxes collected under this chapter for each taxing unit in the county. The bureau shall verify the collections reported by the branches and provide the county auditor adequate and accurate audit information, registration form information, truck camper receipts, records, and materials to support the proper assessment, collection, and refund of excise taxes under this chapter.

Sec. 24. The county auditor shall, not later than August 1 of a year, furnish to the proper officer of each political subdivision an estimate of the money to be distributed to the taxing units under this chapter during the next calendar year. The budget of each political subdivision must show the

estimated amounts to be received for each fund for which a property tax is proposed to be levied.

Sec. 25. (a) An owner of a recreational vehicle who knowingly registers the recreational vehicle without paying the tax required by this chapter commits a Class B misdemeanor.

(b) An employee of the bureau or a branch manager or employee of a license branch office who recklessly issues a registration on any recreational vehicle without collecting the tax required to be collected under this chapter with the registration commits a Class B misdemeanor.

Sec. 26. The registration of a recreational vehicle registered without payment of the tax imposed by this chapter is void. The bureau shall take possession of the registration certificate, license plate, and other evidence of registration until the owner pays the delinquent taxes and an additional fee of ten dollars ($10) to compensate the bureau for performing the additional duties.

Sec. 27. In the administration and collection of the taxes imposed by this chapter, the bureau may contract with a collection agency that is authorized to collect and receive property taxes on behalf of the county treasurer. A collection agency with which the bureau contracts may collect on behalf of the bureau the taxes imposed by this chapter and the registration fees and charges as the bureau directs. A collection agency that contracts with the bureau under this section shall comply with the requirements concerning the collection of property taxes on behalf of county treasurers and other requirements, including the posting of a bond, as may be established by the bureau.

Sec. 28. (a) The tax imposed by this chapter is equal to an average property tax rate of two dollars ($2) on each one hundred dollars ($100) of taxable value.

(b) For purposes of limitations on indebtedness of political or municipal corporations imposed by Article 13, Section 1 of the Constitution of the State of Indiana, recreational vehicles and truck campers subject to the tax under this chapter are considered to be taxable property within each political or municipal corporation where the owner resides.

(c) The assessed valuation of recreational vehicles and truck campers subject to the tax under this chapter shall be determined by multiplying the amount of the tax by one hundred (100) and dividing the result by two dollars ($2).

Sec. 29. In the administration and collection of the tax imposed by this chapter, the bureau may coordinate and consolidate the collection of the taxes imposed on all recreational vehicles and truck campers owned by a taxpayer following procedures the bureau considers reasonable and feasible, including the revocation of all registrations of recreational vehicles registered by the owner if the owner willfully fails and refuses to pay the tax imposed by this chapter. Upon a revocation of registration, the bureau shall notify the department of state revenue of the name and address of the taxpayer.

SECTION 23. IC 6-7-1-17, AS AMENDED BY P.L.218-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) Distributors who hold certificates and retailers shall be agents of the state in the collection of the taxes imposed by this chapter and the amount of the tax levied, assessed, and imposed by this chapter on cigarettes sold, exchanged, bartered, furnished, given away, or otherwise disposed of by distributors or to retailers. Distributors who hold certificates shall be agents of the department to affix the required stamps and shall be entitled to purchase the stamps from the department at a discount of one and two-tenths cents ($0.012) per individual package of cigarettes as compensation for their labor and expense.

(b) The department may permit distributors who hold certificates and who are admitted to do business in Indiana to pay for revenue stamps within thirty (30) days after the date of purchase. However, the privilege is extended upon the express condition that:

(1) except as provided in subsection (c), a bond or letter of credit satisfactory to the department, in an amount not less than the sales price of the stamps, is filed with the department; ~~and~~

(2) proof of payment is made of all ~~local~~ property **taxes,** ~~state income, and~~ excise taxes, **and listed taxes (as defined in IC 6-8.1-1-1)** for which any such distributor may be liable; **and**

(3) payment for the revenue stamps must be made by electronic funds transfer (as defined in IC 4-8.1-2-7).

The bond or letter of credit, conditioned to secure payment for the stamps, shall be executed by the distributor as principal and by a corporation duly authorized to engage in business as a surety company or financial institution in Indiana.

(c) If a distributor has at least five (5) consecutive years of good credit standing with the state, the distributor shall not be required to post a bond or letter of credit under subsection (b).

SECTION 24. IC 6-8-12-1, AS ADDED BY P.L.234-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. As used in this chapter, "eligible entity" means:

(1) the National Football League and its affiliates; ~~as defined in the National Football League document titled "SUPER BOWL XLV HOST CITY BID SPECIFICATIONS & REQUIREMENTS" dated October 2006.~~ **and**

(2) the National Collegiate Athletic Association and its affiliates.

SECTION 25. IC 6-8-12-2, AS ADDED BY P.L.234-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. As used in this chapter, "eligible event" means:

(1) an event known as the Super Bowl that is conducted **after December 31, 2011,** by an eligible entity described in ~~section 1~~ **section 1(1)** of this chapter; **or**

(2) an event known as the Men's Final Four or the Women's Final Four, including the ancillary events associated with the Men's Final Four or the Women's

Final Four, that is conducted after December 31, 2011, by an eligible entity described in section 1(2) of this chapter.

SECTION 26. IC 6-8-12-3, AS ADDED BY P.L.234-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. **(a) Except as provided in subsection (b),** all property owned by an eligible entity, revenues of an eligible entity, and expenditures and transactions of an eligible entity:

(1) in connection with an eligible event; and

(2) resulting from holding an eligible event in Indiana or making preparatory advance visits to Indiana in connection with an eligible event;

are exempt from taxation in Indiana for all purposes.

(b) Salaries and wages paid to employees of the National Collegiate Athletic Association and its affiliates that are ordinarily subject to taxation under:

(1) IC 6-3-1 through IC 6-3-7; and

(2) IC 6-3.5;

are subject to income taxation regardless of whether the salaries and wages are paid in connection with an eligible event, holding an eligible event in Indiana, or making a preparatory advance visit to Indiana in connection with an eligible event.

SECTION 27. 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 excise tax imposed on recreational vehicles and truck campers (IC 6-6-5.1);** 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.

SECTION 28. IC 6-8.1-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) Except as otherwise provided in this section, the department may not issue a proposed assessment under section 1 of this chapter more than three (3) years after the latest of the date the return is filed, or any of the following:

(1) the due date of the return; or

(2) in the case of a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax, the end of the calendar year which contains the taxable period for which the return is filed.

(b) If a person files an adjusted gross income tax (IC 6-3), supplemental net income tax (IC 6-3-8) (repealed), county adjusted gross income tax (IC 6-3.5-1.1), county option income tax (IC 6-3.5-6), or financial institutions tax (IC 6-5.5) return that understates the person's income, as that term is defined in the particular income tax law, by at least twenty-five percent (25%), the proposed assessment limitation is six (6) years instead of the three (3) years provided in subsection (a).

(c) In the case of the motor vehicle excise tax (IC 6-6-5), the tax shall be assessed as provided in IC 6-6-5-5 and IC 6-6-5-6 and shall include the penalties and interest due on all listed taxes not paid by the due date. A person that fails to properly register a vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5 is considered to have failed to file a return for purposes of this article.

(d) In the case of the commercial vehicle excise tax imposed under IC 6-6-5.5, the tax shall be assessed as provided in IC 6-6-5.5 and shall include the penalties and interest due on all listed taxes not paid by the due date. A person that fails to properly register a commercial vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.5 is considered to have failed to file a return for purposes of this article.

(e) In the case of the excise tax imposed on recreational vehicles and truck campers under IC 6-6-5.1, the tax shall be assessed as provided in IC 6-6-5.1 and must include the penalties and interest due on all listed taxes not paid by the due date. A person who fails to properly register a recreational vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.1 is considered to have failed to file a return for purposes of this article. A person who fails to pay the tax due under IC 6-6-5.1 on a truck camper is considered to have failed to file a return for purposes of this article.

~~(e)~~ **(f)** If a person files a fraudulent, unsigned, or substantially blank return, or if a person does not file a return, there is no time limit within which the department must issue its proposed assessment.

~~(f)~~ **(g)** If, before the end of the time within which the department may make an assessment, the department and the

person agree to extend that assessment time period, the period may be extended according to the terms of a written agreement signed by both the department and the person. The agreement must contain:

(1) the date to which the extension is made; and

(2) a statement that the person agrees to preserve the person's records until the extension terminates.

The department and a person may agree to more than one (1) extension under this subsection.

~~(g)~~ **(h)** If a taxpayer's federal income tax liability for a taxable year is modified due to the assessment of a federal deficiency or the filing of an amended federal income tax return, then the date by which the department must issue a proposed assessment under section 1 of this chapter for tax imposed under IC 6-3 is extended to six (6) months after the date on which the notice of modification is filed with the department by the taxpayer.

SECTION 29. IC 6-8.1-7-1, AS AMENDED BY P.L.219-2007, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) This subsection does not apply to the disclosure of information concerning a conviction on a tax evasion charge. Unless in accordance with a judicial order or as otherwise provided in this chapter, the department, its employees, former employees, counsel, agents, or any other person may not divulge the amount of tax paid by any taxpayer, terms of a settlement agreement executed between a taxpayer and the department, investigation records, investigation reports, or any other information disclosed by the reports filed under the provisions of the law relating to any of the listed taxes, including required information derived from a federal return, except to:

(1) members and employees of the department;

(2) the governor;

(3) the attorney general or any other legal representative of the state in any action in respect to the amount of tax due under the provisions of the law relating to any of the listed taxes; or

(4) any authorized officers of the United States;

when it is agreed that the information is to be confidential and to be used solely for official purposes.

(b) The information described in subsection (a) may be revealed upon the receipt of a certified request of any designated officer of the state tax department of any other state, district, territory, or possession of the United States when:

(1) the state, district, territory, or possession permits the exchange of like information with the taxing officials of the state; and

(2) it is agreed that the information is to be confidential and to be used solely for tax collection purposes.

(c) The information described in subsection (a) relating to a person on public welfare or a person who has made application for public welfare may be revealed to the director of the division of family resources, and to any director of a county office of family and children located in Indiana, upon receipt of a written request from either director for the information. The information shall be treated as confidential by the directors. In addition, the information described in subsection (a) relating to a person who has been designated as an absent parent by the state Title IV-D agency shall be made available to the state Title IV-D agency upon request. The information shall be subject to the information safeguarding provisions of the state and federal Title IV-D programs.

(d) The name, address, Social Security number, and place of employment relating to any individual who is delinquent in paying educational loans owed to a postsecondary educational institution may be revealed to that institution if it provides proof to the department that the individual is delinquent in paying for educational loans. This information shall be provided free of charge to approved postsecondary educational institutions (as defined by IC 21-7-13-6(a)). The department shall establish fees that all other institutions must pay to the department to obtain information under this subsection. However, these fees may not exceed the department's administrative costs in providing the information to the institution.

(e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502 concerning the number of gallons of gasoline sold by a distributor and IC 6-6-2.5 concerning the number of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt of a written request for the information.

(f) The information described in subsection (a) may be revealed upon the receipt of a written request from the administrative head of a state agency of Indiana when:

(1) the state agency shows an official need for the information; and

(2) the administrative head of the state agency agrees that any information released will be kept confidential and will be used solely for official purposes.

(g) The information described in subsection (a) may be revealed upon the receipt of a written request from the chief law enforcement officer of a state or local law enforcement agency in Indiana, when it is agreed that the information is to be confidential and to be used solely for official purposes.

~~(g)~~ **(h)** The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(j) may be released solely for tax collection purposes to township assessors and county assessors.

~~(h)~~ **(i)** The department shall notify the appropriate innkeepers' tax board, bureau, or commission that a taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

~~(i)~~ **(j)** All information relating to the delinquency or evasion of the motor vehicle excise tax may be disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.

~~(j)~~ **(k)** All information relating to the delinquency or evasion of commercial vehicle excise taxes payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state, if the information is disclosed

for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

~~(k)~~ **(l)** All information relating to the delinquency or evasion of commercial vehicle excise taxes payable under the International Registration Plan may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(m) All information relating to the delinquency or evasion of the excise taxes imposed on recreational vehicles and truck campers that are payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.1.

~~(l)~~ **(n)** This section does not apply to:

(1) the beer excise tax (IC 7.1-4-2);
(2) the liquor excise tax (IC 7.1-4-3);
(3) the wine excise tax (IC 7.1-4-4);
(4) the hard cider excise tax (IC 7.1-4-4.5);
(5) the malt excise tax (IC 7.1-4-5);
(6) the motor vehicle excise tax (IC 6-6-5);
(7) the commercial vehicle excise tax (IC 6-6-5.5); and
(8) the fees under IC 13-23.

~~(m)~~ **(o)** The name and business address of retail merchants within each county that sell tobacco products may be released to the division of mental health and addiction and the alcohol and tobacco commission solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

SECTION 30. IC 6-8.1-9-1, AS AMENDED BY P.L.211-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) If a person has paid more tax than the person determines is legally due for a particular taxable period, the person may file a claim for a refund with the department. Except as provided in subsections (f) and (g), in order to obtain the refund, the person must file the claim with the department within three (3) years after the latter of the following:

(1) The due date of the return.
(2) The date of payment.

For purposes of this section, the due date for a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax is the end of the calendar year which contains the taxable period for which the return is filed. The claim must set forth the amount of the refund to which the person is entitled and the reasons that the person is entitled to the refund.

(b) When the department receives a claim for refund, the department shall consider the claim for refund and shall, if the taxpayer requests, hold a hearing on the claim for refund to obtain and consider additional evidence. After considering the claim and all evidence relevant to the claim, the department shall issue a decision on the claim, stating the part, if any, of the refund allowed and containing a statement of the reasons for any part of the refund that is denied. The department shall mail a copy of the decision to the person who filed the claim. If the department allows the full amount of the refund claim, a warrant for the payment of the claim is sufficient notice of the decision.

(c) If the person disagrees with any part of the department's decision, the person may appeal the decision, regardless of whether or not the person protested the tax payment or whether or not the person has accepted a refund. The person must file the appeal with the tax court. The tax court does not have jurisdiction to hear a refund appeal suit, if:

(1) the appeal is filed more than three (3) years after the date the claim for refund was filed with the department;
(2) the appeal is filed more than ninety (90) days after the date the department mails the decision of denial to the person; or
(3) the appeal is filed both before the decision is issued and before the one hundred eighty-first day after the date the person files the claim for refund with the department.

(d) The tax court shall hear the appeal de novo and without a jury, and after the hearing may order or deny any part of the appealed refund. The court may assess the court costs in any manner that it feels is equitable. The court may enjoin the collection of any of the listed taxes under IC 33-26-6-2. The court may also allow a refund of taxes, interest, and penalties that have been paid to and collected by the department.

(e) With respect to the motor vehicle excise tax, this section applies only to penalties and interest paid on assessments of the motor vehicle excise tax. Any other overpayment of the motor vehicle excise tax is subject to IC 6-6-5.

(f) If a taxpayer's federal income tax liability for a taxable year is modified by the Internal Revenue Service, and the modification would result in a reduction of the tax legally due, the due date by which the taxpayer must file a claim for refund with the department is the later of:

(1) the date determined under subsection (a); or
(2) the date that is six (6) months after the date on which the taxpayer is notified of the modification by the Internal Revenue Service.

(g) If an agreement to extend the assessment time period is entered into under ~~IC 6-8.1-5-2(f),~~ **IC 6-8.1-5-2(g),** the period during which a person may file a claim for a refund under subsection (a) is extended to the same date to which the assessment time period is extended.

SECTION 31. IC 6-8.1-10-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 3.5. If a person fails to file a return on or before the due date as required by IC 6-3-4-1(1) or IC 6-3-4-1(2), where no remittance is due with the return, the person is subject to a penalty of ten dollars ($10) per day for each day that the return is past due, up to a maximum of five hundred dollars ($500).**

SECTION 32. IC 6-8.1-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) If a person fails to file a return or to make a full tax payment with that return with the fraudulent intent of evading the tax, the person is subject to a penalty.

(b) The amount of the penalty imposed for a fraudulent failure described in subsection (a) is one hundred percent (100%) multiplied by:

(1) the full amount of the tax, if the person failed to file a return; or

(2) the amount of the tax that is not paid, if the person failed to pay the full amount of the tax.

(c) In addition to the civil penalty imposed under this section, a person who knowingly fails to file a return with the department or fails to pay the tax due under IC 6-6-5, **IC 6-6-5.1,** or IC 6-6-5.5 commits a Class A misdemeanor.

(d) The penalty imposed under this section is imposed in place of and not in addition to the penalty imposed under section 2.1 of this chapter.

SECTION 33. IC 6-8.1-10-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) If a person makes a tax payment with a check, **credit card, debit card, or electronic funds transfer,** and the department is unable to obtain payment on the check, **credit card, debit card, or electronic funds transfer** for its full face amount when the check, **credit card, debit card, or electronic funds transfer** is presented for payment through normal banking channels, a penalty of ten percent (10%) of the unpaid tax or the ~~face~~ value of the check, **credit card, debit card, or electronic funds transfer,** whichever is smaller, is imposed.

(b) When a penalty is imposed under subsection (a), the department shall notify the person by mail that the check, **credit card, debit card, or electronic funds transfer** was not honored and that the person has ten (10) days after the date the notice is mailed to pay the tax and the penalty either in cash, by certified check, or other guaranteed payment. If the person fails to make the payment within the ten (10) day period, the penalty is increased to one hundred percent (100%) multiplied by the ~~face~~ value of the check, **credit card, debit card, or electronic funds transfer,** or the unpaid tax, whichever is smaller.

(c) If the person subject to the penalty under this section can show that there is reasonable cause for the check, **credit card, debit card, or electronic funds transfer** not being honored, the department may waive the penalty imposed under this section.

SECTION 34. IC 9-13-2-42, AS AMENDED BY P.L.41-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 42. (a) "Dealer" means, except as otherwise provided in this section, a person who sells to the general public, including a person who sells directly by the Internet or other computer network, at least twelve (12) vehicles each year for delivery in Indiana. **The term includes a person who sells off-road vehicles.** A dealer must have an established place of business that meets the minimum standards prescribed by the bureau under rules adopted under IC 4-22-2.

(b) The term does not include the following:

(1) A receiver, trustee, or other person appointed by or acting under the judgment or order of a court.

(2) A public officer while performing official duties.

(3) A person who is a dealer solely because of activities as a transfer dealer.

~~(4) A person who sells off-road vehicles.~~

(c) "Dealer", for purposes of IC 9-31, means a person that sells to the general public for delivery in Indiana at least six (6):

(1) boats; or

(2) trailers:

(A) designed and used exclusively for the transportation of watercraft; and

(B) sold in general association with the sale of watercraft;

per year.

SECTION 35. 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 36. IC 9-14-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. The commissioner shall appoint and fix, subject to the approval of the governor, the salaries of the deputies, subordinate officers, clerks, and other employees necessary to carry out this title, IC 6-6-5, **IC 6-6-5.1,** IC 6-6-5.5, and IC 6-6-11.

SECTION 37. 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 that is:**

(1) registered as an importer with the National Highway Traffic Safety Administration;

(2) a licensed dealer currently in good standing with the state; and

(3) 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 38. IC 9-17-2-1, AS AMENDED BY P.L.219-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) This section does not apply to an off-road vehicle that is at least five (5) model years old.

(b) Within sixty (60) days ~~of~~ **after** becoming an Indiana resident, a person must obtain a certificate of title for all vehicles owned by the person that:

(1) are subject to the motor vehicle excise tax under IC 6-6-5; or

(2) are off-road vehicles;

and that will be operated in Indiana.

(c) Within sixty (60) days after becoming an Indiana resident, a person shall obtain a certificate of title for all commercial vehicles owned by the person that:

(1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;

(2) are not subject to proportional registration under the International Registration Plan; and

(3) will be operated in Indiana.

(d) Within sixty (60) days after becoming an Indiana

resident, a person must obtain a certificate of title for all recreational vehicles owned by the person that:

(1) are subject to the excise tax imposed under IC 6-6-5.1; and

(2) will be operated in Indiana.

~~(d)~~ **(e)** A person must produce evidence concerning the date on which the person became an Indiana resident.

SECTION 39. IC 9-17-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The form described under section 2 of this chapter must include the following printed statement:

"I swear or affirm that the information I have entered on this form is correct. I understand that making a false statement on this form may constitute the crime of perjury.".

(b) The person applying for the certificate of title must sign the form directly below the printed statement.

(c) The form described under section 2 of this chapter must include the statement required by IC 9-17-3-3.2.

SECTION 40. 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 the name of a financial institution, lending institution, or insurance company in Canada 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, or an insurance company, if:

(A) the financial institution, lending institution, or insurance 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 41. 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 the name of a financial institution, a lending institution, or an insurance company in Canada 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, or an insurance company if the financial institution, lending institution, or insurance company presents to the bureau 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, a lending institution, or an insurance 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, or insurance company;

is unable to provide the bureau with the documentation

required by this section.

SECTION 42. IC 9-17-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) If a vehicle for which a certificate of title has been issued is sold or if the ownership of the vehicle is otherwise transferred, the person who holds the certificate of title must do the following:

(1) Endorse on the certificate of title an assignment of the certificate of title with warranty of title, in a form printed on the certificate of title, with a statement describing all liens or encumbrances on the vehicle.

(2) Except as provided in subdivisions ~~(3) and~~ (4) **and (5),** deliver the certificate of title to the purchaser or transferee at the time of the sale or delivery to the purchaser or transferee of the vehicle, if the purchaser or transferee has made all agreed upon initial payments for the vehicle, including delivery of a trade-in vehicle without hidden or undisclosed statutory liens.

(3) Unless the vehicle is being sold or transferred to a dealer licensed under IC 9-23-2, complete all information concerning the purchase on the certificate of title, including, but not limited to:

(A) the name and address of the purchaser; and

(B) the sale price of the vehicle.

~~(3)~~ **(4)** In the case of a sale or transfer between vehicle dealers licensed by this state or another state, deliver the certificate of title within twenty-one (21) days after the date of the sale or transfer.

~~(4)~~ **(5)** Deliver the certificate of title to the purchaser or transferee within twenty-one (21) days after the date of sale or transfer to the purchaser or transferee of the vehicle, if all of the following conditions exist:

(A) The seller or transferor is a vehicle dealer licensed by the state under IC 9-23.

(B) The vehicle dealer is not able to deliver the certificate of title at the time of sale or transfer.

(C) The vehicle dealer reasonably believes that it will be able to deliver the certificate of title, without a lien or an encumbrance on the certificate of title, within the twenty-one (21) day period.

(D) The vehicle dealer provides the purchaser or transferee with an affidavit under section 3.1 of this chapter.

(E) The purchaser or transferee has made all agreed upon initial payments for the vehicle, including delivery of a trade-in vehicle without hidden or undisclosed statutory liens.

(b) A licensed dealer may offer for sale a vehicle for which the dealer does not possess a certificate of title, if the dealer can comply with subsection ~~(a)(3)~~ **(a)(4)** or ~~(a)(4)~~ **(a)(5)** at the time of the sale.

(c) A vehicle dealer who fails to deliver a certificate of title within the time specified under this section is subject to the following civil penalties:

(1) One hundred dollars ($100) for the first violation.

(2) Two hundred fifty dollars ($250) for the second violation.

(3) Five hundred dollars ($500) for all subsequent violations.

Payment shall be made to the bureau and deposited in the state general fund. In addition, if a purchaser or transferee does not receive a valid certificate of title within the time specified by this section, the purchaser or transferee shall have the right to return the vehicle to the vehicle dealer ten (10) days after giving the vehicle dealer written notice demanding delivery of a valid certificate of title and the dealer's failure to deliver a valid certificate of title within that ten (10) day period. Upon return of the vehicle to the dealer in the same or similar condition as delivered to the purchaser or transferee under this section, the vehicle dealer shall pay to the purchaser or transferee the purchase price plus sales taxes, finance expenses, insurance expenses, and any other amount paid to the dealer by the purchaser.

(d) For purposes of this subsection, "timely deliver", with respect to a third party, means to deliver to the purchaser or transferee with a postmark dated or hand delivered not more than ten (10) business days after there is no obligation secured by the vehicle. If the dealer's inability to timely deliver a valid certificate of title results from the acts or omissions of a third party who has failed to timely deliver a valid certificate of title to the dealer, the dealer is entitled to claim against the third party one hundred dollars ($100). If:

(1) the dealer's inability to timely deliver a valid certificate of title results from the acts or omissions of a third party who has failed to timely deliver the certificate of title in the third party's possession to the dealer; and

(2) the failure continues for ten (10) business days after the dealer gives the third party written notice of the failure;

the dealer is entitled to claim against the third party all damages sustained by the dealer in rescinding the dealer's sale with the purchaser or transferee, including the dealer's reasonable attorney's fees.

(e) If a vehicle for which a certificate of title has been issued by another state is sold or delivered, the person selling or delivering the vehicle must deliver to the purchaser or receiver of the vehicle a proper certificate of title with an assignment of the certificate of title in a form prescribed by the bureau.

(f) The original certificate of title and all assignments and subsequent reissues of the certificate of title shall be retained by the bureau and appropriately classified and indexed in the most convenient manner to trace title to the vehicle described in the certificate of title.

(g) A dealer shall make payment to a third party to satisfy any obligation secured by the vehicle within five (5) days after the date of sale.

SECTION 43. IC 9-17-3-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3.1. The affidavit required by ~~IC 9-17-3-3(a)(4)~~ **section 3(a)(5) of this chapter** shall be printed in the following form:

STATE OF
INDIANA)

) ss:
COUNTY OF _____)

I affirm under the penalties for perjury that all of the following are true:

(1) That I am a dealer licensed under IC 9-23-1.

(2) That I cannot deliver a valid certificate of title to the retail purchaser of the vehicle described in paragraph (3) at the time of sale of the vehicle to the retail purchaser. The identity of the previous seller or transferor is _____. Payoff of lien was made on (date)_____. I expect to deliver a valid and transferable certificate of title not later than (date)_____ from the (State of)_____ to the purchaser.

(3) That I will undertake reasonable commercial efforts to produce the valid certificate of title. The vehicle identification number is _____.

Signed _____, Dealer

By_____

Dated _____, ____

CUSTOMER ACKNOWLEDGES RECEIPT OF A COPY OF THIS AFFIDAVIT.

_____

Customer Signature

NOTICE TO THE CUSTOMER

If you do not receive a valid certificate of title within the time specified by this affidavit, you have the right to return the vehicle to the vehicle dealer ten (10) days after giving the vehicle dealer written notice demanding delivery of a valid certificate of title and after the vehicle dealer's failure to deliver a valid certificate of title within that ten (10) day period. Upon return of the vehicle to the vehicle dealer in the same or similar condition as when it was delivered to you, the vehicle dealer shall pay you the purchase price plus sales taxes, finance expenses, insurance expenses, and any other amount that you paid to the vehicle dealer.

If a lien is present on the previous owner's certificate of title, it is the responsibility of the third party lienholder to timely deliver the certificate of title in the third party's possession to the dealer not more than ten (10) business days after there is no obligation secured by the vehicle. If the dealer's inability to deliver a valid certificate of title to you within the above-described ten (10) day period results from the acts or omissions of a third party who has failed to timely deliver the certificate of title in the third party's possession to the dealer, the dealer may be entitled to claim against the third party the damages allowed by law.

SECTION 44. IC 9-17-3-3.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 3.2. The form furnished by the bureau under IC 9-17-2-2 must contain the following language immediately below the signature of the seller:**

"If this vehicle is sold or transferred to a person other than a dealer licensed in Indiana, the seller or transferor is required to fill in all blanks relating to buyer information, including the sale price. The knowing or intentional failure of the seller or transferor to fill in all buyer information is a Class A misdemeanor or a Class D felony for the second or subsequent offense under IC 9-17-3-7(c)(2).".

SECTION 45. IC 9-17-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) This section does not apply to section 5 of this chapter.

(b) Except as provided in subsection (c), a person who violates this chapter commits a Class C infraction.

(c) A person who **knowingly or intentionally** violates: ~~section 3~~

(1) section 3(a)(1), 3(a)(2), 3(a)(4), or 3(a)(5) of this chapter commits a Class B misdemeanor; **or**

(2) section 3(a)(3) of this chapter commits:

(A) a Class A misdemeanor for the first violation; or

(B) a Class D felony for the second violation or any subsequent violation.

SECTION 46. IC 9-18-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Within sixty (60) days ~~of~~ **after** becoming an Indiana resident, a person must register all motor vehicles owned by the person that:

(1) are subject to the motor vehicle excise tax under IC 6-6-5; and

(2) will be operated in Indiana.

(b) Within sixty (60) days after becoming an Indiana resident, a person must register all commercial vehicles owned by the person that:

(1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;

(2) are not subject to proportional registration under the International Registration Plan; and

(3) will be operated in Indiana.

(c) Within sixty (60) days after becoming an Indiana resident, a person must register all recreational vehicles owned by the person that:

(1) are subject to the excise tax imposed under IC 6-6-5.1; and

(2) will be operated in Indiana.

~~(c)~~ **(d)** A person must produce evidence concerning the date on which the person became an Indiana resident.

~~(d)~~ **(e)** Except as provided in subsection ~~(c),~~ **(f),** an Indiana resident must register all motor vehicles operated in Indiana.

~~(e)~~ **(f)** An Indiana resident who has a legal residence in a state that is not contiguous to Indiana may operate a motor vehicle in Indiana for not more than sixty (60) days without registering the motor vehicle in Indiana.

~~(f)~~ **(g)** An Indiana resident who has registered a motor vehicle in Indiana in any previous registration year is not required to register the motor vehicle, is not required to pay motor vehicle excise tax under IC 6-6-5 or the commercial vehicle excise tax under IC 6-6-5.5 on the motor vehicle, and is exempt from property tax on the motor vehicle for any registration year in which:

(1) the Indiana resident is:

(A) an active member of the armed forces of the United States; and

(B) assigned to a duty station outside Indiana; and

(2) the motor vehicle is not operated inside or outside Indiana.

This subsection may not be construed as granting the bureau authority to require the registration of any vehicle that is not operated in Indiana.

~~(g)~~ **(h)** When an Indiana resident registers a motor vehicle in Indiana after the period of exemption described in subsection ~~(f),~~ **(g),** the Indiana resident may submit an affidavit that:

(1) states facts demonstrating that the motor vehicle is a motor vehicle described in subsection ~~(c),~~ **(g);** and

(2) is signed by the owner of the motor vehicle under penalties of perjury;

as sufficient proof that the owner of the motor vehicle is not required to register the motor vehicle during a registration year described in subsection ~~(f).~~ **(g).** The commission or bureau may not require the Indiana resident to pay any civil penalty or any reinstatement or other fee that is not also charged to other motor vehicles being registered in the same registration year.

SECTION 47. IC 9-22-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. An officer who finds or is notified of a vehicle or parts believed to be abandoned shall attach in a prominent place a notice tag containing the following information:

(1) The date, time, officer's name, public agency, and address and telephone number to contact for information.

(2) That the vehicle or parts are considered abandoned.

(3) That the vehicle or parts will be removed after:

(A) thirty-six (36) hours, if the vehicle is located on or within the right-of-way of an interstate highway or any highway that is designated as part of the state highway system under IC 8-23-4; or

(B) seventy-two (72) hours, **for any other vehicle.**

(4) That the person who owns the vehicle will be held responsible for all costs incidental to the removal, storage, and disposal of the vehicle.

(5) That the person who owns the vehicle may avoid costs by removal of the vehicle or parts within:

(A) thirty-six (36) hours, if the vehicle is located on or within the right-of-way of an interstate highway or any highway that is designated as part of the state highway system under IC 8-23-4; or

(B) seventy-two (72) hours, **for any other vehicle.**

SECTION 48. IC 9-22-1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. If a vehicle or a part tagged under section 11 of this chapter is not removed within the ~~seventy-two (72) hour~~ **applicable** period, the officer shall prepare a written abandoned vehicle report of the vehicle or parts, including information on the condition, missing parts, and other facts that might substantiate the estimated market value of the vehicle or parts. Photographs shall be taken to describe the condition of the vehicle or parts.

SECTION 49. IC 9-23-2-7, AS AMENDED BY P.L.184-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) Except as provided in subsections (b) through (g), the secretary of state shall issue an offsite sales license to a dealer licensed under this chapter who submits an application for the license not later than ten (10) business days or two (2) calendar weeks before the offsite sale date. License applications under this section shall be made public upon the request of any person.

(b) The secretary of state may not issue an offsite sales license to a dealer who does not have an established place of business within Indiana.

(c) The secretary of state may not issue an offsite sales license to a licensed dealer proposing to conduct the sale outside a radius of twenty (20) miles from its established place of business. This subsection does not apply to:

(1) new manufactured housing dealers;

(2) recreational vehicle dealers; ~~or~~

(3) a rental company that is a dealer conducting a sale at a site within twenty (20) miles of any of its company owned affiliates; **or**

(4) off-road vehicle dealers.

(d) A vehicle display is not considered an offsite sale if it is conducted by a new vehicle franchised dealer in an open area where no sales personnel and no sales material are present.

(e) The secretary of state may not issue an offsite sales license to a licensed dealer proposing to conduct the offsite sale for more than ten (10) calendar days.

(f) As used in this subsection, "executive" has the meaning set forth in IC 36-1-2-5. The secretary of state may not issue an offsite sales license to a licensed dealer if the dealer does not have authorization that the offsite sale would be in compliance with local zoning ordinances or other local ordinances. Authorization under this subsection may only be obtained from the following:

(1) If the offsite sale would be located within the corporate boundaries of a city or town, the executive of the city or town.

(2) If the offsite sale would be located outside the corporate boundaries of a city or town:

(A) except as provided in clause (B), the executive of the county; or

(B) if the city or town exercises zoning jurisdiction under IC 36-7-4-205(b) over the area where the offsite sale would be located, the executive of the city or town.

(g) The secretary of state may not issue an offsite sales license to a licensed dealer who has held more than three (3) nonconsecutive offsite sales in the year ending on the date of the offsite sale for which the current license application is being submitted.

(h) The requirements of section 2(c) of this chapter do not apply to the application or issuance of an offsite sales license under this section.

SECTION 50. IC 9-24-6-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

[EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 4.5. (a) An employer that is a motor carrier (as defined in IC 8-2.1-17-10 or 49 CFR 390.5) engaged in the business of the transportation of property may provide:**

(1) an advance of wages not yet earned or business expenses not yet incurred to the holder of a commercial driver's license issued according to rules adopted pursuant to section 2 of this chapter; and

(2) take as a deduction from subsequent wages earned by the holder of the commercial driver's license the amount of the advance that exceeds the amount that is substantiated with a receipt or other appropriate documentary evidence that complies with the requirements applicable to a reimbursement or other expense allowance arrangements under 26 U.S.C. 62(c).

(b) The amount of the advance, in accordance with this section, deducted from subsequent wages earned by the holder of the commercial driver's license is not considered an invalid assignment of wages if the following conditions are satisfied:

(1) The advance is made at the request of the holder of the commercial driver's license.

(2) The motor carrier employer provided notice to the holder of the commercial driver's license that the amount advanced may be deducted from a subsequent wage statement to the extent that the amount of the advance exceeds the amount substantiated under this section.

SECTION 51. IC 9-29-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. The service charge for each excise tax collection made under IC 6-6-5, **IC 6-6-5.1,** or IC 6-6-5.5 is eighty-five cents ($0.85).

SECTION 52. IC 20-49-8.2-1, AS ADDED BY P.L.211-2007, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "eligible school corporation" refers to a school corporation located in a county that has been reassessed under IC 6-1.1-4-32 **(before its repeal).**

SECTION 53. IC 36-7-11.9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) "Economic development facilities" includes land; interests in land; site improvements; infrastructure improvements; buildings; structures; rehabilitation, renovation, and enlargement of buildings and structures; **economic improvement projects under IC 36-7-22;** machinery; equipment; and furnishings for the following:

(1) Facilities for manufacturing, warehousing, distribution, or processing of tangible or intangible property.

(2) Facilities for commercial, business, health care, or recreational activities (whether for profit or not-for-profit), except for any of the following:

(A) Private or commercial golf course.

(B) Country club.

(C) Massage parlor.

(D) Tennis club.

(E) Skating facility (including roller skating, skateboarding, or ice skating).

(F) Racquet sports facility (including any handball or racquetball court).

(G) Hot tub facility.

(H) Suntan facility.

(I) Racetrack.

(J) Airplane.

(K) Skybox or other private luxury box.

(L) Health club.

(M) Any facility primarily used for gambling.

(N) Any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

SECTION 54. IC 36-7-22-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. As used in this chapter, "economic improvement project" means the following:

(1) Planning or managing development or improvement activities.

(2) Designing, landscaping, beautifying, constructing, or maintaining public areas, **public improvements,** or public ways (including designing, constructing, or maintaining lighting, **infrastructure, utility facilities, improvements, and equipment, water facilities, improvements, and equipment, sewage facilities, improvements, and equipment, streets, or sidewalks** for a public area or public way).

(3) Promoting commercial activity or public events.

(4) Supporting business recruitment and development.

(5) Providing security for public areas.

(6) Acquiring, constructing, or maintaining parking facilities.

(7) Constructing, rehabilitating, or repairing residential property, **including improvements related to the habitability of the residential property.**

SECTION 55. IC 36-7-22-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12. (a) The board shall use the formula approved by the legislative body under section 7(a)(4) of this chapter to determine the percentage of benefit to be received by each parcel of real property within the economic improvement district. The board shall apply the percentage determined for each parcel to the total amount that is to be defrayed by special assessment and determine the assessment for each parcel.

(b) Promptly after determining the proposed assessment for each parcel, the board shall mail notice to each owner of property to be assessed. This notice must:

(1) set forth the amount of the proposed assessment;

(2) state that the proposed assessment on each parcel of real property in the economic improvement district is on file and can be seen in the board's office;

(3) state the time and place where written remonstrances against the assessment may be filed;

(4) set forth the time and place where the board will hear any owner of assessed real property who has filed a remonstrance before the hearing date; and

(5) state that the board, after hearing evidence, may increase or decrease, or leave unchanged, the assessment on any parcel.

(c) The notices must be deposited in the mail twenty (20) days before the hearing date. The notices to the owners must be addressed as the names and addresses appear on the tax duplicates and the records of the county auditor.

(d) At the time fixed in the notice, the board shall hear any owner of assessed real property who has filed a written remonstrance before the date of the hearing. The hearing may be continued from time to time as long as is necessary to hear the owners.

(e) The board shall render its decision by increasing, decreasing, or confirming each assessment by setting opposite each name, parcel, and proposed assessment, the amount of the assessment as determined by the board. However, if the total of the assessments exceeds the amount needed, the board shall make a prorated reduction in each assessment.

(f) Except as provided in section 13 of this chapter, the signing of the assessment schedule by a majority of the members of the board, and the delivery of the schedule to the county auditor constitutes a final and conclusive determination of the benefits that are assessed.

(g) Each **economic improvement district** assessment is:

(1) included within the definition of property taxation under IC 6-1.1-1-14; and

(2) a lien on the real property that is assessed ~~second only to taxes levied on that property.~~ **in the economic improvement district.**

The general assembly finds that an economic improvement district assessment is a property tax levied for the general public welfare.

(h) An economic improvement district assessment paid by a property owner is a property tax for the purposes of applying Section 164 of the Internal Revenue Code to the determination of adjusted gross income. However, an economic improvement district assessment paid by a property tax owner is not eligible for a credit under IC 6-1.1, IC 6-3.5, or any other law.

~~(h)~~ **(i)** The board shall certify to the county auditor the schedule of assessments of benefits.

SECTION 56. IC 36-7-22-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 22. The board may:**

(1) exercise of any of the powers of a unit under IC 36-7-12-18 or IC 36-7-12-18.5; or

(2) issue revenue bonds;

to finance an economic improvement project.

SECTION 57. IC 9-23-0.5-1 IS REPEALED [EFFECTIVE JULY 1, 2008].

SECTION 58. [EFFECTIVE JANUARY 1, 2009] **(a) The definitions in IC 6-6-5.1, as added by this act, apply throughout this SECTION.**

(b) IC 6-6-5.1, as added by this act, applies to recreational vehicles registered and truck campers located in Indiana after December 31, 2009.

(c) After December 31, 2008, a recreational vehicle or truck camper, except for a recreational vehicle or truck camper held in the inventory of recreational vehicles and truck campers held for sale by a manufacturer, distributor, or dealer in the course of business, may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes.

(d) This SECTION expires January 1, 2011.

SECTION 59. [EFFECTIVE JANUARY 1, 2009] **(a) The definitions in IC 6-6-5.1, as added by this act, apply throughout this SECTION.**

(b) The bureau shall certify to the department of local government finance the amount of excise tax collected under IC 6-6-5.1, as added by this act, and distributed to each county auditor in calendar year 2010.

(c) Each county auditor shall certify to the department of local government finance the amount of excise tax collected under IC 6-6-5.1, as added by this act, and distributed to each taxing unit in the county in calendar year 2010.

(d) This SECTION expires January 1, 2012.

SECTION 60. [EFFECTIVE JANUARY 1, 2009] **(a) For property taxes due and payable in calendar year 2010, the department of local government finance shall make a reduction in the maximum permissible ad valorem property tax levy for each taxing unit to account for the removal of assessed value under IC 6-6-5.1, as added by this act.**

(b) This SECTION expires January 1, 2012.

SECTION 61. [EFFECTIVE JANUARY 1, 2009] **(a) The definitions in IC 6-1.1-1 and IC 6-6-5.1, as added by this act, apply throughout this SECTION. As used in this SECTION, "nonbusiness personal property" means personal property that is not:**

(1) held for sale in the ordinary course of a trade or business;

(2) held, used, or consumed in connection with the production of income; or

(3) held as an investment.

(b) The purpose of the amendment of IC 6-1.1-1-11 and the addition of IC 6-6-5.1 by this act is to exempt nonbusiness personal property (other than mobile homes) from property taxation to the fullest extent allowed under Article 10, Section 1 of the Constitution of the State of Indiana. The general assembly finds that nonbusiness personal property consisting of:

(1) self-propelled vehicles that are not designed or regularly used for transporting property or persons on a public highway, such as invalid chairs, snowmobiles, yard and garden tractors, and all terrain vehicles;

(2) trailers not subject to an excise tax under IC 6-6-5, IC 6-6-5.1, as added by this act, or IC 6-6-5.5;

(3) human powered boats not subject to an excise tax under IC 6-6-11; or

(4) similar property;

is not the type of property that must be subject to an excise

tax in order to be exempted from property taxation. However, if a property tax exemption granted by this act is determined to be invalid, all remaining exemptions granted by this act that are not determined to be invalid shall be treated as severable under IC 1-1-1-8.

(c) After February 28, 2009:

(1) nonbusiness personal property may not be assessed as personal property under IC 6-1.1 for property tax purposes;

(2) a lien for property taxes first due and payable after December 31, 2009, does not attach to nonbusiness personal property; and

(3) the department of local government finance, a county auditor, or an assessing official may not require an individual or entity to file a personal property tax return for nonbusiness personal property.

(d) For property taxes due and payable in calendar year 2010, the department of local government finance shall make a reduction in the maximum permissible ad valorem property tax levy for each taxing unit to account for the removal of assessed value under IC 6-1.1-2-7(7), as amended by this act. However, a taxing unit may apply for an excessive levy under IC 6-1.1-18.5 to mitigate the effects of the removal of assessed value under IC 6-1.1-2-7(7), as amended by this act, and the reduction of the unit's maximum levy required by this subsection.

(e) For property taxes due and payable in calendar year 2011, the department of local government finance shall make a reduction in the maximum permissible ad valorem property tax levy for each taxing unit to account for the removal of assessed value under IC 6-1.1-2-7(7), as amended by this act.

(f) County auditors and assessing officials shall provide the bureau of motor vehicles and the department of state revenue with the information from personal property tax returns and related records needed by the bureau of motor vehicles and the department of state revenue to implement IC 6-6-5.1, as added by this act, in 2009 on the schedule, in the manner, and in the form required by the department of local government finance.

(g) Notwithstanding this act, the definition of personal property in IC 6-1.1-1-11, as effective before January 1, 2009, applies for purposes of applying IC 6-1.1-23-2 and other provisions related to the collection of delinquent property taxes for levies that became a lien on property before January 1, 2009.

(h) This SECTION expires January 1, 2013.

SECTION 62. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **IC 6-3-1-11, as amended by this act, applies only to taxable years beginning after December 31, 2007.**

SECTION 63. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **IC 6-3-1-3.5, as amended by this act, applies to taxable years beginning after December 31, 2007.**

SECTION 64. [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).

SECTION 65. P.L.234-2007, SECTION 173, AS AMENDED BY HEA 1290-2008, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 173. (a) As used in this SECTION, "commission" refers to the commission on disproportionality in youth services.

(b) As used in this SECTION, "youth services" means the following:

(1) Juvenile justice services.

(2) Child welfare services.

(3) Education services.

(4) Mental health services.

(c) The commission on disproportionality in youth services is established to develop and provide an implementation plan to evaluate and address disproportionate representation of youth of color in the use of youth services.

(d) The commission consists of the following members appointed not later than August 15, 2007:

(1) The dean or a faculty member of an Indiana accredited graduate school of public administration, social work, education, mental health, or juvenile justice, who shall serve as chairperson of the commission.

(2) The state superintendent of public instruction, or the superintendent's designee.

(3) The director of the division of mental health and addiction, or the director's designee.

(4) The executive director of the Indiana criminal justice institute, or the executive director's designee.

(5) The director of the department of child services, or the director's designee.

(6) The commissioner of the department of correction, or the commissioner's designee.

(7) A division of child services county director from a densely populated county.

(8) A faculty member of an Indiana accredited college or university that offers undergraduate degrees in public administration, social work, education, mental health, or juvenile justice.

(9) A prosecuting attorney.

(10) A juvenile court judge.

(11) An attorney who specializes in juvenile law.

(12) A representative of the Indiana Minority Health Coalition.

(13) A health care provider who specializes in pediatric or emergency medicine.

(14) A public agency family case manager.

(15) A private agency children's service social worker.

(16) A school counselor or social worker.

(17) A representative of law enforcement.

(18) A guardian ad litem, court appointed special advocate, or other child advocate.

(19) The chairperson of an established advocacy group in Indiana that has previously investigated the issue of disproportionality in use of youth services.

(20) A young adult who has previous involvement with at least one (1) youth service.

(21) A representative of foster parents or adoptive parents.

(22) A representative of a state teacher's association or a public school teacher.

(23) A child psychiatrist or child psychologist.

(24) A representative of a family support group.

(25) A representative of the National Alliance on Mental Illness.

(26) A representative of the commission on the social status of black males.

(27) A representative of the Indiana Juvenile Detention Association.

(28) A representative of the commission on Hispanic/Latino affairs.

(29) A representative of the civil rights commission.

(30) Two (2) members of the house of representatives appointed by the speaker of the house of representatives. The members appointed under this subdivision may not be members of the same political party and serve as nonvoting members.

(31) Two (2) members of the senate appointed by the president pro tempore of the senate. The members appointed under this subdivision may not be members of the same political party and serve as nonvoting members.

The governor shall appoint the members under subdivisions (1), (7), (10), (13), (16), (19), (22), (25), (28), and (29). The speaker of the house of representatives shall appoint the members under subdivisions (8), (11), (14), (17), (20), (23), (26), and (30). The president pro tempore of the senate shall appoint the members under subdivisions (9), (12), (15), (18), (21), (24), (27), and (31). Vacancies shall be filled by the appointing authority for the remainder of the unexpired term.

(e) Each member of the commission shall have an interest in or influence on evaluating and addressing disproportionate representation of youth of color in the use of youth services.

(f) A majority of the voting members of the commission constitutes a quorum.

(g) The Indiana accredited graduate school represented by the chairperson of the commission under subsection (d)(1) shall staff the commission.

(h) The commission shall meet at the call of the chairperson and shall meet as often as necessary to carry out the purposes of this SECTION.

(i) Each member of the commission who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also 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.

(j) Each member of the commission who is a state employee but who is not a member of the general assembly 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.

(k) Each member of the commission who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

(l) The commission's responsibilities include the following:

(1) Reviewing Indiana's public and private child welfare, juvenile justice, mental health, and education service delivery systems to evaluate disproportionality rates in the use of youth services by youth of color.

(2) Reviewing federal, state, and local funds appropriated to address disproportionality in the use of youth services by youth of color.

(3) Reviewing current best practice standards addressing disproportionality in the use of youth services by youth of color.

(4) Examining the qualifications and training of youth service providers and making recommendations for a training curriculum and other necessary changes.

(5) Recommending methods to improve use of available public and private funds to address disproportionality in the use of youth services by youth of color.

(6) Providing information concerning identified unmet youth service needs and providing recommendations concerning the development of resources to meet the identified needs.

(7) Suggesting policy, program, and legislative changes related to youth services to accomplish the following:

(A) Enhancement of the quality of youth services.

(B) Identification of potential resources to promote change to enhance youth services.

(C) Reduction of the disproportionality in the use of youth services by youth of color.

(8) Preparing a report consisting of the commission's findings and recommendations, and the presentation of an implementation plan to address disproportionate

representation of youth of color in use of youth services.

(m) In carrying out the commission's responsibilities, the commission shall consider pertinent studies concerning disproportionality in use of youth services by youth of color.

(n) The affirmative votes of a majority of the commission's voting members are required for the commission to take action on any measure, including recommendations included in the report required under subsection (l)(8).

(o) The commission shall submit the report required under subsection (l)(8) to the governor and to the legislative council not later than ~~November~~ **October** 15, 2008. The report to the legislative council must be in an electronic format under IC 5-14-6. The commission shall make the report available to the public upon request not later than December ~~15,~~ **1,** 2008.

(p) There is appropriated from the state general fund one hundred twenty-five thousand ($125,000) dollars for the period beginning July 1, 2007, and ending December 31, 2008, to carry out the purposes of this SECTION, including the hiring by the chairperson of an individual to serve only to assist the chairperson and members with research, statistical analysis, meeting support, and drafting of the report required under subsection (l)(8).

(q) This SECTION expires January 1, 2009.

SECTION 66. P.L.196-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]: SECTION 7. (a) The definitions in IC 6-1.1-1 apply to this SECTION.

(b) This SECTION applies only to an entity that meets all of the following conditions:

(1) The entity is:

(A) a nonprofit:

(i) corporation; **or**

(ii) limited liability company;

that is organized for educational, literary, scientific, religious, or charitable purposes; or

(B) a local chapter of a nonprofit ~~corporation~~ **entity** referred to in clause (A).

(2) For the assessment date in a calendar year after 2000:

(A) tangible property owned by the entity was, except for the entity's failure to timely file an application under IC 6-1.1-11 for property tax exemption, otherwise eligible for an exemption;

(B) the entity failed to timely file an application under IC 6-1.1-11 for property tax exemption for the tangible property for the assessment date; and

(C) the entity's tangible property was subject to taxation for the assessment date.

(3) The tangible property, or other property owned by the entity in the same county, was exempt from taxation in either:

(A) the calendar year before the year containing the assessment date described in subdivision (2); or

(B) the calendar year two (2) years before the year containing the assessment date described in subdivision (2).

(c) Notwithstanding any provision of IC 6-1.1-11 or any other law specifying the date by which an application for property tax exemption must be filed to claim an exemption for a particular assessment date, an entity described in subsection (b) may before January 1, 2008, file with the county assessor an application for property tax exemption for an assessment date described in subsection (b)(2).

(d) Notwithstanding any provision of IC 6-1.1-11 or any other law, an application for property tax exemption filed under subsection (c) is considered to be timely filed, and the county property tax assessment board of appeals shall grant an exemption claimed for the assessment date on the application upon the county property tax assessment board of appeals's determination that:

(1) the entity's application for property tax exemption satisfies all other applicable requirements; and

(2) the entity's tangible property was, except for the failure to timely file an application for property tax exemption, otherwise eligible for the claimed exemption.

(e) If an entity has previously paid the tax liability for tangible property for an assessment date and the property is granted an exemption under this SECTION for that assessment date, the county auditor shall issue a refund of the property tax paid by the entity. An entity is not required to apply for any refund due under this SECTION. The county auditor shall, without an appropriation being required, issue a warrant to the entity payable from the county general fund for the amount of the refund, if any, due the entity. No interest is payable on the refund.

(f) This SECTION expires January 1, 2009.

SECTION 67. [EFFECTIVE UPON PASSAGE] **The general assembly finds that there is sufficient money available to expend the amount appropriated by P.L.234-2007 for area health education centers for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. Notwithstanding any other law, the budget agency shall allot and otherwise take the steps necessary to make available for expenditure and distribute to area health education centers before May 2, 2008, at least seventy-five percent (75%) of the amount appropriated by P.L.234-2007 for area health education centers for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The budget agency shall allot and otherwise take the steps necessary to make available for expenditure and distribute to area health education centers before July 1, 2008, at least an additional twenty percent (20%) of the amount appropriated by P.L.234-2007 for area health education centers for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The remaining five percent (5%) of the appropriation may be held as a reserve or allotted and released for expenditure and distribution to area health education centers, as determined by the budget agency using the standard allotment procedures applicable to state expenditures. The provisions of law permitting appropriations to be transferred, assigned, or reassigned to another use, fund, or agency do not apply to the**

appropriation described in this SECTION. Except as provided by this SECTION relative to five percent (5%) of the appropriation, the provisions of law permitting the budget agency to withhold an allotment of an appropriation does not apply to the appropriation described in this SECTION.

SECTION 68. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)] **(a) The definitions in IC 6-1.1-1 apply throughout subsection (b).**

(b) A civil taxing unit may appeal for an excessive ad valorem property tax levy for property taxes first due and payable in 2008 under IC 6-1.1-18.5-12 and IC 6-1.1-18.5-16 on the grounds stated in IC 6-1.1-18.5-16(a), except that:

(1) the deadline of December 31, 2007, under IC 6-1.1-18.5-12(a) does not apply to the appeal; and

(2) the deadline for the appeal is May 1, 2008.

(c) The definitions in IC 20-18-2 apply throughout subsection (d).

(d) A school corporation may appeal for an excessive ad valorem property tax levy for property taxes first due and payable in 2008 under IC 6-1.1-19, IC 20-45-4-4, and IC 20-45-6-5 on the grounds stated in IC 20-45-6-5(a)(2)(A), except that:

(1) the deadline of December 31, 2007, under IC 20-45-4-4 does not apply to the appeal; and

(2) the deadline for the appeal is May 1, 2008.

(e) If an appeal under this SECTION is approved:

(1) the deadline of February 15, 2008, under IC 6-1.1-17-16(h) does not apply to the actions of the department of local government finance under IC 6-1.1-17-16 for property taxes first due and payable in 2008 with respect to the following:

(A) The county in which the following are located:

(i) One (1) or more civil taxing units for which the appeal is approved.

(ii) One (1) or more school corporations for which the appeal is approved.

(B) The civil taxing units and school corporations located wholly or partially in the county referred to in clause (A);

(2) the deadlines under IC 6-1.1-22 do not apply in the county referred to in subdivision (1)(A) to the mailing or transmitting of statements and information and the payment of property taxes; and

(3) subject to subsection (f), the county treasurer shall set a schedule for the mailing or transmitting of statements and information and the payment of property taxes.

(f) Subsection (e) does not affect the authority of the county treasurer to use provisional statements under IC 6-1.1-22.5 if that chapter applies.

(g) This SECTION expires January 1, 2009.

SECTION 69. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "eligible district" refers to the Honey Creek fire protection district located in Vigo County.**

(b) To account for the change in the definition of "assessed value" reflected in IC 6-1.1-1-3(a)(1) and IC 6-1.1-1-3(a)(2), the taxable assessed value to be used for purposes of subsection (a)(2)(B) is the product of:

(1) the actual taxable assessed value; multiplied by

(2) three (3).

(c) An eligible district may, before September 20, 2008, appeal to the department of local government finance for relief from the levy limitations imposed by IC 6-1.1-18.5 for property taxes first due and payable in 2009. In the appeal, the district must:

(1) state that the district will be unable to carry out the governmental functions committed to the district by law unless the appeal is approved; and

(2) present evidence that the district is an eligible district.

(d) The maximum increase in an eligible district's levy allowed under this SECTION is two hundred twelve thousand five hundred dollars ($212,500).

(e) The department of local government finance shall process an appeal under subsection (c) in the same manner that the department processes appeals under IC 6-1.1-18.5-12.

(f) For purposes of computing an eligible district's ad valorem property tax levy for taxes first due and payable in 2010, the district's maximum permissible ad valorem property tax levy for property taxes first due and payable in 2009 under STEP ONE of IC 6-1.1-18.5-3(a) or STEP ONE of IC 6-1.1-18.5-3(b) includes the amount of any increase in the district's levy approved under this SECTION for property taxes first due and payable in 2009.

(g) This SECTION expires January 1, 2011.

SECTION 70. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies only to salaries paid for pay periods beginning after June 30, 2008.**

(b) As used in this SECTION, "district forester" means any position on the state staffing table with a job code of "001LE2" and a description of "Forester Specialist 2".

(c) As used in this SECTION, "natural sciences manager" means any position on the state staffing table with a job code of "00ENS7" and a description of "Natural Sciences Manager E7".

(d) As used in this SECTION, "state staffing table" means a position classification plans and salary and wage schedule adopted by the state personnel department (established by IC 4-15-1.8-2) under IC 4-15-1.8-7.

(e) For pay periods beginning after June 30, 2008, the state personnel department shall equalize the salary and wage schedules for the positions of district forester and natural sciences manager so that both positions share the higher of the two (2) wage and salary schedules for these positions existing on April 1, 2008. For pay periods beginning after June 30, 2008, the department of natural resources (created by IC 14-9-1-1) shall increase the wages and salaries of all district foresters and natural sciences managers to

bring the wages and salaries into conformity with the salary and wage schedules required by this SECTION.

SECTION 71. P.L.234-2007, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007 (RETROACTIVE)]: SECTION 179. (a) The trustees of the following institutions may issue and sell bonds under IC 21-34, subject to the approvals required by IC 21-33-3, for the following projects if the sum of principal costs of any bond issued, 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 South Bend - Arts Building Renovation	$27,000,000
Indiana University Bloomington - Cyber Infrastructure Building	18,300,000
Indiana University, Purdue University at Indianapolis - Neurosciences Research Building	20,000,000
Indiana University Southeast Medical Education Center A & E	1,000,000
Indiana State University - Life Sciences/Chemistry Laboratory Renovations **and Satellite Chiller Capacity**	14,800,000
Ball State University - Central Campus Academic Project, Phase I & Utilities	33,000,000
Ivy Tech-Fort Wayne Technology Center and Demolition Costs	26,700,000
Ivy Tech - Indianapolis Community College for the Fall Creek Expansion Project	69,370,000
Ivy Tech - Lamkin Center for Instructional Development and Leadership	1,000,000
Ivy Tech - Logansport	16,000,000
Ivy Tech - Sellersburg	20,000,000
Ivy Tech - Warsaw A & E	1,000,000
Ivy Tech - Muncie\Anderson A & E	4,800,000
Ivy Tech - Elkhart Phase I	16,000,000
Ivy Tech - Greencastle	8,000,000
Purdue University Calumet - Gyt Building A & E	2,400,000
Purdue University North Central - Student Services & Recreation Center A & E	1,000,000
University of Southern Indiana College of Business - General Classroom Building	29,900,000
Vincennes University - Health and Science Lab Rehabilitation	2,000,000
Indiana University, Purdue University at Fort Wayne Student Services and Library Complex	24,000,000

(b) 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, 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:

Purdue University West Lafayette - Mechanical Engineering Addition	$33,000,000

The foregoing project is not eligible for fee replacement appropriations.

(c) 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, 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:

Purdue University West Lafayette - Boiler No. 6	$53,000,000

The institution shall invite bids as provided under IC 21-37-3-3. The bids shall be open to inspection by the public.

SECTION 72. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] **(a) This SECTION applies only to an entity that meets all of the following conditions:**

(1) The entity is a church or religious society.

(2) For the assessment dates in 2003, 2004, and 2005:

(A) property owned by the entity would have been eligible for exemption from property taxes if the entity had timely filed an application under IC 6-1.1-11 for property tax exemption for the property;

(B) the entity failed to file a timely application under IC 6-1.1-11 for property tax exemption for the property; and

(C) the entity's property was subject to taxation.

(b) Notwithstanding IC 6-1.1-11 or any other law specifying the date by which an application for property tax exemption must be filed to claim an exemption for a particular assessment date, an entity described in subsection (a) may before July 1, 2008, file with the county assessor an application for property tax exemption for the 2003, 2004, and 2005 assessment dates.

(c) Notwithstanding IC 6-1.1-11 or any other law, an application for property tax exemption filed under subsection (b) is considered to be timely filed, and the county assessor shall forward the application to the county property tax assessment board of appeals for review. The board shall grant an exemption claimed for the assessment dates in 2003, 2004, and 2005 for property tax exemption if the board determines that:

(1) the entity's application for property tax exemption satisfies the requirements of this SECTION; and

(2) the entity's property was, except for the failure to timely file an application for property tax exemption,

otherwise eligible for the claimed exemption.

(d) If an entity has previously paid the tax liability for property with respect to the 2003, 2004, or 2005 assessment date and the property is granted an exemption under this SECTION for one (1) or more of those assessment dates, the county auditor shall issue a refund of the property tax paid by the entity. An entity is not required to apply for any refund due under this SECTION. The county auditor shall, without an appropriation being required, issue a warrant to the entity payable from the county general fund for the amount of the refund, if any, due the entity. No interest is payable on the refund.

(e) This SECTION expires January 1, 2010.

SECTION 73. [EFFECTIVE JULY 1, 2008] **(a) Notwithstanding IC 9-13-2-42, as amended by this act, a person who engages in the business of selling at least twelve (12) off-road vehicles to the general public each year for delivery in Indiana whose business name begins with the letters A through L, inclusive, is not required to apply for a dealer's license under IC 9-23-2 with the bureau of motor vehicles until the month in 2009 required by IC 9-23-2-8.**

(b) This SECTION expires December 31, 2009.

SECTION 74. [EFFECTIVE JULY 1, 2008] **(a) As used in this SECTION, "qualified town" means a town that would otherwise be eligible to designate a municipal riverfront development project area if the town were a city.**

(b) Notwithstanding any other law, the legislative body of a qualified town may adopt an ordinance to designate a municipal riverfront development project area within the territorial boundaries of the town. Notwithstanding any other law, all provisions of IC 7.1 that apply to a municipal riverfront development project area apply to an area designated under this SECTION as if the designating qualified town were a city.

(c) This SECTION expires December 31, 2011.

SECTION 75. [EFFECTIVE JANUARY 1, 2008] **(a) This SECTION applies to a taxpayer notwithstanding the following:**

(1) IC 6-1.1-3-7.5.

(2) IC 6-1.1-10-31.1.

(3) IC 6-1.1-11.

(4) 50 IAC 4.2-2.

(5) 50 IAC 4.2-3.

(6) 50 IAC 4.2-11.

(7) 50 IAC 4.2-12.

(8) 50 IAC 4.2-15-11.

(9) 50 IAC 16.

(b) This SECTION applies:

(1) to an assessment date occurring after December 31, 2003, and before January 1, 2007; and

(2) for property taxes first due and payable after December 31, 2004, and before January 1, 2008.

(c) As used in this SECTION, "taxpayer" refers to a taxpayer who:

(1) filed an original personal property tax return under IC 6-1.1-3-7 for an assessment date described in subsection (b); and

(2) submits for filing, after December 31, 2007, and before March 1, 2008, an amended personal property tax return and a Form 103-W for an assessment date described in subsection (b).

(d) An amended personal property tax return submitted for filing by a taxpayer in person or in any other manner consistent with IC 6-1.1-36-1.5 for an assessment date described in subsection (b):

(1) must be allowed; and

(2) is considered to have been timely filed.

(e) A taxpayer is entitled to the exemptions for tangible personal property claimed on:

(1) Schedule B of the amended returns; and

(2) each Form 103-W filed with the amended returns;

filed under this SECTION.

(f) A notice of increased assessed value issued by a township assessor with respect to tangible personal property that is subject to an amended return filed under this SECTION is considered withdrawn and nullified.

(g) IC 6-1.1-37-7, IC 6-1.1-37-9, and IC 6-1.1-37-10 do not apply to any additional personal property taxes owed by a taxpayer as the result of filing an amended return under this SECTION.

(h) A taxpayer is not entitled to a refund with respect to an amended return filed by a taxpayer under this SECTION.

(i) This SECTION expires July 1, 2009.

SECTION 76. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] **In enacting IC 6-1.1-3-23, the general assembly finds the following:**

(1) The economy of northern 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) Northern Indiana is the only area of Indiana with integrated steelmaking facilities.

(3) During the last thirty (30) years the domestic steel industry has experienced significant financial difficulties. More than one-half (1/2) of the integrated steel mills in the United States were shut down or deintegrated, 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.

(4) The United States needs to protect the capacity of the oil refining and petrochemical industry. No oil refineries have been built in the United States since 1976.

(5) Given the economic conditions affecting older integrated steelmaking facilities, integrated steel mills

claimed abnormal obsolescence in reporting the assessed value of equipment located at the integrated steelmaking facilities that began operations before 1970, thereby reporting the equipment's assessed value at far below thirty percent (30%) of the equipment's total cost (far below the "thirty percent (30%) floor" value generally applicable to equipment exhibiting only normal obsolescence under the current department of local government finance rules).

(6) Current law existing before the effective date of this SECTION obligates the taxpayers making abnormal obsolescence claims to pay personal property taxes based only on, and permits communities to determine property tax budgets and rates based only on, the reported personal property assessed values until the personal property appeals are resolved. Consequently, as a result of abnormal obsolescence claims, the property tax base of communities in northern Indiana is severely reduced for an indeterminate period (if not permanently). The prospect of future appeals and their attendant problems on an ongoing basis must be addressed.

(7) A new, optional method for valuing the equipment of integrated steel mills and entities that are at least fifty percent (50%) owned by an affiliate of an integrated steel mill ("related entities") and the oil refining and petrochemical industry in northern Indiana is needed. That optional method:

(A) recognizes the loss of value and difficulty in valuing equipment at integrated steelmaking facilities and facilities of the oil refining and petrochemical industry that commenced operations decades ago and at the facilities of related entities;

(B) recognizes that depreciable personal property used in integrated steelmaking and in oil refinery or petrochemical operations and by related entities is affected by different economic and market forces than depreciable personal property used in other industries and certain other segments of the steel industry and therefore experiences different amounts of obsolescence and depreciation; and

(C) 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 communities where these older facilities are located.

(8) Such an optional method would be to authorize a fifth pool in the depreciation schedule for valuing the equipment of integrated steel mills, related entities, 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.

(9) The purpose for authorizing the Pool 5 method is to provide a more simplified and efficient method for valuing the equipment of integrated steel mills and the oil refining and petrochemical industry that recognizes the loss of value and unusual problems associated with the valuation of the equipment or facilities that began operations before 1970 in those industries in northern Indiana, as well as for valuing the equipment of related entities, to stabilize local property tax revenue by eliminating the need for abnormal obsolescence claims, and to encourage those industries to continue to invest in northern Indiana, thereby contributing to the economic life and well-being of communities in northern Indiana, the residents of northern Indiana, and the state of Indiana generally.

(10) The specific circumstances described in this section do not exist throughout the rest of Indiana.

SECTION 77. [EFFECTIVE JANUARY 1, 2009] **IC 6-3-4-4.1 and IC 6-3-4-8, both as amended by this act, apply only to taxable years beginning after December 31, 2008.**

SECTION 78. [EFFECTIVE JANUARY 1, 2009] **IC 6-2.5-6-1, as amended by this act, applies to reporting periods beginning after December 31, 2008.**

SECTION 79. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **IC 6-3-3-12, as amended by this act, applies to taxable years beginning after December 31, 2007.**

SECTION 80. [EFFECTIVE JANUARY 1, 2009] **IC 6-3-4-1.5, as amended by this act, applies to adjusted gross income tax returns filed after December 31, 2008.**

SECTION 81. [EFFECTIVE JANUARY 1, 2009] **(a) IC 6-3.1-21-6, as amended by this act, applies to taxable years beginning after December 31, 2008.**

(b) IC 6-8.1-10-3.5, as added by this act, applies to taxable years beginning after December 31, 2008.

SECTION 82. [EFFECTIVE UPON PASSAGE] **(a) The commission on state tax and financing policy established under IC 2-5-3 shall study the feasibility of establishing a sales tax increment financing district in Warrick County to facilitate the establishment of a museum and education complex.**

(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.

SECTION 83. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies only in a county that contains a consolidated city.**

(b) For a taxpayer's property taxes first due and payable in 2007, the county auditor or county treasurer may mail in the same envelope the following:

(1) A refund to the taxpayer authorized by P.L.234-2007, SECTION 300, and P.L.1-2008, SECTION 5.

(2) A reconciling statement for the taxpayer authorized under IC 6-1.1-22.5 or any other law.

(c) This SECTION expires January 1, 2010.

SECTION 84. **An emergency is declared for this act.**

(Reference is to EHB 1125 as reprinted February 27, 2008.)

Goodin, Chair	Kenley
Buell	Simpson
House Conferees	Senate Conferees

Roll Call 368: yeas 46, nays 0. Report adopted.

JOINT RULE COMMITTEE REPORTS

COMMITTEE REPORT

Madam President: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedure, to which was referred Engrossed Senate Bill 72 because it conflicts with House Enrolled Act 1065-2008 without properly recognizing the existence of HEA 1065-2008, has had Engrossed Senate Bill 72 under consideration and begs leave to report back to the Senate with the recommendation that Engrossed Senate Bill 72 be corrected as follows:

In the conference committee report to ESB 72, page 9, line 30, delete "P.L.149-2007," and insert "HEA 1065-2008,".

In the conference committee report to ESB 72, page 10, line 27, delete "." and insert ", or to a member of the public employees' retirement fund after June 30, 2008.".

(Reference is to ESB 72, as printed February 8, 2008, and as amended by the conference committee report to ESB 72.)

LONG, Chair
R. YOUNG, R.M.M.
KRUSE

Report adopted.

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the Conference Committee Report on Engrossed House Bill 1125–1.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has accepted and approved the Joint Rule 20 correction on Engrossed Senate Bill 72.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has concurred with the Senate amendments to Engrossed House Bills 1220.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the Conference Committee Report on Engrossed Senate Bill 339–1.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has adopted the Conference Committee Reports on Engrossed Senate Bills 62–1, 72–2, 43–1, 143–1, 258–1, 314–1, and 315–1.

CLINTON MCKAY
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Senate Concurrent Resolution 59 and the same is herewith returned to the Senate.

CLINTON MCKAY
Principal Clerk of the House

COMMITTEE REPORT

Madam President: Your Committee appointed to ascertain whether the House of Representatives has any further legislative business to transact hereby reports that your Committee has conferred with the House of Representatives and the House of Representatives has no further business to transact with the Senate.

LANDSKE
LANANE

Report adopted.

COMMITTEE REPORT

Madam President: Your Committee appointed to confer with the Governor to ascertain whether or not he has any further communications to make to the Senate hereby reports that your Committee has waited upon the Governor and that the Governor has no further communications to make to the Senate.

MISHLER
SIPES

Report adopted.

SENATE MOTION

Madam President: I move that at 5:42 p.m., this fourteenth day of March, 2008, the Senate do now adjourn *sine die*.

LONG

Motion prevailed. The Senate adjourned *sine die*.

MARY C. MENDEL	REBECCA S. SKILLMAN
Secretary of the Senate	President of the Senate