



# Journal of the House

State of Indiana

111th General Assembly

Second Regular Session

Tenth Meeting Day

Tuesday Afternoon

January 18, 2000

The House convened at 1:00 p.m. with the Speaker in the Chair.

The invocation was offered by Reverend Dr. Larry Brandon, Chaplain of Howard Community Hospital, Galveston, the guest of Representative Ron Herrell.

The Pledge of Allegiance to the Flag was led by Representative Herrell.

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

T. Adams •	Kromkowski
Alderman	Kruse
Atterholt	Kruzan
Avery	Kuzman
Ayres	Lawson
Bailey •	Leuck
Bardon	Liggett
Bauer	Linder
Becker	J. Lutz
Behning	Lytle
Bischoff	Mahern
Bodiker	Mangus
Bosma	Mannweiler
Bottorff	McClain
C. Brown	Mellinger
T. Brown	Mock •
Buck	Moses
Budak	Munson
Buell	Murphy
Burton	Oxley
Cheney	Pelath
Cherry	Pond
Cochran	Porter
Cook	Richardson
Crawford	Ripley
Crooks	Robertson
Crosby	Ruppel
Day	Saunders
Denbo	Scholer
Dickinson	M. Smith
Dillon	V. Smith
Dobis	Steele
Dumezich	Stevenson
Duncan	Stilwell
Dvorak	Sturtz
Espich	Summers
Foley	Thompson
Frenz	Tincher
Friend	Torr
Frizzell	Turner
Fry	Ulmer
GiaQuinta	Villalpando
Goeglein	Weinzapfel
Grubb	Welch
Harris	Whetstone
Hasler	Wolkins
Herrell	D. Young
Hoffman	M. Young
Kersey	Yount
Klinker	Mr. Speaker

Roll Call 20: 97 present; 3 excused. The Speaker announced a quorum in attendance. [NOTE: • indicates those who were excused.]

The House stood for a moment of silence in memory of State Trooper Jason Beal, who was injured in the line of duty and died last weekend.

## HOUSE MOTION

Mr. Speaker: I move that we dispense with the reading of the Journal.

LEUCK

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Wednesday, January 19, 2000, at 1:30 p.m.

L. LAWSON

Motion prevailed.

## RESOLUTIONS ON FIRST READING

### House Concurrent Resolution 9

Representatives Cheney, C. Brown, Ayres, and Kuzman introduced House Concurrent Resolution 9:

A CONCURRENT RESOLUTION recognizing Sheriff David Reynolds for his efforts in establishing and diligence in enforcing a handicapped parking program.

*Whereas, There are approximately 40 million Americans with disabilities;*

*Whereas, These Americans have been given certain privileges to help them function more easily in a society that does not always accommodate their needs;*

*Whereas, One of these privileges is the availability of handicapped parking spaces;*

*Whereas, Upon entering many parking lots, there are signs directing disabled patrons to the designated handicapped parking spaces;*

*Whereas, These spaces are located nearest to the building;*

*Whereas, These spaces are often occupied by people who are not handicapped and who do not possess a handicapped license plate or sticker;*

*Whereas, If people who are not handicapped occupy these spaces, the handicapped are forced to parked farther away;*

*Whereas, When Sheriff Reynolds was elected in November, 1998, he established a Disabled Parking Police Program in Porter County;*

*Whereas, This program makes Porter County the only county with a countywide program to enforce handicapped parking violations;*

*Whereas, Sheriff Reynolds has worked diligently, often on his days off, to develop a training manual to facilitate the institution of this program;*

*Whereas, Sheriff Reynolds' program has been the model for programs established in Texas and Vermont; and*

*Whereas, The United States has led the way to the future by creating the most open society for those with disabilities: Therefore,*

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

SECTION 1. That the Indiana General Assembly wishes to commend Sheriff David Reynolds on his efforts in establishing a Disabled Parking Police Program and enforcing the laws concerning handicapped parking in Porter County.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Sheriff David Reynolds.

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

### House Concurrent Resolution 10

Representatives Klinker, Mannweiler, and Porter introduced House Concurrent Resolution 10:

A CONCURRENT RESOLUTION to commemorate the life and contributions of Thomas Binford.

*Whereas, Before his untimely death on January 14, 1999 at the age of 74, Thomas Binford devoted more than fifty years of his life to the service of Indiana business and community;*

*Whereas, Thomas Binford served as chief steward of the Indianapolis 500 for more than twenty years, from 1974 to 1995;*

*Whereas, Thomas Binford served as president of the Indiana Pacers from 1975 to 1976, and organized an investment group which kept the team in Indiana;*

*Whereas, Thomas Binford accepted an appointment to serve as chairman and CEO of Indiana National Corporation in 1976, where he presided over the recovery of the Indiana National Bank as a profitable financial institution;*

*Whereas, Thomas Binford helped found the Urban League of Indianapolis in 1965;*

*Whereas, Thomas Binford served as chairman of the Indiana state committee of the U.S. Civil Rights Commission from 1972 to 1976;*

*Whereas, Thomas Binford served as co-chairman of the Indiana region of the National Conference of Christians and Jews.*

*Whereas, Thomas Binford helped found the Community Leaders Allied for Superior Schools, a group focused on improving public schools; and*

*Whereas, Thomas Binford served on the boards of Rose-Hulman Institute of Technology, Christian Theological Seminary Foundation, Martin Center College and Depauw University: Therefore,*

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

SECTION 1. The General Assembly of Indiana honors the life and memory of Thomas Binford for his life of service and his important contributions to the welfare of the people of Indiana.

SECTION 2. The Principal Clerk of the House deliver a copy of this resolution to the family of Thomas Binford.

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

### OTHER BUSINESS ON THE SPEAKER'S TABLE

#### Reassignments

The Speaker announced the following reassignment:

House Bill 1422 from the Committee on Rules and Legislative Procedures to the Committee on Environmental Affairs.

The House recessed until the fall of the gavel.

### RECESS

The House reconvened at 3:10 p.m. with the Speaker Pro Tempore, Representative Dobis, in the Chair.

#### MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 1 and the same is herewith transmitted to the House for further action.

CAROLYN J. TINKLE  
Secretary of the Senate

### Senate Concurrent Resolution 1

The Speaker handed down Senate Concurrent Resolution 1, sponsored by Representatives Steele and Bailey:

A CONCURRENT RESOLUTION memorializing former Senator Joseph Corcoran.

*Whereas, Former Senator Joseph Corcoran died Saturday, October 9, 1999, at 73 years of age;*

*Whereas, Senator Corcoran served as the Indiana senator from District 44 for 12 years, being elected first in 1980 and retiring in 1992;*

*Whereas, Senator Corcoran was born December 22, 1925, in Winthrop, Suffolk County, Massachusetts, of Irish ancestry;*

*Whereas, Senator Corcoran moved to Seymour, Indiana, in 1968 and resided there for 25 years;*

*Whereas, Senator Corcoran married Jeanne Hunsucker on May 22, 1956, and together they had seven children;*

*Whereas, Senator Corcoran was a veteran of World War II, the Korean War, and the Vietnam War, retiring from the Air Force as a lieutenant colonel;*

*Whereas, Senator Corcoran attended Boston College and Indiana University;*

*Whereas, During his years in the Senate, Senator Corcoran authored many important pieces of legislation, including the bill that made English the official language of the state of Indiana, and legislation that consolidated various environmental boards into the Indiana Department of Environmental Management;*

*Whereas, In addition to his work in the General Assembly, Senator Corcoran was a highly active member of the community, serving on the board of directors of US English, the national organization that promotes English as the official language of the nation, was a member of the board of directors of the American Legislative Exchange Council (ALEC), and a member of the National Rifle Association;*

*Whereas, Senator Corcoran was also a member of the Retired Officers Association, Veterans of Foreign Wars, the American Legion, and the Disabled American Veterans;*

*Whereas, Just weeks before his death, Senator Corcoran was named president of the 376th Heavy Bombardment Group, a group of World War II veterans;*

*Whereas, Senator Corcoran contributed greatly to the welfare of the citizens of Indiana. He will be missed deeply by all who knew him, but especially by his wife and family; and*

*Whereas, Senator Corcoran was a man who cared deeply for his family, his state, and his country: 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 wishes to express its heartfelt sympathy to the family of Senator Joseph Corcoran. Senator Corcoran was a man loved by everyone. He will be deeply missed.

SECTION 2. That copies of this resolution be transmitted by the Secretary of the Senate to the family of Senator Joseph Corcoran.

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

### HOUSE BILLS ON SECOND READING

The following bills were called down by their respective authors, were read a second time by title, and, there being no amendments, were ordered engrossed: House Bills 1049, 1068, 1075, 1145, 1259, 1322, and 1370.

#### House Bill 1018

Representative Grubb called down House Bill 1018 for second reading. The bill was read a second time by title.

#### HOUSE MOTION (Amendment 1018-3)

Mr. Speaker: I move that House Bill 1018 be amended to read as follows:

Page 2, between lines 6 and 7, begin a new paragraph and insert: "**Sec. 7. An association must allow the parent of a student who is certified to participate in an interscholastic athletic competition to film, videotape, or otherwise visually record that competition.**"

Page 2, line 7, delete "7" and insert "8".

Page 2, line 19, delete "8" and insert "9".

(Reference is to HB 1018 as printed January 14, 2000.)

FRY

After discussion, Representative Fry withdrew the motion.

#### HOUSE MOTION (Amendment 1018-2)

Mr. Speaker: I move that House Bill 1018 be amended to read as follows:

Page 2, delete lines 11 through 16, begin a new line block indented, and insert:

"(1) **The student was unable to comply with the rule because the student was engaged in military training in the armed forces of the United States.**

(2) **The student has passed a physical examination by a licensed physician who certifies that the student is in physical condition to participate in interscholastic athletic events in a specific named sport.**"

Page 3, line 8, delete "refer the" and insert:

"do one (1) of the following:

(1) **Accept the decision.**

(2) **Take legal action without first referring the case to the panel.**

(3) **Refer the case to the panel.**"

Page 3, delete line 9.

(Reference is to HB 1018 as printed January 14, 2000.)

GRUBB

Motion prevailed.

#### HOUSE MOTION (Amendment 1018-7)

Mr. Speaker: I move that House Bill 1018 be amended to read as follows:

Page 3, after line 28, begin a new paragraph and insert:

"**Sec. 9. (a) For purposes of this section, the following apply:**

(1) **A secondary school that has an enrollment in the eightieth percentile for total enrollment of all secondary schools in Indiana is a Class 1 school.**

(2) **A secondary school that has an enrollment in the sixtieth percentile but not more than the seventy-ninth percentile for total enrollment of all secondary schools in Indiana is a Class 2 school.**

(3) **A secondary school that has an enrollment in the fortieth percentile but not more than the fifty-ninth percentile for total enrollment of all secondary schools in Indiana is a Class 3 school.**

(4) **A secondary school that has an enrollment in the twentieth percentile but not more than the thirty-ninth percentile for total enrollment of all secondary schools in Indiana is a Class 4 school.**

(5) **A secondary school that has an enrollment in not more than the nineteenth percentile for total enrollment is a Class 5 school.**

(b) **The board of directors of the association shall include the following from each class of school described in subsection (a):**

(1) **One (1) secondary school principal appointed in the same manner as secondary school principals are appointed to the board of directors on January 1, 2000.**

(2) **One (1) secondary school athletic director who:**  
(A) **holds no administrative position while serving on the board of directors; and**  
(B) **is appointed by the Indiana athletic directors association.**

(3) **One (1) secondary school head coach who:**  
(A) **holds no administrative position while serving on the board of directors; and**  
(B) **is appointed by the combined Indiana coaches associations."**

(Reference is to HB 1018 as printed January 14, 2000.)

DENBO

The Chair ordered a division of the House and appointed Representatives Grubb and Mannweiler to count the yeas and nays. Yeas 23, nays 70. Motion failed.

#### HOUSE MOTION (Amendment 1018-1)

Mr. Speaker: I move that House Bill 1018 be amended to read as follows:

Page 3, after line 28, begin a new paragraph and insert:

"**SECTION 2. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "committee" refers to the interscholastic athletics study committee. The committee established by subsection (b).**

(b) **There is established the interscholastic athletics study committee. The committee consists of seventeen (17) members as follows:**

(1) **Six (6) members of the house of representatives appointed by the speaker of the house of representatives. Not more than three (3) members appointed under this subdivision may represent the same political party.**

(2) **Six (6) members of the senate appointed by the president pro tempore of the senate. Not more than three (3) members appointed under this subdivision may represent the same political party.**

(3) **Two individuals appointed by the speaker of the house of representatives. An individual appointed under this subdivision must have a background in interscholastic athletics.**

(4) **Two (2) individuals appointed by the president pro tempore of the senate. An individual appointed under this subdivision must have a background in interscholastic athletics.**

(5) **One (1) individual appointed by the state superintendent of public instruction.**

(c) **The committee shall:**

(1) **study issues related the governance of interscholastic athletics in Indiana; and**

(2) **make recommendations to the general assembly concerning the governance of interscholastic athletics.**

(d) **The committee shall operate under policies governing study committees adopted by the legislative council.**

(e) **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.**

(f) **This SECTION expires November 1, 2000.**

**SECTION 3. An emergency is declared for this act."**

(Reference is to HB 1018 as printed January 14, 2000.)

BUELL

Motion prevailed.

HOUSE MOTION  
(Amendment 1018-5)

Mr. Speaker: I move that House Bill 1018 be amended to read as follows:

Page 2, between lines 18 and 19, begin a new paragraph and insert:  
"Section 8. The association shall be immune from any suit or claim for damages for injury or death brought by or in the name of a student or by the personal representative of any student receiving an exemption pursuant to Section 7 of this Chapter."

Renumber all Sections consecutively.  
(Reference is to HB 1018 as printed January 14, 2000.)

TURNER

Upon request of Representatives Turner and Bosma, the Chair ordered the roll of the House to be called. Roll Call 21: yeas 21, nays 72. Motion failed.

HOUSE MOTION  
(Amendment 1018-6)

Mr. Speaker: I move that House Bill 1018 be amended to read as follows:

Page 2, between lines 6 and 7, begin a new paragraph and insert:  
"Sec. 7. To continue the tradition of Indiana basketball, an association shall conduct a single class basketball tournament for boy students and a single class basketball tournament for girl students between December 1 and January 10 of the following year. Each single class basketball tournament shall be in addition to any class tournament convened at the end of the regular basketball season."

Renumber all Section consecutively.  
(Reference is to HB 1018 as printed January 14, 2000.)

TURNER

Upon request of Representatives Turner and Bosma, the Chair ordered the roll of the House to be called. Roll Call 22: yeas 19, nays 74. Motion failed. The bill was ordered engrossed.

### House Bill 1015

Representative Cook called down House Bill 1015 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1015-1)

Mr. Speaker: I move that House Bill 1015 be amended to read as follows:

Page 1, delete lines 10 through 11, line block indent and insert:  
"that emits:

- (1) light amplified by the stimulated emission of radiation that is visible to the human eye; or
- (2) any other electromagnetic radiation."

Page 1, line 12, after "light" insert "or any other electromagnetic radiation".

(Reference is to HB 1015 as printed January 14, 2000.)

THOMPSON

Motion prevailed. The bill was ordered engrossed.

### House Bill 1063

Representative Herrell called down House Bill 1063 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1063-1)

Mr. Speaker: I move that House Bill 1063 be amended to read as follows:

Page 4, delete lines 12 through 14, begin a new paragraph and insert:

"Sec. 8. (a) A resident or nonresident person who wishes to take a white-tailed deer on a hunting preserve:

- (1) must hold a license issued under this article to take a deer; and
- (2) may take a deer on a hunting preserve only with the weapon

that the person's license allows the person to use to take a deer."

Page 4, line 15, delete "A" and insert "In addition to the license to take a deer required by subsection (a), a".

(Reference is to HB 1063 as printed January 14, 2000.)

HERRELL

Motion prevailed. The bill was ordered engrossed.

### House Bill 1035

Representative Villalpando called down House Bill 1035 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1035-1)

Mr. Speaker: I move that House Bill 1035 be amended to read as follows:

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

"SECTION 1. IC 7.1-1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. Scope. **Notwithstanding IC 7.1-5-1-3, this title** applies to the commercial manufacturing, bottling, selling, bartering, importing, transporting, delivering, furnishing, or possessing of alcohol, alcoholic beverages, industrial alcohol, malt, malt syrup, malt extract, liquid malt or wort.

SECTION 2. IC 7.1-5-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. Public Intoxication Prohibited. It is a Class B misdemeanor for a person to be in a public place or a place of public resort in a state of ~~intoxication~~: **intoxication resulting from the use of alcohol or a controlled substance (as defined in IC 35-48-1-9).**"

Renumber all sections consecutively.

(Reference is to HB 1035 as printed January 14, 2000.)

SAUNDERS

Motion prevailed. The bill was ordered engrossed.

### House Bill 1076

Representative Leuck called down House Bill 1076 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1076-1)

Mr. Speaker: I move that House Bill 1076 be amended to read as follows:

Page 2, line 17, delete "EFFECTIVE JULY 1, 2000" and insert "EFFECTIVE JULY 1, 2001".

(Reference is to HB 1076 as printed January 14, 2000.)

LEUCK

Motion prevailed. The bill was ordered engrossed.

### House Bill 1301

Representative L. Lawson called down House Bill 1301 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1301-1)

Mr. Speaker: I move that House Bill 1301 be amended to read as follows:

Page 17, line 6, after "board" insert "**shall**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1301 as printed January 14, 2000.)

L. LAWSON

Motion prevailed. The bill was ordered engrossed.

## REPORTS FROM COMMITTEES

### COMMITTEE REPORT

Mr. Speaker: A minority of your Committee on Ways and Means, which met on January 10, 2000, to consider House Bill 1005, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as

follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 2-5-24.1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The committee shall study, review, make recommendations concerning, and report on the following topics:

- (1) Certification levels to be attained by county and township assessors and their employees and the number of persons in each certification level required relative to the number of parcels in each assessing unit.
- (2) Present certification levels, standards, and courses of instruction.
- (3) Minimum and advanced proficiency standards that ensure that persons performing assessment functions in Indiana meet or exceed national standards for real property assessment.
- (4) Whether an elected assessor should be required to obtain a minimum proficiency level in assessment procedures and funding for the expense of requiring a minimum proficiency level.
- (5) Continuing education requirements to maintain assessor certifications and minimum proficiency levels.
- (6) Computer software assessment standards published in 1992 and 1993 and revisions considered necessary.
- (7) Procedures for the enforcement or review of software certification standards.
- (8) Whether the state board of tax commissioners should be required to adopt computer specification rules specifically to allow assessment data to be exported.
- (9) The means available to the state board of tax commissioners for enforcing rules.
- (10) Organizational changes considered necessary to improve the efficiency and thoroughness of the county property tax assessment board of appeals.
- (11) An investigation of the use of hearing officers who have attained level 2 proficiency to assist the county property tax assessment board of appeals.
- (12) In association with the state board of tax commissioners, changes that would establish an independent state property tax assessment board of appeals.
- (13) Improvements to the salary schedules and benefits available to the employees of the state board of tax commissioners.
- (14) Organizational structure of the assessing system, including the duties of the county and township assessor.
- (15) **The reports required to be made by the state board of tax commissioners under section 3.5 of this chapter concerning the status of the general reassessment.**

(b) The committee may study other topics as assigned by the legislative council or as directed by its chairman.

(c) The committee is under the jurisdiction of the legislative council and shall operate under policies and procedures established by the legislative council.

(d) Before January 1 each year, the committee shall issue an annual report stating its findings, conclusions, and recommendations. The committee shall issue other reports as directed by the legislative council.

SECTION 2. IC 2-5-24.1-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. **The state board of tax commissioners shall compile four (4) written reports for submission to the committee covering the status of the general reassessment. Each report must include the following:**

- (1) **The increases in assessments of the various types of real property.**
- (2) **The number and percentage of parcels completed by the end of the month before the report is due.**
- (3) **Positive feedback and problems occurring in the general reassessment, including whether the reassessment of the percentage of parcels required under IC 6-1.1-4-21 has been accomplished and, if not, a plan for meeting the schedule.**

**A report shall be delivered to the legislative services agency on or before June 1, 2000, November 1, 2000, April 1, 2001, and October 1, 2001, for distribution to the members of the committee.**

SECTION 3. IC 2-5-24.1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE DECEMBER 31, 1998 (RETROACTIVE)]: Sec. 9. This chapter expires January 1, ~~1999~~ **2003**.

SECTION 4. IC 6-1.1-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE DECEMBER 31, 1998 (RETROACTIVE)]: Sec. 4. (a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 1999, and each fourth year thereafter. Each reassessment shall be completed on or before March 1 of the immediately following odd-numbered year, and shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed. **However, the general reassessment that is required to be completed on or before March 1, 2001, shall instead be:**

- (1) **completed on or before September 1, 2001;**
- (2) **used as the assessed value for March 1, 2002; and**
- (3) **the basis for taxes payable in 2003.**

(b) 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 state board of tax commissioners shall give adequate advance notice of the general reassessment to the county and township taxing officials of each county.

SECTION 5. IC 6-1.1-4-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) **Except as provided in subsection (c),** if, during a period of general reassessment, a township assessor 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) **Except as provided in subsection (c),** if a township assessor employs a professional appraiser or a professional appraisal firm to make real property appraisals during a period of general reassessment, the professional appraiser or appraisal firm must file appraisal reports with the township assessor 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.

(c) **For the general reassessment that is required under section 4 of this chapter to be completed on or before September 1, 2001, the appraisals of the parcels subject to taxation shall be completed and appraisal reports shall be filed by professional appraisers as follows:**

- (1) **The appraisal of one-fourth (1/4) of the parcels shall be completed before May 1, 2000.**
- (2) **The appraisal of one-half (1/2) of the parcels shall be completed before October 1, 2000.**

(3) The appraisal of three-fourths (3/4) of the parcels shall be completed before March 1, 2001.

(4) The appraisal of all the parcels shall be completed before September 1, 2001.

SECTION 6. [EFFECTIVE JANUARY 1, 2001] Notwithstanding any other law, the changes made to various statutes in P.L.6-1997 to adjust assessed values of property for property tax purposes to reflect changing assessed values from one-third (1/3) of the true tax value of property to one hundred percent (100%) of the true tax value that were to become effective on March 1, 2001, instead take effect on March 1, 2002. Any other change to these statutes in P.L.6-1997 or another public law is not affected by this SECTION. These statutes include but are not limited to IC 3-11-6-9, IC 6-1.1-3-7, IC 6-1.1-12-1, IC 6-1.1-12-9, IC 6-1.1-12-11, IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, IC 6-1.1-12-17.4, IC 6-1.1-12-18, IC 6-1.1-12-22, IC 6-1.1-12-37, IC 6-1.1-12.1-4.1, IC 6-1.1-18-2, IC 6-1.1-18-3, IC 6-1.1-18.5-10.3, IC 6-1.1-18.5-13, IC 6-1.1-19-1.5, IC 6-1.1-19-10, IC 6-6-5-5, IC 6-6-5-14, IC 6-6-6.5-22, IC 8-1-11.1-8, IC 8-1.5-5-21, IC 8-10-5-17, IC 8-14-9-10, IC 8-16-2-4, IC 8-16-3-3, IC 8-22-3-11, IC 8-22-3-25, IC 10-7-1-2, IC 10-7-1-4, IC 10-7-5-10, IC 10-7-6-2, IC 10-7-6-4, IC 12-20-23-2, IC 12-20-23-15, IC 12-20-23-19, IC 12-20-25-4, IC 12-20-25-42, IC 12-29-1-1, IC 12-29-1-2, IC 12-29-1-3, IC 12-29-2-2, IC 12-29-2-13, IC 12-29-3-6, IC 13-21-3-12, IC 13-21-3-15, IC 13-21-7-12, IC 14-27-6-30, IC 14-27-6-48, IC 14-33-7-3, IC 14-33-21-5, IC 15-1-6-2, IC 15-1.5-8-1, IC 16-20-2-18, IC 16-20-4-27, IC 16-20-7-2, IC 16-22-5-4, IC 16-22-8-41, IC 16-23-1-28, IC 16-23-1-29, IC 16-23-3-6, IC 16-23-4-2, IC 16-23-5-6, IC 16-23-7-2, IC 16-23-8-2, IC 16-23-9-2, IC 16-23-9-4, IC 16-41-15-5, IC 16-41-33-4, IC 20-5-17.5-2, IC 20-5-17.5-3, IC 20-5-37-4, IC 20-14-7-5.1, IC 20-14-7-6, IC 20-14-13-12, IC 21-1-11-2, IC 21-1-11-3, IC 21-1-11-5, IC 21-2-15-11, IC 21-2-17-2, IC 21-3-3.1-2.1, IC 23-13-5-8, IC 23-13-17-1, IC 23-14-66-2, IC 23-14-67-3, IC 33-3-5-12, IC 36-1-15, IC 36-7-13-4, IC 36-7-14-25.1, IC 36-7-14-28, IC 36-7-15.1-16, IC 36-7-29-15, IC 36-8-14-4, IC 36-8-15-16, IC 36-8-15-19, IC 36-9-4-48, IC 36-9-6.1-2, IC 36-9-6.5-10, IC 36-9-14-5, IC 36-9-16-5, IC 36-9-16-6, IC 36-9-17-5, IC 36-9-25-27, IC 36-9-25-31, IC 36-9-27-100, IC 36-9-29-23, IC 36-9-29-31, IC 36-10-3-21, IC 36-10-3-24, IC 36-10-4-36, IC 36-10-6-2, IC 36-10-7-7, IC 36-10-7-8, IC 36-10-7.5-19, and IC 36-10-7.5-22.

SECTION 7. An emergency is declared for this act.

(Reference is to HB 1005 as introduced.)

and when so amended that said bill do pass.

ESPICH

Representative Dobis rose to a point of order, citing Rule 128, questioning which member had signed the minority report and whether that member had voted for or against the majority report in the Committee on Ways and Means deliberations. The Speaker stated that Representative Espich had signed the minority report. The committee roll call tally showed that Representative Espich had voted in favor of the majority report. The Speaker determined that Rule 128, as currently written, allows any member to file a minority report without regard to how that member may have voted in committee.

Upon request of Representatives Espich and Bosma the Speaker ordered the role of the House to be called. Roll Call 23: yeas 44, nays 52. The minority report was rejected.

The question then was on the majority report.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1005, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 14 and 15, begin a new paragraph and insert: "SECTION 2. IC 6-1.1-4-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4.5. (a) The state board of tax commissioners shall adopt rules establishing a system for annually adjusting the

assessed value of real property to account for changes in value in those years since a general reassessment of property last took effect.

(b) The system must be applied to adjust assessed values beginning with the 2004 assessment date and each year thereafter that is not a year in which a reassessment becomes effective.

(c) The system must have the following characteristics:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Apply all objectively verifiable factors used in mass valuation techniques that are reasonably expected to affect the value of real property in Indiana.

(3) Prescribe as many adjustment percentages and whatever categories of percentages the board finds necessary to achieve objectively verifiable updated just valuations of real property. An adjustment percentage for a particular classification may be positive or negative.

(4) Prescribe procedures, including computer software programs, that permit the application of the adjustment percentages in an efficient manner by assessing officials."

Page 2, between lines 24 and 25, begin a new paragraph and insert: "SECTION 4. IC 6-1.1-5.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4. A person filing a sales disclosure form under this chapter shall pay a fee of five dollars (\$5) to the county auditor. Eighty percent (80%) of the revenue shall be deposited in the county general fund: sales disclosure fund established under section 4.5 of this chapter. Twenty percent (20%) of the revenue shall be transferred to the state treasurer for deposit in the state general fund: assessment training fund established under section 4.7 of this chapter.

SECTION 5. IC 6-1.1-5.5-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4.5. The county treasurer of each county shall establish a sales disclosure fund. The treasurer shall deposit into the fund the money received under section 4 of this chapter. Money in the fund may be expended only for the administration of this chapter and the verification of the information contained on a sales disclosure form.

SECTION 6. IC 6-1.1-5.5-4.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4.7. (a) The assessment training fund is established for the purpose of receiving fees deposited under section 4 of this chapter for the training of assessment officials and employees of the state board of tax commissioners. The fund shall be administered by the treasurer of state.

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

(c) 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 into the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund."

Page 3, between lines 19 and 20, begin a new paragraph and insert: "SECTION 8. [EFFECTIVE JANUARY 1, 2000] (a) An assessing official is not required to issue a notice of change to a taxpayer's assessment (a state board of tax commissioner's Form 11) as a result of changing the definition of assessed value from one-third (1/3) of the true tax value of property to one hundred percent (100%) of the true tax value under P.L.6-1997. A taxpayer may not appeal an assessment on the basis that the assessed value of the property has increased as a result of the change in the definition of assessed value under P.L.6-1997, or that no Form 11 notice was issued.

(b) This SECTION expires December 31, 2002.

SECTION 9. [EFFECTIVE UPON PASSAGE] (a) The treasurer of state shall transfer five hundred thousand dollars (\$500,000) from the state's share of the fees collected under IC 6-1.1-5.5 to the assessment training fund established under IC 6-1.1-5.5-4.7, as added by this act.

(b) This SECTION expires June 30, 2001."

Renumber all SECTIONS consecutively.  
 (Reference is to HB 1005 as introduced.)  
 and when so amended that said bill do pass.  
 Committee Vote: yeas 23, nays 2.

BAUER, Chair

Upon request of Representatives Dobis and Kruzan, the Speaker ordered the roll of the House to be called. Roll Call 24: yeas 75, nays 21. Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: A minority of your Committee on Ways and Means, which met on January 10, 2000, to consider House Bill 1006, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-1.1-18-3, AS AMENDED BY P.L.273-1999, SECTION 53 (CURRENT VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: 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) one dollar and twenty-five cents (\$1.25) on each one hundred dollars (\$100) of assessed valuation in territory outside the corporate limits of a city or town; or
- (2) two dollars (\$2) on each one hundred dollars (\$100) of assessed valuation in territory inside the corporate limits of a city or town.

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

- (1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.
- (2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.
- (3) To pay the principal or interest upon:

- (A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or
- (B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

- (4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.
- (5) To pay a judgment rendered against the political subdivision.

- ~~(6) To meet the requirements of the family and children's fund for child services (as defined in IC 12-19-7-1);~~
- ~~(7) To meet the requirements of the county hospital care for the indigent fund;~~

(c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a county board of tax adjustment, a county auditor, or the state board of tax commissioners 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 2. IC 6-1.1-18-3, AS AMENDED BY P.L.273-1999, SECTION 54 (DELAYED VERSION), IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

- (1) forty-one and sixty-seven hundredths cents (\$0.4167) on

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

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

- (1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.
- (2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.
- (3) To pay the principal or interest upon:

- (A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or
- (B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

- (4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.
- (5) To pay a judgment rendered against the political subdivision.

- ~~(6) To meet the requirements of the family and children's fund for child services (as defined in IC 12-19-7-1);~~
- ~~(7) To meet the requirements of the county hospital care for the indigent fund;~~

(c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a county board of tax adjustment, a county auditor, or the state board of tax commissioners 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 3. IC 6-1.1-18.5-9.7, AS AMENDED BY P.L.273-1999, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: 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 12-20-24 or to ad valorem property taxes imposed to repay bonded indebtedness issued under IC 12-19 before January 1, 2001.~~

(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): **IC 12-20-24 or that part of the levy imposed to repay bonded indebtedness issued under IC 12-19 before January 1, 2001.**

(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.~~

SECTION 4. IC 6-1.1-20.9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

(1) the percentage prescribed in subsection (d); multiplied by  
 (2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is attributable to the homestead during the particular calendar year.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2001 and thereafter	10%
2002 and thereafter	4%

However, the property tax replacement fund board established under IC 6-1.1-21-10, in its sole discretion, may increase the percentage of the credit provided in the schedule for any year, if the board feels that the property tax replacement fund contains enough money for the resulting increased distribution. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board in its discretion increases the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and
- (5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 5. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change

assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) ~~IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county);~~ minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of ~~IC 12-1-11.5 (repealed);~~ IC 12-2-4.5 (repealed), IC 12-19-5 (before its repeal), or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 for a racial balance fund; plus

(iii) IC 20-14-13 for a library capital projects fund; plus

(iv) IC 20-5-17.5-3 for an art association fund; plus

(v) IC 21-2-17 for a special education preschool fund; plus

(vi) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus

(vii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19,

including any increases in these property taxes that are attributable to the adjustment set forth in ~~IC 6-1.1-19-1.5(a) STEP ONE~~ or any other law; minus

(I) for each township in the county, the lesser of:

- (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(5) filed after December 31, 1982; or
- (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

- (i) the amount of property taxes imposed in the county for the repayment of loans under ~~IC 12-19-5-6~~ that is included in the amount determined under ~~IC 12-19-7-4(a) STEP SEVEN~~ for property taxes payable in 1995; or for property taxes payable in each year after 1995, the amount determined under ~~IC 12-19-7-4(b)~~; and
- (ii) the amount of property taxes imposed in the county attributable to appeals granted under ~~IC 6-1.1-18.6-3~~ that is included in the amount determined under ~~IC 12-19-7-4(a) STEP SEVEN~~ for property taxes payable in 1995; or the amount determined under ~~IC 12-19-7-4(b)~~ for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

- (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus
- (B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

SECTION 6. IC 6-1.1-21-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) On or before March 1 of each year, the state board of tax commissioners shall certify to the department on a form approved by the state board of accounts, an estimate of the total county tax levy collectible in that calendar year for each county in the state. The estimate shall be based on the tax collections for the preceding calendar year, adjusted as necessary to reflect the total county tax levy (as defined in section 2(g) of this chapter) from the budgets, tax levies, and rates as finally determined and acted upon by the state board of tax commissioners. The department, with the assistance of the auditor of state, shall determine on the basis of the report an amount equal to ~~twenty thirty-five percent (20%)~~ (35%) of the total county tax levy, which is the

estimated property tax replacement.

(b) In the same report containing the estimate of a county's total county tax levy, the state board of tax commissioners shall also certify the amount of homestead credits provided under IC 6-1.1-20.9 which are allowed by the county for the particular calendar year.

(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter, the state board of tax commissioners shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals 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: Estimate 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 estimated property tax replacement determined under subsection (a) that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; times
- (B) the property taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(d) The sum of the amounts determined under subsections (a) through (c) is the particular county's estimated distribution for the calendar year.

SECTION 7. IC 6-1.1-21-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

- (1) ~~twenty thirty-five percent (20%)~~ (35%) of each county's total county tax levy payable 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 property taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) 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 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.

SECTION 8. IC 6-1.1-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of the tax liability (as defined in this section) of each taxpayer for taxes which under IC 6-1.1-22-9 are due and payable in May and November of that year. The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the state board of tax commissioners. The tax liability of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year as provided in sections 2(g) and 3 of this chapter, adjusted, however, for any change in assessed valuation which may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), (2)(g)(1)(H), 2(g)(1)(I), or 2(g)(1)(J) of this chapter in computing the total county tax levy.

(b) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of the taxes payable with respect to the assessments plus the adjustments stated in this section.

(c) Each taxpayer in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to an additional credit for property tax replacement. This credit is equal to the product of:

- (1) the STEP TWO quotient determined under section 4(a)(3) of this chapter for the taxing district; multiplied by
- (2) the taxpayer's property taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

SECTION 9. IC 6-1.1-29-9, AS AMENDED BY P.L.273-1999, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 9. (a) A county council may adopt an ordinance to abolish the county board of tax adjustment. This ordinance must be adopted by July 1 and may not be rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-19, ~~IC 6-1.1-7~~, IC 21-2-14, IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4, and IC 36-9-13, if such an ordinance is adopted, this section governs the treatment of tax rates, tax levies,

and budgets that would otherwise be reviewed by a county board of tax adjustment under IC 6-1.1-17.

(b) The time requirements set forth in IC 6-1.1-17 govern all filings and notices.

(c) A tax rate, tax levy, or budget that otherwise would be reviewed by the county board of tax adjustment is considered and must be treated for all purposes as if the county board of tax adjustment approved the tax rate, tax levy, or budget. This includes the notice of tax rates that is required under IC 6-1.1-17-12.

SECTION 10. IC 6-1.1-39-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: 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), each taxpayer in an additional area is entitled to an additional credit for property taxes that under IC 6-1.1-22-9 are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. 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 ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of the county's total county tax levy payable 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 property taxes 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 property taxes 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 property taxes first due and payable in each year following the year in which the resolution is rescinded.

SECTION 11. IC 6-3.1-20 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]:

**Chapter 20. Credit for Property Taxes Paid on Inventory**

**Sec. 1.** As used in this chapter, "assessed value" means the assessed value of inventory determined under IC 6-1.1-3.

**Sec. 2.** As used in this chapter, "inventory" has the meaning set forth in IC 6-1.1-3-11.

**Sec. 3.** As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2); or
- (2) a partnership.

**Sec. 4.** As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.1 (gross income tax);
- (2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
- (3) IC 6-3-8 (supplemental net income tax);
- (4) IC 6-5.5 (financial institutions tax); and
- (5) IC 27-1-18-2 (insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter, including the credit under IC 6-1.1-20.5.

**Sec. 5.** As used in this chapter, "taxpayer" means an individual or entity that has state tax liability.

**Sec. 6. (a)** A taxpayer is entitled to a credit against the taxpayer's state tax liability for a taxable year for the ad valorem property taxes paid by the taxpayer in the taxable year on inventory.

(b) The amount of the credit is equal to the product of:

- (1) the appropriate percentage specified in subsection (c); multiplied by
- (2) the amount of property taxes paid on inventory by the taxpayer during the taxable year.

(c) The percentage described in subsection (b)(1) is determined by the calendar year in which the property taxes on inventory are paid and is set forth in the following table:

CALENDAR YEAR IN WHICH INVENTORY TAXES ARE PAID	PERCENTAGE OF INVENTORY TAXES ALLOWED AS A CREDIT
2000 .....	10%
2001 .....	20%
2002 .....	30%
2003 .....	40%
2004 .....	50%
2005 .....	60%
2006 .....	70%
2007 .....	80%
2008 .....	90%
2009 and thereafter .....	100%

(d) If a taxpayer pays property taxes in two (2) different calendar years during the taxpayer's same taxable year, the taxpayer shall apply the appropriate percentage specified for each calendar year to the property taxes paid in each calendar year to compute the credit for the taxable year.

**Sec. 7. (a)** If the amount determined under section 6(b) of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback.

(b) A taxpayer is not entitled to a refund of any unused credit.

**Sec. 8. If a pass through entity does not have state income tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:**

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

**Sec. 9. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department proof of payment of an ad valorem property tax and all information that the department determines is necessary for the calculation of the credit provided by this chapter.**

SECTION 12. IC 6-3.5-1.1-15, AS AMENDED BY P.L.273-1999, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 15. (a) As used in this section, "attributed levy" of a civil taxing unit means the sum of:

- (1) the ad valorem property tax levy of the civil taxing unit that is currently being collected at the time the allocation is made; 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) the amount of federal revenue sharing funds and certified shares that were used by the civil taxing unit (or 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) to reduce its ad valorem property tax levies below the limits imposed by IC 6-1.1-18.5; plus
- (4) 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; plus
- (5) in the case of a county, an amount equal to the property taxes imposed by the county in 2000 for the county's family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs.

(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 percentage of the certified shares to be distributed in the county equal to the ratio of its attributed levy to the total attributed levies of all civil taxing units of the county.

(c) The local government tax control board established by IC 6-1.1-18.5-11 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 (b)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed levy of its own. The local government tax control board shall certify the attributed levy amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of his 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 levy.

SECTION 13. IC 6-3.5-6-17.6, AS AMENDED BY P.L.273-1999, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 17.6. (a) This section applies to a county containing a consolidated city.

(b) On or before July 15 of each year, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter as of the

end of the current calendar year.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(c) For 1995, the budget agency shall certify the STEP FOUR amount to the county auditor on or before July 15, 1994. Not later than January 31, 1995, the auditor of state shall distribute the STEP FOUR amount to the county auditor to be used to retire outstanding obligations for a qualified economic development tax project (as defined in IC 36-7-27-9).

(d) After 1995, the STEP FOUR amount shall be distributed to the county auditor in January of the ensuing calendar year. The STEP FOUR amount shall be distributed by the county auditor to the civil taxing units within thirty (30) days after the county auditor receives the distribution. Each civil taxing unit's share equals the STEP FOUR amount multiplied by the quotient of:

(1) the maximum permissible property tax levy under IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare administration fund **and an amount equal to the property taxes imposed by the county in 2000 for the county's family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs**; divided by

(2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare administration fund **and an amount equal to the property taxes imposed by the county in 2000 for the county's family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs**.

SECTION 14. IC 6-3.5-6-18, AS AMENDED BY P.L.273-1999, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection ~~(f)~~; (i); and
- (6) make distributions of distributive shares to the civil taxing units of a county.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain the amount, if any, specified by the county fiscal body for a particular calendar year under subsection ~~(f)~~; (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year. The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of

the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the total property taxes that are first due and payable to the 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 **and an amount equal to the property taxes imposed by the county in 2000 for the county's family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs**. The denominator of the fraction equals the sum of the total property taxes that are first due and payable to all civil taxing units of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and an amount equal to the property taxes imposed by the county in 2000 for the county's family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs**.

(f) The state board of tax commissioners shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The state board of tax commissioners shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

~~(f)~~ (i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 15. IC 6-3.5-6-18.5, AS AMENDED BY P.L.273-1999, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: 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 ~~and IC 6-1.1-18.6~~ 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 **plus the property taxes imposed by the county in 2000 for a county family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs;** divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ 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 **plus the property taxes imposed by the county in 2000 for a county family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs.**

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 ~~and IC 6-1.1-18.6~~ 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 **plus the property taxes imposed by the county in 2000 for a county family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs;** divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 ~~and IC 6-1.1-18.6~~ 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 **plus the property taxes imposed by the county in 2000 for a county family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs.**

SECTION 16. IC 6-3.5-7-12, AS AMENDED BY P.L.124-1999, SECTION 1, AND AS AMENDED BY P.L.273-1999, SECTION 74, IS AMENDED AND IS CORRECTED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 12. (a) Except as provided in section 23 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 section 15 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 **and an amount equal to the property taxes imposed by the county in 2000 for the county's family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs.**

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 an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund **and an amount equal to the property taxes imposed by the county in 2000 for the county's family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs.**

(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) 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 state board of tax commissioners 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 state board of tax commissioners 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 section 15 of this chapter.

SECTION 17. IC 12-7-2-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 45. "County office" refers to a county office of family and children **within the division of family and children.**

SECTION 18. IC 12-7-2-91, AS AMENDED BY P.L.273-1999, SECTION 60, AND AS AMENDED BY P.L.273-1999, SECTION 164, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: 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) (6) For purposes of IC 12-18-4, the meaning set forth in IC 12-18-4-1.~~

~~(7) (7) For purposes of IC 12-18-5, the meaning set forth in IC 12-18-5-1.~~

~~(8) (8) For purposes of IC 12-19-3, the meaning set forth in IC 12-19-3-1.~~

~~(9) (9) For purposes of IC 12-19-4, the meaning set forth in IC 12-19-4-1.~~

~~(10) (7) For purposes of IC 12-19-7, the meaning set forth in IC 12-19-7-2.~~

~~(11) (8) For purposes of IC 12-23-2, the meaning set forth in IC 12-23-2-1.~~

~~(12) (9) For purposes of IC 12-24-6, the meaning set forth in IC 12-24-6-1.~~

~~(13) (10) For purposes of IC 12-24-14, the meaning set forth in IC 12-24-14-1.~~

~~(14) (11) For purposes of IC 12-30-7, the meaning set forth in IC 12-30-7-3.~~

SECTION 19. IC 12-13-5-1, AS AMENDED BY P.L.273-1999, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. The division shall administer or supervise the public welfare activities of the state. The division has the following powers and duties:

(1) The administration of old age assistance, aid to dependent children, and assistance to the needy blind and persons with disabilities, excluding assistance to children with special health care needs.

(2) The administration of the following:

(A) Any public child welfare service.

(B) The licensing and inspection under IC 12-17.2 and IC 12-17.4.

(C) The care of dependent and neglected children in foster family homes or institutions, especially children placed for adoption or those born out of wedlock.

(D) The interstate placement of children.

(3) The provision of services to county governments, including the following:

(A) Organizing and supervising county offices for the effective administration of public welfare functions.

(B) Compiling statistics and necessary information concerning public welfare problems throughout Indiana.

(C) Researching and encouraging research into crime, delinquency, physical and mental disability, and the cause of dependency.

(4) Prescribing the form of, printing, and supplying to the county departments blanks for applications, reports, affidavits, and other forms the division considers necessary and advisable.

(5) Cooperating with the federal Social Security Administration and with any other agency of the federal government in any reasonable manner necessary and in conformity with IC 12-13 through IC 12-19 to qualify for federal aid for assistance to persons who are entitled to assistance under the federal Social Security Act. The responsibilities include the following:

(A) Making reports in the form and containing the information that the federal Social Security Administration Board or any other agency of the federal government requires.

(B) Complying with the requirements that a board or agency finds necessary to assure the correctness and verification of reports.

(6) Appointing from eligible lists established by the state personnel board employees of the division necessary to effectively carry out IC 12-13 through IC 12-19. The division may not appoint a person who is not a citizen of the United States and who has not been a resident of Indiana for at least one (1) year immediately preceding the person's appointment unless a qualified person cannot be found in Indiana for a position as a result of holding an open competitive examination.

(7) Assisting the office of Medicaid policy and planning in fixing fees to be paid to ophthalmologists and optometrists for the examination of applicants for and recipients of assistance as needy blind persons.

(8) When requested, assisting other departments, agencies, divisions, and institutions of the state and federal government in performing services consistent with this article.

(9) Acting as the agent of the federal government for the following:

(A) In welfare matters of mutual concern under IC 12-13 through IC 12-19.

(B) In the administration of federal money granted to Indiana in aiding welfare functions of the state government.

(10) Administering additional public welfare functions vested in

the division by law and providing for the progressive codification of the laws the division is required to administer.

- (11) Supervising day care centers and child placing agencies.
- (12) Supervising the licensing and inspection of all public child caring agencies.
- (13) Supervising the care of delinquent children and children in need of services.
- (14) Assisting juvenile courts as required by IC 31-30 through IC 31-40.
- (15) Supervising the care of dependent children and children placed for adoption.
- (16) Compiling information and statistics concerning the ethnicity and gender of a program or service recipient.
- (17) Providing permanency planning services for children in need of services, including:

- (A) making children legally available for adoption; and
- (B) placing children in adoptive homes; in a timely manner.

**(18) Operating each county office as an administrative unit within the division.**

SECTION 20. IC 12-13-5-5, AS AMENDED BY P.L.273-1999, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: 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 July 1, 2002**), and other financial transactions as required under IC 12-13 through IC 12-19 and as required by the division.

(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 and the state board of accounts.

SECTION 21. IC 12-13-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. The division shall ~~administer the state medical assistance to wards fund and shall use money in the fund to~~ defray the expenses and obligations incurred by the division for medical assistance to wards and associated administrative costs.

SECTION 22. IC 12-14-20-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. (a) The division may accept voluntary contributions from a person desiring to contribute to the support of a parent or other person who receives public assistance.

(b) The division shall deposit contributions made under this section in the state ~~welfare general fund or a trust fund, as appropriate.~~

SECTION 23. IC 12-14-22-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 7. (a) A schedule of payments made to or for the benefit of each recipient under this article shall be filed by the ~~county office division~~ each month with the ~~county auditor and the prosecuting attorney.~~

(b) The schedule shall be kept open to the public at all times for inspection, study, and securing data. The schedule must contain the names and addresses, in alphabetical order, of all recipients of benefits.

SECTION 24. IC 12-15-15-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 9. (a) For each state fiscal year beginning on or after July 1, 1997, a hospital is entitled to a payment under this section.

(b) Total payments to hospitals under this section for a state fiscal year shall be equal to all amounts transferred from the hospital care for the indigent fund for Medicaid current obligations during the state fiscal year, including amounts of the fund appropriated for Medicaid current obligations.

(c) The payment due to a hospital under this section must be based on a policy developed by the office. The policy:

- (1) is not required to provide for equal payments to all hospitals;
- ~~(2) must attempt, to the extent practicable as determined by the office, to establish a payment rate that minimizes the difference between the aggregate amount paid under this section to all hospitals in a county for a state fiscal year and the amount of the county's hospital care for the indigent property tax levy for that state fiscal year; and~~

~~(3) (2) must provide that no hospital will receive a payment under this section less than the amount the hospital received under ~~IC 12-15-15-8 section 8 of this chapter (repealed)~~ for the state fiscal year ending June 30, 1997.~~

(d) Following the transfer of funds under subsection (b), an amount equal to the amount determined in the following STEPS shall be deposited in the Medicaid indigent care trust fund under IC 12-15-20-2(1) and used to pay the state's share of the enhanced disproportionate share payments to providers for the state fiscal year:

STEP ONE: Determine the difference between:

- (A) the amount transferred from the state hospital care for the indigent fund under subsection (b); and
- (B) thirty-five million dollars (\$35,000,000).

STEP TWO: Multiply the amount determined under STEP ONE by the federal medical assistance percentage for the state fiscal year.

SECTION 25. IC 12-16-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. ~~(a)~~ Except as provided in section 5 of this chapter, claims for payment shall be segregated by year using the patient's admission date.

~~(b) Each year the division shall pay claims as provided in section 4 of this chapter, without regard to the county of admission or that county's transfer to the state fund.~~

SECTION 26. IC 12-16-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. A payment made to a hospital under the hospital care for the indigent program must be on a warrant drawn on the state ~~hospital care for the indigent fund established by IC 12-16-14. general fund.~~

SECTION 27. IC 12-16-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 4. (a) Each year the division shall pay two-thirds (2/3) of each claim upon submission and approval of the claim.

(b) If the amount of money in the state hospital care for the indigent fund in a year is insufficient to pay two-thirds (2/3) of each approved claim for patients admitted in that year, the state's ~~and a county's~~ liability to providers under the hospital care for the indigent program for claims approved for patients admitted in that year is limited to the sum of the following:

~~(1) The amount transferred to the state hospital care for the indigent fund from county hospital care for the indigent funds in that year under IC 12-16-14.~~

~~(2) (1) Any contribution to the fund in that year.~~

~~(3) (2) Any amount that was appropriated to the state hospital care for the indigent fund program for that year by the general assembly.~~

~~(4) Any amount that was carried over to the state hospital care for the indigent fund from a preceding year.~~

~~(c) This section does not obligate the general assembly to appropriate money to the state hospital care for the indigent fund.~~

SECTION 28. IC 12-16-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 5. Before the end of each state fiscal year, the division shall, to the extent there is money ~~in~~ **appropriated** to the state hospital care for the indigent ~~fund; program,~~ pay each provider under the hospital care for the indigent program a pro rata part of the one-third (1/3) balance on each approved claim for patients admitted during the preceding year.

SECTION 29. IC 12-17-1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 12. (a) If assistance is granted to a destitute child under this chapter, facts supporting the award of assistance, as prescribed by the division, must be entered on a certificate.

(b) The division shall prescribe the form for the certificate under subsection (a). The certificate must bear the impress of the division's seal.

(c) The county office shall prepare ~~four (4)~~ **three (3)** copies of the certificate under subsection (a). The county office shall distribute copies of the certificate as follows:

- (1) One (1) copy must be retained by the office of the county office.
- (2) One (1) copy must be filed with and retained by the **central office of the division.**

(3) ~~One (1) copy must be filed with and retained by the office of the county auditor.~~

(4) (3) One (1) copy must be given to the recipient.

SECTION 30. IC 12-17-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. (a) This section does not apply to a county department's:

- (1) administrative expenses; or
- (2) expenses regarding facilities, supplies, and equipment.

(b) Necessary expenses incurred in the administration of the child welfare services under section 1 of this chapter shall be paid out of the ~~county welfare fund or the county family and children's fund. (whichever is appropriate).~~

SECTION 31. IC 12-19-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. A county office of family and children is established in each county **as an office within the division of family and children.**

SECTION 32. IC 12-19-1-9, AS AMENDED BY P.L.273-1999, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 9. (a) The division shall provide the necessary facilities to house the county office.

(b) The division shall pay for the costs of the facilities, supplies, and equipment needed by each county office. ~~including the transfer to the county that is required by IC 12-13-5.~~

SECTION 33. IC 12-19-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 10. (a) ~~Subject to the rules adopted by the director of The division a county office shall administer the following through a county office:~~

- (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:
  - (A) Children in need of services.
  - (B) Dependent children.
  - (C) Children with disabilities.
- (5) Licensing of foster family homes for the placement of children in need of services.
- (6) Supervision of the care and treatment of children in need of services in foster family homes.
- (7) Licensing of foster family homes for the placement of delinquent children.
- (8) Supervision of the care and treatment of delinquent children in foster family homes.
- (9) Provision of family preservation services.
- (10) Any other welfare activities that are delegated to the county office by the division under this chapter, including services concerning assistance to the blind.

(b) **The division shall pay the expenses and obligations incurred after December 31, 2000, to carry out responsibilities of the county office.**

SECTION 34. IC 12-19-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 13. (a) A county office **or the division** may sue and be sued under the name of "The County Office of Family and Children of \_\_\_\_\_ County".

(b) The county office has all other rights and powers and shall perform all other duties necessary to administer this chapter.

(c) A suit brought against ~~the division that involves~~ a county office may be filed in the following:

- (1) The circuit court with jurisdiction in the county.
- (2) A superior court or any other court of the county.

(d) A notice or summons in a suit brought against **the division that involves** a county office must be served on the county director **or the director of the division of family and children.** It is not required to name the individual employees of the county office as either plaintiff or defendant.

SECTION 35. IC 12-19-1-14, AS AMENDED BY P.L.273-1999, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 14. (a) A county office may charge the following adoption fees:

- (1) An adoption placement fee that may not exceed the actual costs incurred by the county office for medical expenses of

children and mothers.

(2) A fee that does not exceed the time and travel costs incurred by the county office for home study and investigation concerning a contemplated adoption.

(b) Fees charged under this section shall be deposited in a separate account in the county family and children trust clearance fund established under section 16 of this chapter. Money deposited under this subsection ~~shall be expended is annually appropriated for use by the county office 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 county departments.

(c) The director of the division may adopt rules governing the expenditure of money under this section.

(d) The division 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 division may adopt forms on which the written authorization is provided.

SECTION 36. IC 12-19-1-18, AS AMENDED BY P.L.273-1999, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 18. (a) After petition to and with the approval of the judge of the circuit court, ~~a county office the division~~ 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 office division~~ 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 12-17-1 through IC 12-17-3.
  - (G) 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 37. IC 12-19-1-21, AS ADDED BY P.L.273-1999, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: 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, 2000, a county may not impose a property tax levy for a county family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs.**

SECTION 38. IC 12-19-1-22, AS ADDED BY P.L.273-1999, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 22. (a) All bonds issued and loans made under IC 12-1-11 (before its repeal) or this article:

- (1) before January 1, 2000, that are payable from property taxes imposed under IC 12-19-3 (before its repeal); or
- (2) **before January 1, 2001, that were payable from property taxes imposed under IC 12-19-7-3 (before the elimination of**

**authority to impose a property tax levy under IC 12-19-7-3);**

(+) 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 bonds and loans 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 39. IC 12-19-1-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: **Sec. 23. Notwithstanding any other law, after December 31, 2000, the state shall fund one hundred percent (100%) of the programs, services, and activities paid from any of the following before January 1, 2001:**

- (1) IC 12-13-8 (county medical assistance to wards fund).
- (2) IC 12-16-14 (county hospital care for the indigent fund).
- (3) IC 12-19-7 (county family and children's fund).
- (4) IC 16-35-3 (children with special health care needs county fund and tax levy).

SECTION 40. IC 12-19-1-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: **Sec. 24. Notwithstanding any other law, the division of family and children shall reimburse each county for one hundred percent (100%) of the proportionate share of operating costs of the county auditor and county treasurer for the support of the county family and children's fund, based upon an approved indirect cost plan.**

SECTION 41. IC 12-19-1.5-6, AS ADDED BY P.L.273-1999, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 6. As used in this chapter, "replacement amount" means the sum of:

(1) the property taxes imposed on the assessed value of property in the allocation area in excess of the base assessed value in 1999 for:

- (+) (A) the county welfare fund; and
- (2) (B) the county welfare administration fund; and

(2) the property taxes imposed on the assessed value of property in the allocation area in excess of the base assessed value in 2000 for the county family and children's fund, county medical assistance to wards, county hospital care for the indigent, and children with special health care needs.

SECTION 42. IC 12-19-1.5-8, AS ADDED BY P.L.273-1999, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 8. (a) This chapter applies to an allocation area:

(1) in which:

(+) (A) the holders of obligations received a pledge before July 1, 1999, of tax increment revenues to repay any part of the obligations due after December 31, 1999; and

(2) (B) the elimination of a county welfare fund property tax levy or a county welfare administration fund property tax levy adversely affects the ability of the governing body to repay the obligations described in subdivision (+) clause (A); or

(2) in which:

(A) the holders of obligations received a pledge before July 1, 2000, of tax increment revenues to repay any part of the obligations due after December 31, 2000; and

(B) the elimination of a county family and children's fund property tax levy, the county medical assistance to wards tax levy, the county hospital care for the indigent tax levy, and the children with special health care needs tax levy adversely affects the ability of the governing body to repay the obligations described in clause (A).

(b) A governing body may use one (1) or more of the procedures described in sections 9 through 11 of this chapter to provide sufficient funds to repay the obligations described in subsection (a).

The amount raised each year may not exceed the replacement amount.

SECTION 43. IC 12-19-1.5-9, AS ADDED BY P.L.273-1999, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 9. (a) A governing body may, after a public hearing, impose a special assessment on the owners of property that is located in an allocation area to repay:

- (1) a bond or an obligation described in ~~section 8~~ **section 8(a)(1)** of this chapter that comes due after December 31, 1999; or
- (2) a bond or an obligation described in **section 8(a)(2) of this chapter that comes due after December 31, 2000.**

The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the numerator of which is the incremental assessed value of the taxpayer's property in the allocation area.

(b) Before a public hearing under subsection (a) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must state that the governing body will meet to consider whether a special assessment should be imposed under this chapter and whether the special assessment will help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. The notice must also name a date when the governing body will receive and hear remonstrances and objections from persons affected by the special assessment. All persons affected by the hearing, including all taxpayers within the allocation area, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, and orders of the governing body by the notice. At the hearing, which may be adjourned from time to time, the governing body shall hear all persons affected by the proceedings and shall consider all written remonstrances and objections that have been filed. The only grounds for remonstrance or objection are that the special assessment will not help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. After considering the evidence presented, the governing body shall take final action concerning the proposed special assessment. The final action taken by the governing body shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by subsection (c).

(c) A person who filed a written remonstrance with a governing body under subsection (b) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed assessment will help achieve the redevelopment of economic development objectives for the allocation area or honor its obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections, and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

(d) The maximum amount of a special assessment under this section may not exceed the replacement amount.

(e) A special assessment shall be imposed and collected in the same manner as ad valorem property taxes are imposed and collected.

SECTION 44. IC 12-19-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. (a) A family and children's fund is established in each county. ~~The fund shall be raised by a separate tax levy (the county family and children property tax levy) that:~~

- (+) is in addition to all other tax levies authorized; and
- (2) shall be levied annually by the county fiscal body on all

taxable property in the county in the amount necessary to raise the part of the fund that the county must raise to pay the items; awards; claims; allowances; assistance; and other expenses set forth in the annual budget under section 6 of this chapter.

(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected. **Notwithstanding any other law, after December 31, 2000, a county may not impose a property tax levy for the family and children's fund.**

(c) The following shall be paid into the county treasury and constitute the family and children's fund:

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

(2) (1) All grants-in-aid; money allocated by the division to the county, whether received from the federal government or state government.

(3) (2) Any other money required by law to be placed in the fund.

(d) The fund is available for the purpose of paying expenses and obligations set forth in the annual budget that is submitted and approved.

SECTION 45. IC 12-19-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 6. (a) **The judges of the courts with juvenile jurisdiction in the county shall annually compile and submit a proposed budget for children served by the probation department of the county. The judges shall submit the proposed budget to the county director on forms prescribed by the division, not later than March 1 of each year, for the next state fiscal year.**

(b) **The budget for children served by the probation department shall contain an estimate of the amount of money that will be needed by the county office during the state fiscal year to defray the expenses and obligations of the fund in the payment of:**

(1) **services for children adjudicated to be delinquent or children for whom a program of informal adjustment has been implemented under IC 31-37; and**

(2) **other services related to the services described in subdivision (1);**

**but not including the payment of Title IV-A assistance.**

(c) ~~The county director upon the advice of the judges of the courts with juvenile jurisdiction in the county; shall annually compile and adopt a child services budget, which must include the budget submitted by the judges under subsection (a). The budget submitted by the county director under this subsection must be in a form prescribed by the state board of accounts. The budget may not exceed the levy limitation set forth in IC 6-1.1-18.6. division.~~

(b) (d) **The child services budget must contain an estimate of the amount of money that will be needed by the county office during the next state fiscal year to defray the expenses and obligations incurred by the county office in the payment of services for children adjudicated to be children in need of services or delinquent children and other related services, including amounts necessary to implement the county's early intervention plan approved under IC 31-34-24 and IC 31-37-24, but not including the payment of AFDC Title IV-A assistance.**

SECTION 46. IC 12-19-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 7. (a) ~~The county director shall, with the assistance of the judges of courts with juvenile jurisdiction in the county and at the same time the budget is compiled and adopted; recommend to the division the tax levy that the director and judges determine will be required to raise the amount of revenue necessary to pay the expenses and obligations of the county office set forth in the budget under section 6 of this chapter. However, the tax levy may not exceed the maximum permissible levy set forth in IC 6-1.1-18.6 and the budget may not exceed the levy limitation set forth in IC 6-1.1-18.~~

(b) ~~After the county budget has been compiled, the county director shall submit a copy of the budget and the tax levy recommended by the county director; and the judges of courts with juvenile jurisdiction in the county; to the division not later than April 1. The division shall examine the budget and the tax levy for the purpose of determining whether, in the judgment of the division,~~

(1) ~~the appropriations requested in the budget will be adequate to defray the expenses and obligations that will be incurred by~~

the county office in the payment of child services for the next fiscal year. and

(2) ~~the tax levy recommended will yield the amount of the appropriation set forth in the budget.~~

**The budget submitted under this section is not subject to the provisions of IC 6-1.1-17 and IC 6-1.1-18.**

SECTION 47. IC 12-19-7-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 8. (a) ~~The division may do any of the following after examining a budget submitted by the county office: director:~~

(1) ~~Increase or decrease the amount of the budget or an item of the budget. subject to the maximum levy set forth in IC 6-1.1-18.6.~~

(2) ~~Approve the budget as compiled by the county director. and judges of courts with juvenile jurisdiction in the county.~~

(3) ~~Recommend the increase or decrease of the tax levy; subject to the maximum levy set forth in IC 6-1.1-18.6.~~

(4) ~~Approve the tax levy as recommended by the county director and judges of courts with juvenile jurisdiction in the county.~~

(b) **The total amount of all approved child services budgets may not exceed the total amount appropriated for child services for the applicable state fiscal year.**

SECTION 48. IC 12-19-7-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 11. ~~In September of each year; at the time provided by law; (a) The county fiscal body shall do the following:~~

(1) ~~make the appropriations out of the family and children's fund that are:~~

(A) (1) ~~based on the budget as submitted; approved by the division; and~~

(B) (2) ~~necessary to maintain the child services of the county for the next state fiscal year. subject to the maximum levy set forth in IC 6-1.1-18.6.~~

(2) ~~Levy a tax in an amount necessary to produce the appropriated money.~~

(b) **The division shall make advances to the county family and children's fund to ensure that the amounts deposited in the county family and children's fund are adequate to meet the expenses that are to be paid from the fund. Amounts necessary to make the advances under this subsection are appropriated from the state general fund.**

(c) **The provisions of IC 6-1.1-18 concerning appropriations do not apply to appropriations of money from a county family and children's fund.**

(d) **Notwithstanding IC 36, a county is not required to publish notice of any claim or allowance that will be paid from the county family and children's fund.**

SECTION 49. IC 12-19-7-11.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 11.1. (a) ~~The judges of the courts with juvenile jurisdiction in the county and the county director shall meet with the county fiscal body county's child protection team established under IC 31-33-3 at a public meeting~~

(1) ~~in April; and~~

(2) ~~after June 30 and before October 1;~~

~~in before April 1 of each year.~~

(b) **At a meeting required in subsection (a), the county director and judges with juvenile jurisdiction shall present to the county fiscal body and the judges the following reports: information:**

(1) **Expenditures made**

(A) **during the immediately preceding calendar quarter current state fiscal year from the family and children's fund in comparison to one-fourth (1/4) of the budget and appropriations approved by the county fiscal body division for the calendar year. and**

(B) **from the fund in the corresponding calendar quarter of each of the two (2) preceding calendar years.**

(2) **Obligations incurred through the end of the immediately preceding calendar quarter during the current state fiscal year that will be payable from the family and children's fund during the remainder of the calendar current state fiscal year. or in any subsequent calendar year.**

(3) The number of children, by category, for whom the family and children's fund was required to provide funds for services during the ~~immediately preceding calendar quarter, current state fiscal year~~, in comparison to the ~~corresponding calendar quarter~~ of each of the two (2) ~~preceding calendar years preceding the current state fiscal year~~.

(4) The number and type of out-of-home placements, by category, for which the family and children's fund was required to provide funds for foster home care or institutional placement, and the average daily, weekly or monthly cost of out of home placement care and services by category, during the ~~immediately preceding calendar quarter, current state fiscal year~~, in comparison to the ~~corresponding calendar quarter~~ of each of the two (2) ~~preceding calendar years preceding the current state fiscal year~~.

(5) The number of children, by category, for whom the family and children's fund was required to provide funds for services for children residing with the child's parent, guardian or custodian (other than foster home or institutional placement), and the average monthly cost of those services, during the ~~immediately preceding calendar quarter, current state fiscal year~~, in comparison to the ~~corresponding calendar quarter~~ for each of the two (2) ~~preceding calendar years preceding the current state fiscal year~~.

(c) In preparing the ~~reports~~ **information** described in subsection (b), the county director ~~and judges~~ may use the best ~~information data~~ reasonably available from the records of the ~~courts, the county office, and the county family and children's fund for calendar years before 1998.~~ **division**.

(d) At ~~each the~~ meeting described in subsection (a), the ~~county fiscal body,~~ judges and county director may

(1) discuss and suggest procedures to provide child welfare services in the most effective and cost-efficient manner. ~~and~~  
(2) ~~consider actions needed, including revision of budgeting procedures, to eliminate or minimize any anticipated need for short term borrowing for the family and children's fund under any provisions of this chapter or IC 12-19-5.~~

SECTION 50. IC 12-19-7-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 15. (a) If at any time the county director determines that the family and children's fund is exhausted or will be exhausted before the close of a **state** fiscal year, the county director shall prepare an estimate and statement showing the amount of money, in addition to the money already made available, that will be necessary to defray the expenses of the county office and pay the obligations of the county office, excluding administrative expenses and facilities, supplies, and equipment expenses for the county office, in the administration of the county office's activities for the unexpired part of the **state** fiscal year.

(b) The county director shall do the following:

(1) Certify the estimate and statement to the ~~county executive:~~ **director**.

(2) File ~~the estimate and a~~ statement with the ~~county auditor:~~ **director concerning:**

(A) ~~the reasons the family and children's fund is exhausted or will be exhausted; and~~

(B) ~~the actions taken by the county office to avoid the exhaustion of the fund.~~

SECTION 51. IC 12-19-7-21.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JANUARY 1, 2001]: **Sec. 21.5. Notwithstanding any other law, the state shall fund one hundred percent (100%) of the programs, services, and activities paid from county family and children's fund property tax levies before January 1, 2001.**

SECTION 52. IC 16-33-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 10. Whenever the circuit court having jurisdiction finds, upon application by the county office of family and children, 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:~~ **by the division of family and children.**

SECTION 53. IC 16-33-4-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: 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 division of family and children or ~~the county office of family and children to be derived from~~ county tax sources.

(2) 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 54. IC 20-8.1-3-36 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 36. (a) It is unlawful for a person operating or responsible for an educational, correctional, charitable, or benevolent institution or training school to fail to ensure that a child under his authority attends school as required under this chapter. Each day of violation of this section constitutes a separate offense.

(b) If a child is placed in an institution or facility under a court order, the institution or facility shall charge the ~~county office of the county of the student's legal settlement under IC 12-19-7~~ **division of family and children** 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.

SECTION 55. IC 20-8.1-6.1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 7. (a) If a student is transferred under section 2 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 must not exceed the amount charged by the transferor corporation for the same class of school, or if the school has no such classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana which has such classification.

(b) If a child is:

- (1) placed by a court order in an out-of-state institution or other facility; and
- (2) provided all educational programs and services by a public school corporation in the state where the child is placed, whether at the facility, the public school, or another location;

~~the county office~~ **division of family and children** ~~for the county placing the child~~ 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 division of family and children** is obligated under subsection (b) is equal to the following:

- (1) The amount under a written agreement among the ~~county office,~~ **division of family and children,** 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 has no such classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana which has such classification.

(d) If a child is:

- (1) placed by a court order in an out-of-state institution or other facility; and
- (2) provided:

(A) onsite educational programs and services either through the facility's employees or by contract with another person or organization that is not a public school corporation; or

(B) educational programs and services by a nonpublic school;

~~the county office~~ **division of family and children** ~~for the county placing the child~~ 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~~ **division** 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 division of family and children. 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 56. IC 20-8.1-6.1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 8. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational training, or career education.

(2) "ADM" means the following:

(A) For purposes of allocating to a transfer student state distributions under IC 21-1-30 (primetime), "ADM" as computed under IC 21-1-30-2.

(B) For all other purposes, "ADM" as set forth in IC 21-3-1.6-1.1.

(3) "Pupil 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 Indiana state board of education.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the Indiana state board of education.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) a student.

(4) "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 instruction program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

The Indiana state board of education may select a different date for counts under subdivision (3). 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 3 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) The following state distributions that are computed in any part using ADM or other pupil count in which the student is included:

(i) Primetime grant under IC 21-1-30.

(ii) Tuition support for basic programs and at-risk weights under IC 21-3-1.7-8 (before January 1, 1996) and only for basic programs (after December 31, 1995).

(iii) Enrollment growth grant under IC 21-3-1.7-9.5.

(iv) At-risk grant under IC 21-3-1.7-9.7.

(v) Academic honors diploma award under IC 21-3-1.7-9.8.

(vi) Vocational education grant under IC 21-3-1.8-3.

(vii) Special education grant under ~~IC 21-3-1.8~~ **IC 21-3-1.8-2** (repealed January 1, 1996) or IC 21-3-10.

(viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).

(B) For school years beginning after June 30, 1997, property tax levies.

(C) For school years beginning after June 30, 1997, excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) For school years beginning after June 30, 1997, allocations to the transferee school under IC 6-3-5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the ~~county office of the county of the student's legal settlement under IC 12-19-7~~ **division of family and children** 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 which 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 Indiana state board of education; 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 pupil enrollment of each class in the transferee corporation compared to the total pupil 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 pupil 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 pupil attendance, the transfer tuition shall be calculated by the portion of the school year for which the transferred student is enrolled. A school year of pupil attendance consists of the number of days school is in session for pupil 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, **because** the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or **because** 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.

Where an agreement cannot be reached, the amount shall be determined by the Indiana state board of education 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 distributions under IC 21-1-30, IC 21-3-10, or any other statute that computes the amount of a state distribution 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 pupil count used to compute the state distribution.

(h) In lieu 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. This contract is for a maximum period of five (5) years with an option to renew and may specify a maximum number of pupils to be transferred and fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 9 of this chapter.

(i) If the school corporation can meet the requirements of IC 21-1-30-5, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may be for one (1) year or longer and may 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 9 of this chapter. A school corporation may not transfer a student under this section without the prior approval of the child's parent or guardian.

(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 6-1.1-19-5.1, the school corporation may appeal for an excessive levy as provided under IC 6-1.1-19-5.1.

SECTION 57. IC 31-19-26-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. (a) When a petition for adoption is filed seeking a subsidy and the payment of a subsidy is ordered by the court, the order must contain the following information:

- (1) Whether a subsidy will be paid under section 2 or 3 of this chapter, or both.
- (2) The amount of each subsidy to be paid.
- (3) If a subsidy will be paid under section 3 of this chapter, the condition or cause covered by the subsidy.
- (4) Any condition for the continued payment of a subsidy other than a requirement set forth in this chapter.

(b) The ~~county office division~~ **division of family and children of the county responsible for foster care of an adoptive child** may be ordered to pay either or both of the subsidies under this chapter to the adoptive parents or designated payees to the extent that money is available.

SECTION 58. IC 31-34-24-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 4. (a) ~~Before March 1, 1998~~, Each county shall establish a team to develop a plan as described in this chapter.

(b) The team is composed of the following members, each of whom serves at the pleasure of the member's appointing authority:

- (1) Two (2) members appointed by the judge or judges of the juvenile court, one (1) of whom is a representative of the probation department.
- (2) Two (2) members appointed by the director of the county office as follows:
  - (A) One (1) is a member of the child welfare staff of the county office.
  - (B) One (1) is either:
    - (i) an interested resident of the county; or
    - (ii) a representative of a social service agency; who knows of child welfare needs and services available to residents of the county.
- (3) One (1) member appointed by the superintendent of the

largest school corporation in the county.

(4) If:

(A) two (2) school corporations are located within the county, one (1) member appointed by the superintendent of the second largest school corporation in the county; or

(B) more than two (2) school corporations are located within the county, one (1) member appointed by the county fiscal body as a representative of school corporations other than the largest school corporation in the county.

~~(5) One (1) member appointed by the county fiscal body:~~

~~(6) (5) One (1) member representing the community mental health center (as defined under IC 12-7-2-38) serving the county, appointed by the director of the community mental health center. However, if more than one (1) community mental health center serves the county, the member shall be appointed by the county fiscal body.~~

~~(7) (6) One (1) or more additional members appointed by the chairperson of the team; county director, from among interested or knowledgeable residents of the community or representatives of agencies providing social services to or for children in the county.~~

SECTION 59. IC 31-34-24-11, AS AMENDED BY P.L.273-1999, SECTION 103, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 11. The ~~director or the~~ state superintendent of public instruction may, not later than thirty (30) days after receiving the plan, transmit to the team and the ~~county fiscal body director~~ any comments, including recommendations for modification of the plan, that the ~~director or the~~ state superintendent of public instruction considers appropriate.

SECTION 60. IC 31-34-24-12, AS AMENDED BY P.L.273-1999, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 12. Not later than sixty (60) days after receiving the plan, the ~~county fiscal body director~~ shall do one (1) of the following:

(1) Approve the plan as submitted by the team.

~~(2) Approve the plan with amendments, modifications, or revisions adopted by the county fiscal body:~~

~~(3) (2) Return the plan to the team with directions concerning:~~

~~(A) subjects for further study and reconsideration; and~~

~~(B) resubmission of a revised plan.~~

SECTION 61. IC 31-34-24-14, AS AMENDED BY P.L.273-1999, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 14. (a) The team shall meet at least one (1) time each year to do the following:

(1) Develop, review, or revise a strategy 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 team considers necessary or appropriate to improve the quality and efficiency of early intervention child welfare services provided in accordance with the plan.

(4) Prepare and submit to the ~~county fiscal body director and the superintendent of public instruction~~ a report on the operations of the plan during the preceding year and a revised and updated plan for the ensuing year.

(b) The chairperson or vice chairperson of the team ~~or the county fiscal body~~ may convene any additional meetings of the team that are, in the chairperson's or vice chairperson's opinion, necessary or appropriate.

SECTION 62. IC 31-34-24-15, AS AMENDED BY P.L.273-1999, SECTION 106, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 15. The team ~~or the county fiscal body~~ shall transmit copies of the plan, each annual report, and each revised plan to the following:

(1) The director.

(2) The state superintendent of public instruction.

(3) The county office.

(4) The juvenile court.

(5) The superintendent of each public school corporation in the county.

(6) The local step ahead council.

(7) Any public or private agency that:

(A) provides services to families and children in the county that requests information about the plan; or

(B) the team has identified as a provider of services relevant to the plan.

SECTION 63. IC 31-34-24-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 16. The team ~~or the county fiscal body~~ shall publicize to residents of the county the existence and availability of the plan.

SECTION 64. IC 31-37-24-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 4. (a) ~~Before March 1, 1998~~, Each county shall establish a team to develop a plan as described in this chapter.

(b) The team is composed of the following members, each of whom serves at the pleasure of the member's appointing authority:

(1) Two (2) members appointed by the judge or judges of the juvenile court, one (1) of whom is a representative of the probation department.

(2) Two (2) members appointed by the director of the county office as follows:

(A) One (1) is a member of the child welfare staff of the county office.

(B) One (1) is either:

(i) an interested resident of the county; or

(ii) a representative of a social service agency;

who knows of child welfare needs and services available to residents of the county.

(3) One (1) member appointed by the superintendent of the largest school corporation in the county.

(4) If:

(A) two (2) school corporations are located within the county, one (1) member appointed by the superintendent of the second largest school corporation in the county; or

(B) more than two (2) school corporations are located within the county, one (1) member appointed by the county fiscal body as a representative of school corporations other than the largest school corporation in the county.

~~(5) One (1) member appointed by the county fiscal body:~~

~~(6) (5) One (1) member representing the community mental health center (as defined under IC 12-7-2-38) serving the county, appointed by the director of the community mental health center. However, if more than one (1) community mental health center serves the county, the member shall be appointed by the county fiscal body: director.~~

~~(7) (6) One (1) or more additional members appointed by the chairperson of the team; county director, from among interested or knowledgeable residents of the community or representatives of agencies providing social services to or for children in the county.~~

SECTION 65. IC 31-37-24-5, AS AMENDED BY P.L.273-1999, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 5. If a county has in existence a committee, council, or other organized group that includes representatives of all of the appointing authorities described in section 4 of this chapter, the ~~county fiscal body director~~ may elect to designate that existing organization as the county's team for purposes of this chapter.

SECTION 66. IC 31-37-24-11, AS AMENDED BY P.L.273-1999, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 11. The ~~director or the~~ state superintendent of public instruction may, not later than thirty (30) days after receiving the plan, transmit to the team and the ~~county fiscal body director~~ any comments, including recommendations for modification of the plan, that the ~~director or the~~ state superintendent of public instruction considers appropriate.

SECTION 67. IC 31-37-24-12, AS AMENDED BY P.L.273-1999, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 12. Not later than sixty (60) days after receiving the plan, the ~~county fiscal body~~ **director** shall do one (1) of the following:

- (1) Approve the plan as submitted by the team.
- ~~(2) Approve the plan with amendments, modifications, or revisions adopted by the county fiscal body.~~
- ~~(3) (2)~~ Return the plan to the team with directions concerning:
  - (A) subjects for further study and reconsideration; and
  - (B) resubmission of a revised plan.

SECTION 68. IC 31-37-24-14, AS AMENDED BY P.L.273-1999, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 14. (a) The team shall meet at least one (1) time each year to do the following:

- (1) Develop, review, or revise a strategy 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 team considers necessary or appropriate to improve the quality and efficiency of early intervention child welfare services provided in accordance with the plan.
- (4) Prepare and submit to the ~~county fiscal body director~~ **and the superintendent of public instruction** a report on the operations of the plan during the preceding year and a revised and updated plan for the ensuing year.

(b) The chairperson or vice chairperson of the team ~~or the county fiscal body~~ may convene any additional meetings of the team that are, in the chairperson's or vice chairperson's opinion, necessary or appropriate.

SECTION 69. IC 31-37-24-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 15. The team ~~or the county fiscal body~~ shall transmit copies of the initial plan, each annual report, and each revised plan to the following:

- (1) The director.
- (2) The state superintendent of public instruction.
- (3) The county office.
- (4) The juvenile court.
- (5) The superintendent of each public school corporation in the county.
- (6) The local step ahead council.
- (7) Any public or private agency that:
  - (A) provides services to families and children in the county that requests information about the plan; or
  - (B) the team has identified as a provider of services relevant to the plan.

SECTION 70. IC 31-37-24-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 16. The team ~~or the county fiscal body~~ shall publicize to residents of the county the existence and availability of the plan.

SECTION 71. IC 31-40-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 1. This article applies to a financial burden sustained by **the state and** a county as the result of costs paid by ~~the county~~ 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 72. IC 31-40-1-2, AS AMENDED BY P.L.273-1999, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 2. (a) The county shall pay from the county family and children's fund the cost of:

- (1) any services ordered by the juvenile court for any child or the child's parent, guardian, or custodian, other than secure detention; and
- (2) returning a child under IC 31-37-23.

(b) ~~The county fiscal body division~~ shall provide sufficient money to meet the court's requirements.

SECTION 73. IC 31-40-1-3, AS AMENDED BY P.L.273-1999, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. (a) A parent or guardian of the estate of a child adjudicated a delinquent child or a child in need of services is financially responsible as provided in this chapter (or IC 31-6-4-18(e) before its repeal) for any services ordered by the court.

(b) Each parent of a child alleged to be a child in need of services or alleged to be a delinquent child shall, before a dispositional hearing, furnish the court with an accurately completed and current child support obligation worksheet on the same form that is prescribed by the Indiana supreme court for child support orders.

(c) At:

- (1) a detention hearing;
- (2) a hearing that is held after the payment of costs by a county under section 2 of this chapter (or IC 31-6-4-18(b) before its repeal);
- (3) the dispositional hearing; or
- (4) any other hearing to consider modification of a dispositional decree;

the juvenile court shall order the child's parents or the guardian of the child's estate to pay for, or reimburse the county **or the division** for the cost of, services provided to the child or the parent or guardian unless the court finds that the parent or guardian is unable to pay or that justice would not be served by ordering payment from the parent or guardian.

SECTION 74. IC 31-40-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: 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 **state and** county 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 75. IC 31-40-1-5, AS AMENDED BY P.L.273-1999, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 5. (a) This section applies whenever the court orders or approves removal of a child from the home of a child's parent or guardian and placement of the child in a child caring institution (as defined in IC 12-7-2-29), a foster family home (as defined in IC 12-7-2-90), or the home of a relative of the child that is not a foster family home.

(b) If an existing support order is in effect, the court shall order the support payments to be assigned to the **county office division of family and children** for the duration of the placement out of the home of the child's parent or guardian. The court shall notify the court that:

- (1) entered the existing support order; or
- (2) had jurisdiction, immediately before the placement, to modify or enforce the existing support order;

of the assignment and assumption of jurisdiction by the juvenile court under this section.

(c) If an existing support order is not in effect, the court shall do the following:

- (1) Include in the order for removal or placement of the child an assignment to the **county office, division of family and children**, 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 division of family and children** 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~~ **division of family and children** 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~~ **division of family and children**.

(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 12-17-2 and 42 U.S.C. 654. The ~~county office~~ **division of family and children** shall, if requested, assist the Title IV-D agency in performing its duties under this subsection.

(f) If the juvenile court terminates placement of a child out of the home of the child's parent or guardian, the court shall:

(1) notify the court that:

(A) entered a support order assigned to the county office under subsection (b); or

(B) had jurisdiction, immediately before the placement, to modify or enforce the existing support order;

of the termination of jurisdiction of the juvenile court with respect to the support order;

(2) terminate a support order entered under subsection (c) that requires payment of support by a custodial parent or guardian of the child, with respect to support obligations that accrue after termination of the placement; or

(3) continue in effect, subject to modification or enforcement by a court having jurisdiction over the obligor, a support order entered under subsection (c) that requires payment of support by a noncustodial parent or guardian of the estate of the child.

(g) The court may at or after a hearing described in section 3 of this chapter order the child's parent or the guardian of the child's estate to reimburse the ~~county office~~ **division of family and children** 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 division** 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 76. IC 36-2-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 3. (a) This section does not apply to **the following**:

(1) Claims for salaries fixed in a definite amount by ordinance or statute, per diem of jurors, and salaries of officers of a court.

(2) **Claims that will be paid from a county family and children's fund.**

(b) The county auditor shall publish all claims that have been filed for the consideration of the county executive and shall publish all allowances made by courts of the county. Claims filed for the consideration of the executive shall be published at least three (3) days before each session of the executive, and court allowances shall be published at least three (3) days before the issuance of warrants in payment of those allowances. In publication of itemized statements filed by assistant highway supervisors for consideration of the executive, the auditor shall publish the name of each party and the total amount due each party named in the itemized statements. Notice of claims filed for consideration of the county executive must state

their amounts and to whom they are made. Claims and allowances subject to this section shall be published as prescribed by IC 5-3-1, except that only one (1) publication in two (2) newspapers is required.

(c) A member of the county executive who considers or allows a claim, or a county auditor who issues warrants in payment of allowances made by the county executive or a court of the county, before compliance with subsection (b), commits a Class C infraction.

(d) A county auditor shall publish one (1) time in accordance with IC 5-3-1 a notice of all allowances made by a circuit or superior court. The notice must be published within sixty (60) days after the allowances are made and must state their amount, to whom they are made, and for what purpose they are made.

SECTION 77. IC 36-7-14-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a blighted 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 state board of tax commissioners, 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 blighted 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 state board of tax commissioners, 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 blighted 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 portion of the area added after June 30, 1995.

(6) If an allocation area established in a blighted area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded portion 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 before January 1, 2006, 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 before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a portion 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:

(A) that part of ~~twenty~~ **thirty-five percent (35%)** of each county's total county tax levy payable 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 property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

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

(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 state board of tax commissioners.

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

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the

effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, 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 portion 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 portion 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 state board of tax commissioners 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 state board of tax commissioners 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. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment 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 had not occurred. The state board of tax commissioners may prescribe procedures for county and township officials to follow to assist the state board in making the adjustments.

SECTION 78. IC 36-7-14-39.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 39.5. (a) As used in this section, "allocation area" has the meaning set forth in section 39

of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-20.

(c) Subject to subsection (e), each taxpayer in an allocation area is entitled to an additional credit for property taxes that under IC 6-1.1-22-9 are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of each county's total county tax levy payable 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 property taxes levied in the taxing district that would have been allocated to an allocation fund under section 39 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into an allocation fund under section 39(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the redevelopment commission, the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) may, by resolution, provide that the additional credit described in subsection (c):

- (1) does not apply in a specified allocation area; or
- (2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

SECTION 79. IC 36-7-14.5-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: 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(b) 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.

However, an authority may not include in an economic development area created under this section any area that was declared a blighted area, an urban renewal area, or an economic development area under IC 36-7-14.

(c) In order to accomplish the purposes set forth in section 11(b) 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(b) 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 state board of tax commissioners, 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 benefitting 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 benefitting that allocation area.

(5) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the ~~twenty thirty-five~~ percent (20%) (35%) of each county's total county tax levy payable 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 property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

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

(6) Pay expenses incurred by the authority for local public improvements or structures that are in the allocation area or serving or benefitting 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 state board of tax commissioners.

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

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

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

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

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

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

(5) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest

are payable, as set forth in the bond resolution of the authority:

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

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

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

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

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers to remonstrate against the issuance of bonds do not apply to bonds issued under this section.

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

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

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under section 11(b) 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 seven (7) 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 80. IC 36-7-15.1-26.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g), (h), and (i), each taxpayer in an allocation area is entitled to an additional credit for property taxes that, under IC 6-1.1-22-9, are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of each county's total county tax levy payable 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 property taxes levied in the taxing district that would have been allocated to an allocation fund under section 26 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into the special fund.

(f) The credit for property tax replacement under IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h), and (i), unless the credits under subsections (g) and (h) are partial credits, shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. Except as provided in subsections (h) and (i), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h), and (i) shall be combined on the tax statements sent to each taxpayer.

(g) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method provided in subsection (e) may be granted under this subsection. The credit provided under this subsection is first applicable for the allocation area for property taxes first due and payable in 1992. The following apply to the determination of the credit provided under this subsection:

(1) Before June 15 of each year, the fiscal officer of the consolidated city shall determine and certify the following:

(A) All amounts due in the following year to the owners of outstanding bonds payable from the allocation area special fund.

(B) All amounts that are:

(i) required under contracts with bond holders; and

(ii) payable from the allocation area special fund to fund accounts and reserves.

(C) An estimate of the amount of personal property taxes available to be paid into the allocation area special fund under section 26.9(c) of this chapter.

(D) An estimate of the aggregate amount of credits to be granted if full credits are granted.

(2) Before June 15 of each year, the fiscal officer of the consolidated city shall determine if the granting of the full amount of credits in the following year would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(3) If the fiscal officer of the consolidated city determines under subdivision (2) that there would not be an impairment or adverse effect:

(A) the fiscal officer of the consolidated city shall certify the determination; and

(B) the full credits shall be applied in the following year, subject to the determinations and certifications made under section 26.7(b) of this chapter.

(4) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (2), the fiscal officer of the

consolidated city shall determine whether there is an amount of partial credits that, if granted in the following year, would not result in the impairment or adverse effect. If the fiscal officer determines that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall do the following:

(A) Determine the amount of the partial credits.

(B) Certify that determination.

(5) If the fiscal officer of the consolidated city certifies under subdivision (4) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers in the following year.

(6) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid in the following year; or

(ii) only partial credits may be paid in the following year.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15 of whether full or partial credits are payable under this subsection.

(7) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination.

(8) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (e) and in subdivision (2) of this subsection may be granted under this subsection. The following apply to the credit granted under this subsection:

(1) The credit is applicable to property taxes first due and payable in 1991.

(2) For purposes of this subsection, the amount of a credit for 1990 taxes payable in 1991 with respect to an affected taxpayer is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e); multiplied by

(B) the total amount of the property taxes payable by the taxpayer that were allocated in 1991 to the allocation area special fund under section 26 of this chapter.

(3) Before June 15, 1991, the fiscal officer of the consolidated city shall determine and certify an estimate of the aggregate amount of credits for 1990 taxes payable in 1991 if the full credits are granted.

(4) The fiscal officer of the consolidated city shall determine whether the granting of the full amounts of the credits for 1990 taxes payable in 1991 against 1991 taxes payable in 1992 and the granting of credits under subsection (g) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund for an allocation area described in subsection (g).

(5) If the fiscal officer of the consolidated city determines that there would not be an impairment or adverse effect under subdivision (4):

(A) the fiscal officer shall certify that determination; and

(B) the full credits shall be applied against 1991 taxes payable in 1992 or the amount of the credits shall be paid to the taxpayers as provided in subdivision (12), subject to the determinations and certifications made under section 26.7(b) of this chapter.

(6) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (4), the fiscal officer shall determine whether there is an amount of partial credits for 1990 taxes payable in 1991 that, if granted against 1991 taxes payable in 1992 in addition to granting of the credits under subsection

(g), would not result in the impairment or adverse effect.

(7) If the fiscal officer of the consolidated city determines under subdivision (6) that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall determine the amount of partial credits and certify that determination.

(8) If the fiscal officer of the consolidated city certifies under subdivision (7) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers against 1991 taxes payable in 1992.

(9) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid for 1990 taxes payable in 1991; or

(ii) only partial credits may be paid for 1990 taxes payable in 1991.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15, 1991, of whether credits are payable under this subsection.

(10) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination. Any such appeal shall be decided by the court within sixty (60) days.

(11) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether credits are payable under this subsection must be filed by July 15, 1991. Any such appeal shall be decided by the court within sixty (60) days.

(12) If 1991 taxes payable in 1992 with respect to a parcel are billed to the same taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall apply to the tax bill for 1991 taxes payable in 1992 both the credit provided under subsection (g) and the credit provided under this subsection, along with any credit determined to be applicable to the tax bill under subsection (i). In the alternative, at the election of the county auditor, the county may pay to the taxpayer the amount of the credit by May 10, 1992, and the amount shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(13) If 1991 taxes payable in 1992 with respect to a parcel are billed to a taxpayer other than the taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (i) to the tax bill for 1991 taxes payable in 1992.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit under this subsection.

A taxpayer entitled to a credit must file an application for refund of the credit with the county auditor not later than November 30, 1991.

(14) A taxpayer who files an application by November 30, 1991, is entitled to payment from the county treasurer in an amount that is in the same proportion to the credit provided under this subsection with respect to a parcel as the amount of 1990 taxes payable in 1991 paid by the taxpayer with respect to the parcel bears to the 1990 taxes payable in 1991 with respect to the parcel. This amount shall be paid to the taxpayer by May 10, 1992, and shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(i) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. The following apply to the credit granted under this subsection:

(1) A prior year credit is applicable to property taxes first due and payable in each year from 1987 through 1990 (the "prior

years").

(2) The credit for each prior year is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e) for the prior year; multiplied by

(B) the total amount of the property taxes paid by the taxpayer that were allocated in the prior year to the allocation area special fund under section 26 of this chapter.

(3) Before January 31, 1992, the county auditor shall determine the amount of credits under subdivision (2) with respect to each parcel in the allocation area for all prior years with respect to which:

(A) taxes were billed to the same taxpayer for taxes payable in each year from 1987 through 1991; or

(B) an application was filed by November 30, 1991, under subdivision (8) for refund of the credits for prior years.

A report of the determination by parcel shall be sent by the county auditor to the state board of tax commissioners and the budget agency within five (5) days of such determination.

(4) Before January 31, 1992, the county auditor shall determine the quotient of the amounts determined under subdivision (3) with respect to each parcel divided by six (6).

(5) Before January 31, 1992, the county auditor shall determine the quotient of the aggregate amounts determined under subdivision (3) with respect to all parcels divided by twelve (12).

(6) Except as provided in subdivisions (7) and (9), in each year in which credits from prior years remain unpaid, credits for the prior years in the amounts determined under subdivision (4) shall be applied as provided in this subsection.

(7) If taxes payable in the current year with respect to a parcel are billed to the same taxpayer to which taxes payable in all of the prior years were billed and if the amount determined under subdivision (3) with respect to the parcel is at least five hundred dollars (\$500), the county treasurer shall apply the credits provided for the current year under subsections (g) and (h) and the credit in the amount determined under subdivision (4) to the tax bill for taxes payable in the current year. However, if the amount determined under subdivision (3) with respect to the parcel is less than five hundred dollars (\$500) (referred to in this subdivision as "small claims"), the county may, at the election of the county auditor, either apply a credit in the amount determined under subdivision (3) or subdivision (4) to the tax bill for taxes payable in the current year or pay either amount to the taxpayer. If title to a parcel transfers in a year in which a credit under this subsection is applied to the tax bill, the transferor may file an application with the county auditor within thirty (30) days of the date of the transfer of title to the parcel for payments to the transferor at the same times and in the same amounts that would have been allowed as credits to the transferor under this subsection if there had not been a transfer. If a determination is made by the county auditor to refund or credit small claims in the amounts determined under subdivision (3) in 1992, the county auditor may make appropriate adjustments to the credits applied with respect to other parcels so that the total refunds and credits in any year will not exceed the payments made from the state property tax replacement fund to the prior year credit fund referred to in subdivision (11) in that year.

(8) If taxes payable in the current year with respect to a parcel are billed to a taxpayer that is not a taxpayer to which taxes payable in all of the prior years were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (h) to the tax bill for taxes payable in the current year.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit.

A taxpayer entitled to the credit must file an application for refund of the credit with the county auditor not later than November 30, 1991. A refund shall be paid to an eligible applicant by May 10, 1992.

(9) A taxpayer who filed an application by November 30, 1991, is entitled to payment from the county treasurer under subdivision (8) in an amount that is in the same proportion to the credit determined under subdivision (3) with respect to a parcel as the amount of taxes payable in the prior years paid by the taxpayer with respect to the parcel bears to the taxes payable in the prior years with respect to the parcel.

(10) In each year on May 1 and November 1, the state shall pay to the county treasurer from the state property tax replacement fund the amount determined under subdivision (5).

(11) All payments received from the state under subdivision (10) shall be deposited into a special fund to be known as the prior year credit fund. The prior year credit fund shall be used to make:

(A) payments under subdivisions (7) and (9); and

(B) deposits into the special fund for the application of prior year credits.

(12) All amounts paid into the special fund for the allocation area under subdivision (11) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area.

(13) By January 15, 1993, and by January 15 of each year thereafter, the county auditor shall send to the state board of tax commissioners and the budget agency a report of the receipts, earnings, and disbursements of the prior year credit fund for the prior calendar year. If in the final year that credits under this subsection (f) are allowed any balance remains in the prior year credit fund after the payment of all credits payable under this subsection, such balance shall be repaid to the treasurer of state for deposit in the property tax replacement fund.

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the property tax replacement fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund.

SECTION 81. IC 36-7-30-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: 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 state board of tax commissioners, 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 portion of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property

taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of the ~~twenty thirty-five percent (20%)~~ **(35%)** of each county's total county tax levy payable 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 property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

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

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as

industrial property under the rules of the state board of tax commissioners.

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

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, 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 portion 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 state board of tax commissioners 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. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment 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 had not occurred. The state board of tax commissioners may prescribe procedures for county and township officials to follow to assist the state board in making the adjustments.

SECTION 82. IC 36-7-30-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 27. (a) As used in this section, "allocation area" has the meaning set forth in section 25 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-20.

(c) Subject to subsection (e), each taxpayer in an allocation area is entitled to an additional credit for property taxes that under IC 6-1.1-22-9 are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of ~~twenty~~ **thirty-five** percent (~~20%~~) (**35%**) of each county's total county tax levy payable 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 property taxes levied in the taxing district that would have been allocated to an allocation fund under section 25 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the military base reuse district and paid into an allocation fund under section 25(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the reuse authority, the municipal legislative body (in the case of a reuse authority established by a municipality) or the county executive (in the case of a reuse authority established by a county) may by resolution provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce the credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until rescinded by the body that originally adopted the resolution. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

SECTION 83. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2001]: IC 6-1.1-18.6; IC 12-13-8; IC 12-13-9-1; IC 12-13-9-3; IC 12-16-14; IC 12-16-15; IC 12-19-5; IC 12-19-7-4; IC 12-19-7-5; IC 12-19-7-9; IC 12-19-7-10; IC 12-19-7-16; IC 12-19-7-17; IC 12-19-7-18; IC 12-19-7-19; IC 12-19-7-20; IC 12-19-7-21; IC 12-19-7-22; IC 12-19-7-23; IC 12-19-7-24; IC 12-19-7-25; IC 12-19-7-26; IC 12-19-7-27; IC 12-19-7-28; IC 12-19-7-29; IC 12-19-7-30; IC 12-19-7-31; IC 12-19-7-32; IC 12-19-7-33; IC 12-24-13-6; IC 16-35-3; IC 16-35-4; IC 31-34-24-13; IC 31-37-24-13.

SECTION 84. [EFFECTIVE JANUARY 1, 2003] IC 6-1.1-21-3, IC 6-1.1-21-4, IC 6-1.1-21-5, IC 6-1.1-39-6, IC 36-7-14-39, IC 36-7-14-39.5, IC 36-7-14.5-12.5, IC 36-7-15.1-26.5, IC 36-7-30-25, and IC 36-7-30-27, all as amended by this act, apply only to property taxes first due and payable after December 31, 2002.

SECTION 85. [EFFECTIVE JULY 1, 2000] IC 6-1.1-20.9-2, as amended by this act, applies to property taxes first due and payable after December 31, 2000.

SECTION 86. [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)] IC 6-3.1-20, as added by this act, applies only to taxable years that begin after December 31, 1999.

SECTION 87. [EFFECTIVE JANUARY 1, 2001] (a) As used in this SECTION, "county office property tax levies" means the property tax levies under or for any of the following:

(1) IC 12-13-8 (county medical assistance to wards fund).

(2) IC 12-16-14 (county hospital care for the indigent fund).

(3) IC 12-19-7 (county family and children's fund).

(4) IC 16-35-3 (children with special health care needs county fund and tax levy).

(b) Notwithstanding any other law, after December 31, 2000, the state shall fund one hundred percent (100%) of the programs, services, and activities paid from county office property tax levies before January 1, 2001.

(c) Notwithstanding any other law, after December 31, 2000, a county may not impose a county office property tax levy. The maximum permissible levy for any fund:

(1) that is not terminated after December 31, 2000; and

(2) for which a county office property tax levy was imposed before January 1, 2001;

shall be reduced to eliminate the part of the maximum levy related to a county office property tax levy before January 1, 2001.

SECTION 88. [EFFECTIVE JULY 1, 2000] (a) As used in this SECTION, "county office property tax levies" means the property tax levies under or for any of the following:

(1) IC 12-13-8 (county medical assistance to wards fund).

(2) IC 12-16-14 (county hospital care for the indigent fund).

(3) IC 12-19-7 (county family and children's fund).

(4) IC 16-35-3 (children with special health care needs county fund and tax levy).

(b) As used in this SECTION, "miscellaneous revenue" means tax revenue that is distributed under:

(1) the bank tax (IC 6-5-10);

(2) the savings and loan association tax (IC 6-5-11);

(3) the production credit association tax (IC 6-5-12);

(4) the financial institutions tax (IC 6-5.5); or

(5) any other statute providing for a distribution of revenue;

to a political subdivision based in any part on the ad valorem property tax levy imposed by the political subdivision.

(c) For calendar year 2001 and any other year that in any part conditions a distribution of miscellaneous revenue on the county property tax levies first due and payable in calendar year 2000 or a previous year, the distribution must be made based on the adjusted property tax levy determined under this SECTION.

(d) The state board of tax commissioners shall determine an adjusted property tax levy for each year on which a distribution described in subsection (c) is based. The adjusted property tax levy must exclude the county office property tax levies imposed in that year.

(e) Before January 1, 2001, the state board of tax commissioners shall certify the adjusted levy determined under subsection (d) to the auditor of state, each county auditor, and the department of state revenue.

(f) For purposes of property tax levies first due and payable after December 31, 2000, the state board of tax commissioners shall adjust property tax levies of a political subdivision to eliminate that part of a property tax levy that was imposed before January 1, 2001, to make a transfer described in IC 12-15-18-5.1.

(g) The unallotted balance on December 31, 2000, of any county office property tax levies in a fund other than the county family and children's fund or the state general fund shall, on January 1, 2001, be transferred to the state general fund to carry out the programs for which the money was levied. The unallotted balance on December 31, 2000, of each county welfare trust clearance fund shall be transferred on January 1, 2001, to an account in the state general fund. However, by agreement between a county executive and the division of family and children, a county may retain a balance of county office property tax levies after December 31, 2000, in a fund to pay obligations incurred but not allotted for payment before January 1, 2001. The amount that shall be retained and the time that balances shall be retained shall be governed by the agreement. Money transferred to the state under this subsection shall be treated as money from state revenues.

(h) The state board of tax commissioners shall reduce the maximum permissible ad valorem property tax levy of a county as necessary to reflect the transfer by this act of any expenditures payable from a county general fund to the state.

(i) This SECTION expires December 31, 2002.

SECTION 89. An emergency is declared for this act.

Renumber all SECTIONS consecutively.

(Reference is to HB 1006 as introduced.)

and when so amended that said bill do pass.

ESPICH

Upon request of Representatives Bosma and Espich the Speaker ordered the role of the House to be called. Roll Call 25: yeas 44, nays 49. The minority report was rejected.

The question then was on the majority report.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1006, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 34 and 35, begin a new paragraph and insert: "SECTION 2. IC 4-33-12-6 IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsection (c), the treasurer of state shall quarterly pay the following amounts:

(1) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is described in IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(4) or in IC 4-33-6-1(b); 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) One dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter 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) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during a quarter shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter shall be paid to the division of mental health. 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) Sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a riverboat during the quarter 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 that operates on Patoka Lake, the treasurer of state shall quarterly pay the following amounts:

(1) The counties described in IC 4-33-1-1(3) shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter. This amount shall be divided equally among the counties described in IC 4-33-1-1(3).

(2) The Patoka Lake development account established under IC 4-33-15 shall receive one dollar (\$1) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(3) The resource conservation and development program that:

(A) is established under 16 U.S.C. 3451 et seq.; and

(B) serves the Patoka Lake area;

shall receive forty cents (\$0.40) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(4) The state general fund shall receive fifty cents (\$0.50) of the admissions tax collected for each person embarking on the riverboat during the quarter.

(5) The division of mental health shall receive ten cents (\$0.10) of the admissions tax collected for each person embarking on the riverboat during the quarter. 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.

(d) Money paid to a unit of local government under subsection (b)(1) through (b)(2) or subsection (c)(1):

(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 ~~calculated~~ ~~maximum~~ ~~or~~ ~~actual~~ 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 without it being considered additional revenue in subsequent years;** and

(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.

(e) Money paid by the treasurer of state under subsection (b)(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.

(f) Money received by the division of mental health under subsections (b)(5) and (c)(5):

(1) is annually appropriated to the division of mental health;

(2) shall be distributed to the division of mental health at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health 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.

SECTION 3. IC 4-33-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Money paid to a unit of local government under this chapter:

(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 ~~calculated~~ ~~maximum~~ ~~or~~ ~~actual~~ 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 without it being considered additional revenue in subsequent years;** and

(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.

(b) This chapter does not prohibit the city or county designated as the home dock of the riverboat from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter."

Page 3, between lines 36 and 37, begin a new paragraph and insert: "SECTION 5. IC 6-1.1-18.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) For purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the civil taxing unit's total assessed value of all taxable property in the particular calendar year, divided by the civil taxing unit's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Determine the greater of the result computed in STEP THREE or one and ~~five-hundredths (1.05)~~ **four-hundredths (1.04)**.

STEP FIVE: Determine the lesser of the result computed in STEP FOUR or one and ~~one-tenth (1.1)~~ **eight-hundredths (1.08)**.

(b) If the assessed values of taxable property used in determining a civil taxing unit's property taxes that are first due and payable in a particular calendar year are significantly increased over the assessed values used for the immediately preceding calendar year's property taxes due to the settlement of litigation concerning the general reassessment of that civil taxing unit's real property, then for purposes of determining that civil taxing unit's assessed value growth quotient for an ensuing calendar year, the state board of tax commissioners shall replace the quotient described in STEP TWO of subsection (a) for that particular calendar year. The state board of tax commissioners shall replace that quotient with one that as accurately as possible will reflect the actual growth in the civil taxing unit's assessed values of real property from the immediately preceding calendar year to that particular calendar year.

SECTION 6. IC 6-1.1-18.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Except as otherwise provided in this chapter, 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 of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths (1.15) or the quotient (rounded to the nearest ten-thousandth), 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 6-3.5-1.1-11.5**, 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 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. **For a county that has adopted an ordinance under IC 6-3.5-1.1-11.5, subtract the amount specified as base year certified shares by the civil taxing unit under IC 6-3.5-1.1-11.5(c).**

(c) 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. 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 does not apply to a civil taxing unit located in a county that has adopted an ordinance under IC 6-3.5-1.1-11.5.** 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) **This subsection does not apply to a civil taxing unit located in a county that has adopted an ordinance under IC 6-3.5-1.1-11.5.** 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) **This subsection does not apply to a civil taxing unit located in a county that has adopted an ordinance under IC 6-3.5-1.1-11.5.** 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 .....

SECTION 7. IC 6-1.1-18.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) As used in this section, "base year" for a civil taxing unit means the most recent calendar year:

- (1) in which the civil taxing unit is located in an adopting county, as determined under section 4 of this chapter; and
- (2) that is immediately preceded by a calendar year in which the civil taxing unit either:
  - (A) was not located in an adopting county, as determined under section 4 of this chapter; or
  - (B) did not impose an ad valorem property tax levy.

If the civil taxing unit was located in an adopting county in calendar year 1979, as determined under section 4 of this chapter, the civil taxing unit's base year is calendar year 1979 or the year determined above, whichever is later.

(b) If the county adjusted gross income tax was not in effect on January 1 of the calendar year immediately preceding the ensuing calendar year in the county in which a particular civil taxing unit is located, then the civil taxing unit's base year certified share is the amount of certified shares to be received by the civil taxing unit during its base year.

(c) If the county adjusted gross income tax was in effect on January 1 of the calendar year immediately preceding the ensuing calendar year in the county in which a particular civil taxing unit is located, then the civil taxing unit's base year certified share is the amount of certified shares received by the civil taxing unit in its base year, multiplied by a fraction:

- (1) The numerator of the fraction equals the remainder of the county adjusted gross income tax rate of the county in which the civil taxing unit is located and that is imposed on January 1 of the ensuing calendar year minus one quarter of one percent (1/4%).
- (2) The denominator of the fraction equals the remainder of the county adjusted gross income tax rate of the county in which the civil taxing unit is located and that is imposed on January 1 of the civil taxing unit's base year minus one quarter of one percent (1/4%).

**(d) For a civil taxing unit located in a county that has adopted an ordinance under IC 6-3.5-1.1-11.5, base year certified shares shall be the amount specified by the civil taxing unit in the ordinance adopted under IC 6-3.5-1.1-11.5."**

Page 8, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 12. IC 6-3.5-1.1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for revenue that:

- (1) must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter or revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; **or**
- (2) **has been dedicated to property tax relief by the county under section 11.5 of this chapter;**

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 2 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received. The percentages are set forth in the following table:

COUNTY ADJUSTED GROSS INCOME TAX RATE	PROPERTY TAX REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 13. IC 6-3.5-1.1-11.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11.5. (a) The county council may adopt an ordinance to use revenue under this chapter for property tax relief. All or a portion of the certified distribution to a county under this chapter minus the amount needed to provide property tax replacement credits for school corporations may be used for property tax relief under this section. The amount of property tax replacement credits that shall be allocated and distributed to a school corporation within the county is the same property tax replacement credit amount the school corporation would have been allocated if the county had not adopted an ordinance under this section.**

(b) The types of relief that may be provided are limited to the following:

- (1) Providing property tax replacement credits to be distributed as provided in section 11.6 of this chapter.
- (2) Increasing the percentage credit allowed for homesteads in the county under IC 6-1.1-20.9-2, as provided in section 11.7 of this chapter.
- (3) Providing a property tax reduction for low income individuals under section 11.8 of this chapter.
- (4) A combination of the types of relief listed in subdivisions (1) through (3).

(c) The ordinance must specify the percentage of the total certified distribution that will be used for each type of relief. The remaining certified distribution shall be considered certified shares for each civil taxing unit. Before a civil taxing unit may receive the certified shares, it must adopt an ordinance specifying the amount that will be treated as base year certified shares under IC 6-1.1-18.5-5.

(d) An ordinance may be adopted under this section after January 1 but before June 1 of a calendar year. The ordinance remains in effect for the period specified in the ordinance or until it is rescinded.

(e) An ordinance adopted under this section takes effect on January 1 of the next succeeding calendar year.

(f) Any ordinance adopted under this section for a county is repealed for a year if on January 1 of that year the county adjusted gross income tax is not in effect.

SECTION 14. IC 6-3.5-1.1-11.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11.6. (a) If an ordinance adopted under section 11.5 of this chapter includes property tax replacement credits, these credits shall be allocated and distributed to civil taxing units by taking the amount dedicated to these credits multiplied by a fraction:**

- (1) the numerator of which equals the sum of the total property taxes being collected by the civil taxing unit during that calendar year; and
- (2) the denominator of which equals the sum of the total property taxes being collected by all civil taxing units.

(b) The state board of tax commissioners shall reduce the net property tax levy of each civil taxing unit by the amount of the allocation.

SECTION 15. IC 6-3.5-1.1-11.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11.7. If an ordinance adopted under section 11.5 of this chapter includes homestead credits, the increase of the homestead credit percentage must be uniform for all homesteads in a county. In the ordinance that increases the homestead credit**

**percentage, a county council may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.**

SECTION 16. IC 6-3.5-1.1-11.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11.8. (a) If an ordinance adopted under section 11.5 of this chapter includes a property tax reduction for low income individuals, the following apply:**

- (1) The state homestead credit must apply to the homestead.
- (2) The combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:
  - (A) the individual and the individual's spouse; or
  - (B) the individual and all other individuals with whom:
    - (i) the individual shares ownership; or
    - (ii) the individual is purchasing the property under a contract;
      - as joint tenants or tenants in common;
      - for the calendar year preceding the year in which the credit is claimed did not exceed twenty-five thousand dollars (\$25,000).

(b) The ordinance must set forth the reduction amount, which may be in terms of a percentage of property taxes due, a percentage of combined adjusted gross income, or a fixed amount. However, the maximum property tax reduction under this section may not result in the property taxes due on a homestead for a year to be less than two percent (2%) of the combined adjusted gross income referred to in subsection (a).

(c) An individual must claim the reduction in the same manner as the state homestead credit. An individual who receives a reduction in a particular year and who becomes ineligible in the following year shall notify the auditor of the county in which the homestead is located of the ineligibility before May 10 of the year in which the individual becomes ineligible.

(d) The auditor of each county shall, in a particular year, apply the reduction to each individual who received the reduction in the preceding year unless the auditor determines that the individual is no longer eligible for the reduction.

SECTION 17. IC 6-3.5-1.1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12. (a) Except as provided in section 11.5 of this chapter, the part of a county's certified distribution for a calendar year that is to be used as property tax replacement credits shall be allocated by the county auditor among the civil taxing units and school corporations of the county.**

(b) Except as provided in section 13 of this chapter, the amount of property tax replacement credits that each civil taxing unit and school corporation in a county is entitled to receive during a calendar year equals the product of:

- (1) that part of the county's certified distribution that is dedicated to providing property tax replacement credits for that same calendar year; multiplied by
- (2) a fraction:

(A) The numerator of the fraction equals the sum of the total property taxes being collected by the civil taxing unit or school corporation during that calendar year, plus with respect to a civil taxing unit, the amount of federal revenue sharing funds, and certified shares received by it during that calendar year to the extent that they are used to reduce its property tax levy below the limit imposed by IC 6-1.1-18.5 for that same calendar year.

(B) The denominator of the fraction equals the sum of the total property taxes being collected by all civil taxing units and school corporations, plus the amount of federal revenue sharing funds and certified shares received by all civil taxing units in the county to the extent that they are used to reduce the civil taxing units' property tax levies below the limits imposed by IC 6-1.1-18.5 for that same calendar year.

(c) The state board of tax commissioners shall provide each county auditor with the amount of property tax replacement credits that each

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civil taxing unit and school corporation in the auditor's county is entitled to receive. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax

replacement credits it is entitled to receive (after adjustment made under section 13 of this chapter) during that calendar year. The county auditor shall also certify these distributions to the county treasurer.

SECTION 18. IC 6-3.5-1.1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) **This section applies to property tax replacement credits provided in section 11.5 of this chapter.** 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 state board of tax commissioners 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) 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, 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 property tax levy limits imposed by IC 6-1.1-19. A school corporation shall allocate the property tax replacement credits described in this subsection to all five (5) funds in proportion to the levy for each fund."

Page 9, line 8, strike "property tax relief or".

Page 9, line 10, after "levy." insert "**The amount of revenue used for property tax relief under section 11.5 of this chapter shall not be treated as additional revenue.**".

Page 9, between lines 10 and 11, begin a new paragraph and insert: "SECTION 20. IC 6-3.5-6-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 use all or a portion of the certified distribution under this chapter for property tax relief.~~

(b) **The types of relief that may be provided are limited to the following:**

(1) **Providing property tax replacement credits to be distributed as provided in section 13.1 of this chapter.**

(2) **Increasing the percentage credit allowed for homesteads in its county under IC 6-1.1-20.9-2, as provided in section 13.2 of this chapter.**

(b) A county income tax council may not increase the percentage credit allowed for homesteads by an amount that exceeds eight percent (8%):

(c) The increase of the homestead credit percentage must be uniform for all homesteads in a county:

(d) In the ordinance that increases 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:

(3) **Providing a property tax reduction for low income individuals under section 13.3 of this chapter.**

(4) **A combination of the types of relief listed in subdivisions (1) through (3).**

(c) **The ordinance must specify the percentage of the total certified distribution that will be used for each type of relief. The remaining certified distribution shall be treated as it would notwithstanding this section.**

(d) An ordinance may be adopted under this section after January 1 but before June 1 of a calendar year. **The ordinance remains in effect for the period specified in the ordinance or until it is rescinded.**

(f) (e) An ordinance adopted under this section takes effect on January 1 of the next succeeding calendar year.

(g) (f) 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 21. IC 6-3.5-6-13.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.1. (a) **If an ordinance adopted under section 13 of this chapter includes property tax replacement credits, these credits shall be allocated and distributed to civil taxing units by taking the amount dedicated to these credits multiplied by a fraction:**

(1) **the numerator of which equals the sum of the total property taxes being collected by the civil taxing unit during that calendar year; and**

(2) **the denominator of which equals the sum of the total property taxes being collected by all civil taxing units.**

(b) **The state board of tax commissioners shall reduce the net property tax levy of each civil taxing unit by the amount of the allocation.**

SECTION 22. IC 6-3.5-6-13.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.2. **If an ordinance adopted under section 13 of this chapter includes homestead credits, the increase of the homestead credit percentage must be uniform for all homesteads in a county. In the ordinance that increases the homestead credit percentage, a county council may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.**

SECTION 23. IC 6-3.5-6-13.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.3. (a) **If an ordinance adopted under section 13 of this chapter includes a property tax reduction for low income individuals, the following apply:**

(1) **The state homestead credit must apply to the homestead.**

(2) **The combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:**

(A) **the individual and the individual's spouse; or**

(B) **the individual and all other individuals with whom:**

(i) **the individual shares ownership; or**

(ii) **the individual is purchasing the property under a contract;**

**as joint tenants or tenants in common;**

**for the calendar year preceding the year in which the reduction is claimed did not exceed twenty-five thousand dollars (\$25,000).**

(b) **The ordinance must set forth the reduction amount, which may be in terms of a percentage of property taxes due or a percentage of combined adjusted gross income. However, the maximum property tax reduction under this section may not result in the property taxes due on a homestead for a year to be less than two percent (2%) of the combined adjusted gross income referred to in subsection (a).**

(c) **An individual must claim the reduction in the same manner as the state homestead credit. An individual who receives a reduction in a particular year and who becomes ineligible in the following year shall notify the auditor of the county in which the homestead is located of the ineligibility before May 10 of the year in which the individual becomes ineligible.**

(d) **The auditor of each county shall, in a particular year, apply the reduction to each individual who received the reduction in the preceding year unless the auditor determines that the individual is no longer eligible for the reduction."**

Page 10, line 13, strike "the allowance of an increased homestead credit" and insert "**providing property tax relief**".

Page 10, line 13, delete ";" and insert "**under section 13 of this chapter;**".

Page 10, line 26, strike "the increase of the homestead credit" and insert "**providing property tax relief**".

Page 10, line 26, delete "." and insert "**under section 13 of this chapter.**".

Page 10, line 30, strike "an increased homestead credit." and insert "**the property tax relief.**".

Page 14, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 27. IC 6-3.5-6-19, AS AMENDED BY P.L.273-1999, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) Except as provided in sections 13, 17.6(d), 18(e), and 18.5(b)(3) of this chapter, in determining the fractional share of distributive shares the civil taxing units of a county are entitled to receive under section 18 of this chapter during a calendar year, the state board of tax commissioners shall consider only property taxes imposed on tangible property subject to assessment in that county.

(b) In determining the amount of distributive shares a civil taxing unit is entitled to receive under section 18(g) of this chapter, the state board of tax commissioners shall consider only the percentage of the civil taxing unit's budget that equals the ratio that the total assessed valuation that lies within the civil taxing unit and the county that has adopted the county option tax bears to the total assessed valuation that lies within the civil taxing unit.

(c) The distributive shares to be allocated and distributed under this chapter shall be treated by each civil taxing unit as additional revenue for the purpose of fixing its budget for the budget year during which the distributive shares is to be distributed to the civil taxing unit.

(d) In the case of a civil taxing unit that includes a consolidated city its fiscal body may distribute any revenue it receives under this chapter to any governmental entity located in its county except an excluded city, a township, or a school corporation.

SECTION 28. IC 6-3.5-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c) and (g), 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) or (i), 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) and (j), 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 the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic development income tax on the county taxpayers of \_\_\_\_\_ County. The county economic development income tax is imposed at a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred twenty-nine thousand (129,000) but less than one hundred thirty thousand six hundred (130,600). 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 thirty-seven thousand (37,000) but less than thirty-seven thousand eight hundred (37,800), 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 twelve thousand six hundred (12,600) but less than thirteen thousand (13,000), 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 that has adopted an ordinance under IC 6-3.5-6-13, 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 percent (1%) plus the lesser of:**

- (1) twenty-five hundredths percent (0.25%); or**
- (2) the portion of the rate that exceeds one percent (1%) and that is dedicated to property tax relief under the ordinance."**

Page 16, delete lines 20 through 42, begin a new paragraph and insert:

"SECTION 29. IC 6-5.5-8-2, AS AMENDED BY P.L.273-1999, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: 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. For purposes of determining distributions under subsection (b), the state board of tax commissioners shall determine a state welfare allocation for each county calculated as follows:

(1) For 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For:

(A) 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; and

**(B) 2001, 2002, and 2003, determine the result of:**

**(i) the amounts appropriated by the county in the year for the county's county family and children's fund; divided by**

**(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) without regard to this subdivision.

STEP FIVE: Determine the result of:

- (A) the STEP FOUR amount; multiplied by
- (B) the STEP THREE result.

(2) The state welfare allocation shall be deducted from the distributions otherwise payable under subsection (b) to the taxing unit that is a county and shall be deposited in a special account within the state general fund.

(b) 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 and IC 6-5-11 in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the state board of tax commissioners, 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 state board of tax commissioners, 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.

(c) 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 under subsection (a), for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (b)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 and IC 6-5-11 in 1989 by all taxing units in the county; divided by

(B) the sum of the amounts received under IC 6-5-10 and IC 6-5-11 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 that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13.

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.

(d) Except as provided in subsection (f), 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 and IC 6-5-11 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 (c), STEP FOUR.

(e) 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.

(f) 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 (d) without regard to this subsection; minus

(2) an amount equal to:

(A) the amount under subdivision (1); multiplied by

(B) the result of the following:

⊕ (i) Determine the amounts appropriated by the county in 1997, 1998, and 1999, from the county's county welfare fund and county welfare administration fund **plus the amounts appropriated by the county in 2001, 2002, and 2003, from the county's county family and children's 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).

SECTION 36. IC 6-6-5-10, AS AMENDED BY P.L.273-1999, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: 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) The county auditor shall determine the total amount of excise taxes collected for each taxing unit in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed. However, for purposes of determining distributions under this section for 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following STEPS:

STEP ONE: For:

(A) 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; and

(B) 2001, 2002, and 2003, determine the result of:

(i) the amounts appropriated by the county in the year from the county's county family and children's fund; divided by

(ii) the total amounts appropriated by all the taxing units in the county in the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision.

STEP FIVE: Determine the result of:

- ⊕ (i) the STEP FOUR amount; multiplied by
- (ii) the STEP THREE result.

The state welfare allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare allocation to the treasurer of state for deposit in a special account within the state general fund.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from his records, to the extent such verification can be so made. He shall further identify and verify from his 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 his use as soon as it is checked and completed."

Delete pages 17 through 18.

Page 19, delete lines 1 through 14.

Page 19, line 26, delete "[EFFECTIVE JANUARY 1, 2004]" and insert "[EFFECTIVE JULY 1, 2000]".

Page 23, between lines 5 and 6, begin a new paragraph and insert: "SECTION 39. IC 12-19-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: 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 20-8.1-3-36 (if applicable) or IC 20-8.1-6.1-8 (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 20-8.1-6.1-7.

(2) **Assistance awarded by a county to a destitute child under IC 12-17-1.**

(3) **Child welfare services as described in IC 12-17-3."**

Page 26, line 9, delete "child" and insert "**early intervention team established by IC 31-34-24**".

Page 26, line 10, delete "protection team established under IC 31-33-3".

Page 28, line 18, after "21.5." insert "(a)".

Page 28, between lines 22 and 23, begin a new paragraph and insert:

**"(b) Any money remaining in a county family and children's fund on January 1, 2004, must be used for services previously payable from the county family and children's fund. Fund balances in each county's family and children's fund are available to the division of family and children beginning January 1, 2004, for use in fulfilling the requirements previously paid from the county family and children's fund within each county.**

(c) **With the approval of the governor and the budget agency, money appropriated to the division of family and children for programs, services, and activities described in subsection (a) may be augmented from the state general fund."**

Page 37, after line 34, begin a new paragraph and insert:

**"SECTION 68. An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1006 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 24, nays 1.

Upon request of Representatives Tincher and Kruzan, the Speaker ordered the roll of the House to be called. Roll Call 26: yeas 85, nays 7. Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1008, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 2, after "at the" insert ":

- (A) **public building where the governing body of the respective city, town, or school corporation meets; or**
- (B) "

Page 2, line 3, delete "." and insert ";

Page 2, between lines 3 and 4, begin a new single block indented and insert:

**"if the municipality does not have a city or town hall, or the school corporation does not have an administration building."**

Page 4, between lines 28 and 29, begin a new paragraph and insert: "SECTION 3. IC 6-1.1-24-5.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 5.3. (a) This section applies to the following:**

(1) **A person who owes delinquent taxes, special assessments, penalties, interest, or costs directly attributable to a prior tax sale on a tract of real property listed under section 1 of this chapter.**

(2) **A person who is an agent of the person described in subdivision (1).**

(b) **A person subject to this section may not purchase a tract offered for sale under section 5, 5.2, 5.5, or 5.6 of this chapter.**

(c) **If a person purchases a tract that the person was not eligible to purchase under this section, the sale of the property is void. The county treasurer shall apply the amount of the person's bid to the person's delinquent taxes and offer the real property for sale again under this chapter.**

SECTION 4. IC 6-4.1-10-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 3. (a) The department of state revenue shall review each claim for refund and shall enter an order either approving, partially approving, or disapproving the refund. If the department either approves or partially approves a claim for refund, the department shall send a copy of the order to:

- (1) the treasurer of the county that collected the tax, if the refund applies to inheritance tax collected as a result of a resident decedent's death; **or and**
- (2) the treasurer of state. **if the refund applies to tax collected by the department.**

~~The county or state treasurer as the case may be, of state shall pay the refund from money which is under his control and which has not otherwise been appropriated. The county or state treasurer of state shall receive a credit for the county portion of the amount so refunded, and the county treasurer of the county owing the credit shall claim the credit account for the credit on his the county's inheritance tax report for the quarter in which the refund is paid.~~

(b) Within five (5) days after entering an order with respect to a claim for refund filed under section 1 of this chapter, the department shall send a copy of the order to the person who filed the claim.

SECTION 5. IC 13-21-3-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 23. (a) This section applies to a county having a population of more than one hundred sixty thousand (160,000) but less than two hundred thousand (200,000).**

(b) **A district may pay the costs of operation and enter contracts and agreements for the delivery of service in connection with:**

- (1) **air quality attainment;**
- (2) **mowing;**
- (3) **litter cleanup;**
- (4) **pruning and trimming of shrubs, trees, and other vegetation; and**
- (5) **waste services;**

**for an area of the district that is a right-of-way, public property, or vacant property."**

Page 4, between lines 37 and 38, begin a new paragraph and insert: "SECTION 7. IC 33-17-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4. (a) As used in this section, "Indiana support enforcement tracking system (ISETS)" refers to the statewide automated system for the collection, disbursement, and distribution of child support payments established by the division of family and children.

(b) The clerk may receive funds:

- (1) in payment of judgments; and
- (2) ordered to be paid into the court by the judge.

(c) Except as provided in ~~subsection~~ **subsections (d) and (g)**, the clerk is liable, with his sureties, on his official bond for all funds received to any person who is entitled to demand and receive those funds from him.

(d) The clerk is not personally liable or liable in the clerk's official capacity on the clerk's official bond for funds received if the clerk:

- (1) through error or in accordance with the best information available to the clerk, disbursed the funds to a person the clerk reasonably believed to be entitled to receive the funds and to comply with a:
  - (A) child support order; or
  - (B) garnishment order;

- (2) inappropriately disbursed or misapplied child support funds, arising without the knowledge or approval of the clerk, that resulted from:
  - (A) an action by an employee of, or a consultant to, the division of family and children;
  - (B) an ISETS technological error; or
  - (C) information generated by ISETS;

- (3) disbursed funds that the clerk reasonably believed were available for disbursement but that were not actually available for disbursement;
- (4) disbursed child support funds paid to the clerk by a personal check that was later dishonored by a financial institution; and
- (5) did not commit a criminal offense as a part of the disbursement.

(e) If the clerk improperly disburses funds in the manner described by subsection (d), the clerk shall do the following:

- (1) Deduct an amount equal to the amount of funds improperly disbursed from fees collected under IC 33-19-6-5.
- (2) Credit each account from which funds were improperly disbursed with the amount of funds improperly disbursed under subsection (d).
- (3) Notify the prosecuting attorney of the county of:
  - (A) the amount of the improper disbursement;
  - (B) the person from whom the amount of the improper disbursement should be collected; and
  - (C) any other information to assist the prosecuting attorney to collect the amount of the improper disbursement.
- (4) Record each action taken under this subsection on a form prescribed by the state board of accounts.

(f) If:

- (1) fees collected under IC 33-19-6-5 are credited to an account under subsection (e)(2) because a check or money order was dishonored by a financial institution or was the subject of a stop payment order; and
- (2) a person subsequently pays to the clerk all or part of the amount of the check or money order that was dishonored or the subject of a stop payment order;

the clerk shall reimburse the account containing fees collected under IC 33-19-6-5 using the amount the person paid to the clerk.

**(g) The clerk is not personally liable for the amount of a dishonored check, for penalties assessed against a dishonored check, or for financial institution charges relating to a dishonored check, if:**

- (1) **the check was tendered to the clerk for the payment of a:**
  - (A) fee;
  - (B) court ordered payment; or
  - (C) license; and
- (2) **the acceptance of the check was not an act or omission constituting gross negligence or an intentional disregard of**

**the responsibilities of the office of clerk."**

Page 5, between lines 23 and 24, begin a new paragraph and insert: "SECTION 9. IC 34-30-2-144.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 144.5. IC 33-17-1-4. (Concerning the personal liability of circuit court clerks for dishonored checks.)**

SECTION 10. IC 34-30-2-152.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 152.4. IC 36-2-10-24. (Concerning the personal liability of county treasurers.)**

SECTION 11. IC 34-30-2-152.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 152.6. IC 36-2-11-7.5. (Concerning the personal liability of county recorders for dishonored checks.)**

SECTION 12. IC 36-1-11-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 16. (a) This section applies to the following:

- (1) A person who ~~could have redeemed a tract under IC 6-1-1-25-1 who did not redeem the tract before a deed for the tract was issued to a county under IC 6-1-1-25-4.~~ **owes delinquent taxes, special assessments, penalties, interest, or costs directly attributable to a prior tax sale on a tract of real property listed under IC 6-1-1-24-1.**
- (2) A person who is an agent of the person described in subdivision (1).

(b) A person subject to this section may not purchase, receive, or lease a tract ~~the person could have redeemed when the tract that is offered in a sale, exchange, or lease under this chapter. unless:~~

- (1) ~~the county was issued a deed to the tract under IC 6-1-1-25-4 more than five (5) years before the tract is offered for sale, exchange, or lease under this chapter; or~~
- (2) ~~the person pays the county treasurer an amount equal to the amount required to redeem the tract when the county was issued a deed for the tract under IC 6-1-1-25-4 before the sale, exchange, or lease under this chapter is executed by the county.~~

(c) If a person purchases, receives, or leases a tract that the person was not eligible to purchase, receive, or lease under this section, the sale, transfer, or lease of the property is void and the county retains the interest in the tract it possessed before the sale, transfer, or lease of the tract.

SECTION 13. IC 36-2-10-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 24. A county treasurer is not personally liable for any act or omission occurring in connection with the performance of the county treasurer's official duties, unless the act or omission constitutes gross negligence or an intentional disregard of the responsibilities of the office of county treasurer.**

SECTION 14. IC 36-2-11-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 7.5. A county recorder is not personally liable for the amount of a dishonored check, for penalties assessed against a dishonored check, or for financial institution charges relating to a dishonored check, if:**

- (1) **the check was tendered to the county recorder for the payment of a fee; and**
- (2) **the acceptance of the check was not an act or omission constituting gross negligence or an intentional disregard of the responsibilities of the office of county recorder.**

SECTION 15. IC 36-2-11-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 16. (a) This section does not apply to:

- (1) an instrument executed before November 4, 1943;
- (2) a judgment, order, or writ of a court;
- (3) a will or death certificate; or
- (4) an instrument executed or acknowledged outside Indiana.

(b) Whenever this section prescribes that the name of a person be printed, typewritten, or stamped immediately beneath his signature, the signature must be written on the instrument, directly preceding the printed, typewritten, or stamped name, and may not be superimposed on that name so as to render either illegible. However, the instrument may be received for record if the name and signature

are, in the discretion of the county recorder, placed on the instrument so as to render the connection between the two apparent.

(c) The recorder may receive for record an instrument only if:

- (1) the name of each person who executed the instrument is legibly printed, typewritten, or stamped immediately beneath his signature or the signature itself is printed, typewritten, or stamped;
- (2) the name of each witness to the instrument is legibly printed, typewritten, or stamped immediately beneath his signature or the signature itself is printed, typewritten, or stamped;
- (3) the name of each notary public whose signature appears on the instrument is legibly printed, typewritten, or stamped immediately beneath his signature or the signature itself is printed, typewritten, or stamped; and
- (4) the name of each person who executed the instrument appears identically in the body of the instrument, in the acknowledgment or jurat, in his signature, and beneath his signature;

or if subsection (d) is complied with.

(d) The recorder may receive for record an instrument that does not comply with subsection (c) if:

- (1) a printed or typewritten affidavit of a person with personal knowledge of the facts is recorded with the instrument;
- (2) the affidavit complies with this section;
- (3) the affidavit states the correct name of a person, if any, whose signature cannot be identified or whose name is not printed, typewritten, or stamped on the instrument as prescribed by this section; and
- (4) when the instrument does not comply with subsection (c)(4), the affidavit states the correct name of the person and states that each of the names used in the instrument refers to the person.

(e) The recorder may record a copy produced by a photographic process of any document presented for recording if:

- (1) the document complies with other statutory recording requirements; and
- (2) the copy is a clear, concise, and unobstructed copy.

All copies accepted for recording shall be marked as copies by the recorder.

(f) An instrument received and recorded by a county recorder is conclusively presumed to comply with this section.

**(g) The recorder may receive an instrument for record only if the recorder determines that the instrument is legible.**

SECTION 16. IC 36-4-8-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 15. Each city agency, board, commission, district, or other city entity shall file one (1) copy of that agency's, board's, commission's, district's, or entity's financial records with the city fiscal officer.**

SECTION 17. IC 36-5-4-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 14. Each town agency, board, commission, district, or other town entity shall file one copy of that agency's, board's, commission's, district's, or entity's financial records with the town fiscal officer."**

Page 5, between lines 35 and 36, begin a new paragraph and insert: "SECTION 19. IC 36-7-14-16.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 16.3. (a) After a resolution has been amended, approved, or disapproved under section 16 of this chapter by the plan commission or the body charged with developing a general plan, the plan commission or body shall submit the resolution to the municipal legislative body or the county executive.**

**(b) The redevelopment commission may not proceed with the acquisition of a blighted area until the resolution is finally approved by the municipal legislative body or county executive under section 17 or 17.3 of this chapter.**

SECTION 20. IC 36-7-14-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **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 municipal legislative body or the county executive** shall publish notice of the adoption and substance of the resolution of the **redevelopment commission** in accordance with IC 5-3-1. The notice must state that maps and plats have been prepared and can be inspected at the office of the department. The notice must also name a date when the **commission municipal legislative body or the county executive** will receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed project, and will determine the public utility and benefit of the proposed project. 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 **and the municipal legislative body or county executive** by the notice given under this section.

(b) A copy of the notice of the hearing on the proposed project 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 municipal legislative body or county executive** 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 municipal legislative body or county executive** 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 municipal legislative body or the county executive** 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 municipal legislative body or the county executive** 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 municipal legislative body or the county executive** shall take final action determining the public utility and benefit of the proposed project, and confirming, modifying and confirming, or rescinding the resolution. **Except as provided in section 17.3 of this chapter, the final action taken by the commission municipal legislative body or the county executive** 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 21. IC 36-7-14-17.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 17.3. (a) If the municipal legislative body or the county executive modifies or rescinds the resolution of the redevelopment**

**commission, the municipal legislative body or county executive shall return the resolution to the redevelopment commission for its consideration, with a written statement of the reasons for the modification or rescission.**

**(b) The redevelopment commission has sixty (60) days after receiving the statement under subsection (a) in which to consider the modification or rescission and to file a report with the municipal legislative body or county executive. However, the municipal legislative body or county executive may grant the redevelopment commission an extension of time, of a specified duration, in which to file its report. If the redevelopment commission approves the modification made by the municipal legislative body or county executive, the resolution stands as amended by the municipal legislative body or county executive as of the date of the filing of the redevelopment commission's report with the municipal legislative body or county executive. If the redevelopment commission disapproves the modification or rescission, the action of the municipal legislative body or county executive on the original modification or rescission stands only if confirmed by another resolution, adopted after notice and a hearing, of the municipal legislative body or county executive.**

**(c) If the redevelopment commission does not file a report with the municipal legislative body or county executive body within the time allotted under subsection (b), the action of the municipal legislative body or county executive in modifying or rescinding the resolution of the redevelopment commission becomes final.**

SECTION 22. IC 36-7-14-17.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 17.5. (a) The commission must conduct a public hearing before amending a resolution or plan for a redevelopment 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 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) In addition to the requirements of subsection (a), if the resolution or plan 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, send the notice required by subsection (a) by first class mail to affected neighborhood associations.

(e) In addition to the requirements of subsection (a), if the resolution or plan 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, send the notice required by subsection (a) 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 **submitted to the municipal legislative body or county executive for approval under section 17 of this chapter. A final decision of the municipal legislative body or county executive under section 17 or 17.3 of this chapter** is final and conclusive, except that an appeal of the ~~commission's action of the municipal legislative body or county executive~~ may be taken under section 18 of this chapter.

(h) 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 area, urban renewal area, or economic development area to qualify as an affected neighborhood association.

SECTION 23. IC 36-7-14-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 18. (a) A person who filed a written remonstrance with the ~~redevelopment commission~~ **municipal legislative body or the county executive** under section 17 of this chapter and is aggrieved by the final action taken may, within ten (10) days after that ~~final action has become final under section 17 or 17.3 of this chapter~~, file in the office of the clerk of the circuit or superior court a copy of the order of the ~~commission~~ **municipal legislative body or the county executive** and his remonstrance against that order, together with his bond conditioned to pay the costs of his appeal if the appeal is determined against him. The only ground of remonstrance that the court may hear is whether the proposed project will be of public utility and benefit. The burden of proof is on the remonstrator.

(b) An appeal under this section shall be promptly heard by the court without a jury. All remonstrances upon which an appeal has been taken shall be consolidated and heard and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances, and may confirm the final action of the commission or sustain the remonstrances. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

SECTION 24. IC 36-7-14-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 19. (a) If no appeal is taken or if an appeal is taken but is unsuccessful, the redevelopment commission shall proceed with ~~the a~~ **proposed project that has been approved by the municipal legislative body or the county executive** to the extent that money is available for that purpose.

(b) The redevelopment commission shall first approve and adopt a list of the real property and interests in real property to be acquired and the price to be offered to the owner of each parcel of interest. The prices to be offered may not exceed the average of two (2) independent appraisals of fair market value procured by the commission except that appraisals are not required in transactions with other governmental agencies. However, if the real property is less than five (5) acres in size and the fair market value of the real property or interest has been appraised by one (1) independent appraiser at less than ten thousand dollars (\$10,000), the second appraisal may be made by a qualified employee of the department of redevelopment. The prices indicated on the list may not be exceeded unless specifically authorized by the commission or ordered by a court in condemnation proceedings. The commission may except from acquisition any real property in the area if the commission finds that such an acquisition is not necessary under the redevelopment plan.

Appraisals made under this section are for the information of the commission and are not open for public inspection.

(c) Negotiations for the purchase of property may be carried on directly by the redevelopment commission, by its employees, or by expert negotiations, but no option, contract, or understanding relative to the purchase of real property is binding on the commission until approved and accepted by the commission in writing. The commission may authorize the payment of a nominal fee to bind an option and as a part of the consideration for conveyance may agree to pay the expense incident to the conveyance and determination of the title of the property. Payment for the property purchased shall be made when and as directed by the commission but only on delivery of proper instruments conveying the title or interest of the owner to the "City (Town or County) of \_\_\_\_\_ for the use and benefit of its department of redevelopment".

(d) All real property and interests in real property acquired by the redevelopment commission are free and clear of all liens, assessments, and other governmental charges except for current property taxes, which shall be prorated to the date of acquisition.

(e) Notwithstanding subsections (a) through (d), the redevelopment commission may, before the time referred to in this section, accept gifts of property needed for the redevelopment of blighted areas if the property is free and clear of all liens other than taxes, assessments, and other governmental charges. The commission may, before the time referred to in this section, take options on or contract for the acquisition of property needed for the redevelopment of blighted areas if the options and contracts are not binding on the commission or the district until the time referred to in this section and until money is available to pay the consideration set out in the options or contracts.

SECTION 25. IC 36-7-14-36 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 36. (a) In addition to all of the other powers, authority, and jurisdiction of a redevelopment commission operating under this chapter, a commission may undertake a neighborhood development program. A neighborhood development program may include one (1) or more contiguous or noncontiguous blighted, deteriorated, or deteriorating areas. These areas may include redevelopment or urban renewal project areas.

(b) Whenever the redevelopment commission finds that any area in the territory under their jurisdiction has become blighted, deteriorated, or deteriorating to an extent that cannot be corrected by regulatory processes or by the ordinary operations of private enterprise without resort to the provisions of this chapter, and that the public health and welfare would be benefited by the redevelopment or urban renewal of that area under this chapter, the commission shall prepare a description and map showing the boundaries of the area to be included in the neighborhood development program.

(c) After preparation of the description and map under subsection (b), the redevelopment commission shall adopt a resolution declaring, confirming, and delineating the general boundaries of the blighted, deteriorated, or deteriorating area, and of the parts of that area that are to be designated as redevelopment or urban renewal areas. However, an area may not be designated as a redevelopment or urban renewal area unless:

- (1) the required appraisals, maps, plats and plans have been prepared and all other requirements of this chapter are met; **and**
- (2) **the municipal legislative body or county executive has finally approved the resolution and the neighborhood development program, including any amendments, under section 17 or 17.3 of this chapter.**

(d) Areas designated as redevelopment or urban renewal areas under this section are considered to be redevelopment or urban renewal areas for all purposes of this chapter. Areas within the neighborhood development program area that are not so designated are not considered to be redevelopment or urban renewal areas until designated as such by an amendment to the neighborhood development plan, adopted in the same manner and with the same procedure as a declaratory and confirmatory resolution declaring an area blighted for redevelopment or urban renewal projects.

(e) The redevelopment commission may make studies, appraisals,

maps, plats, and plans of areas within the neighborhood development program area that have not been designated as redevelopment or urban renewal project areas. However, the commission may not acquire any land in those areas until the neighborhood development plan has been amended to designate that land as a part of an urban renewal or redevelopment project area.

(f) The redevelopment commission may amend the neighborhood development plan, in the manner prescribed by subsection (d), to include additional areas in the neighborhood development program areas, either generally or as urban renewal or redevelopment project areas.

(g) The redevelopment commission may apply for and accept advances, loans, grants, contributions, and any other forms of financial assistance from the federal government, may contract with the federal government for any costs arising from a neighborhood development program, or may otherwise contract with the federal government concerning a neighborhood development program, to the same extent as they may for urban renewal project areas.

SECTION 26. IC 36-7-14-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a blighted area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter **and finally approved under section 17 or 17.3 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 state board of tax commissioners, 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 blighted 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 state board of tax commissioners, 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 blighted 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 portion of the area added after June 30, 1995.

(6) If an allocation area established in a blighted area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded portion 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 **and finally approved under section 17 or 17.3 of this chapter** before January 1, 2006, 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 before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds

in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a portion 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:

(A) that part of twenty percent (20%) of each county's total county tax levy payable 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 property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

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

(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 state board of tax commissioners.

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

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission

may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 4-4-6.1, 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 portion 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 portion 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 state board of tax commissioners 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 state board of tax commissioners 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. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment 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 had not occurred. The state board of tax commissioners may prescribe procedures for county and township officials to follow to assist the state board in making the adjustments.

SECTION 27. IC 36-7-14-39.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 39.2. (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) As used in this section, "designated taxpayer" means any taxpayer designated by the commission in a declaratory resolution adopted or amended under section 15 or 17.5 of this chapter **and finally approved by the municipal legislative body or the county executive under section 17 or 17.3 of this chapter**, and with respect to which the commission finds that taxes to be derived from the taxpayer's depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are reasonably expected to exceed in one (1) or more future years the taxes to be derived from the taxpayer's real property in the allocation area in excess of the taxes attributable to the base assessed value of that real property.

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 39(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property of designated taxpayers, in accordance with the procedures and limitations set forth in this section and section 39 of this chapter. If such a modification is included in the resolution for purposes of section 39 of this chapter, the term "base assessed value" with respect to the depreciable personal property of designated taxpayers means the net assessed value of all the depreciable personal property as finally determined for the assessment date immediately preceding:

- (1) the effective date of the modification, for modifications adopted before July 1, 1995; and
- (2) the adoption date of the modification for modifications adopted after June 30, 1995;

as adjusted under section 39(h) of this chapter.

SECTION 28. IC 36-7-14-39.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 39.3. (a) As used in this section, "depreciable personal property" refers to:

- (1) all of the designated taxpayer's depreciable personal property that is located in the allocation area; and
- (2) all other depreciable property located and taxable on the designated taxpayer's site of operations within the allocation area.

(b) As used in this section, "designated taxpayer" means any taxpayer designated by the commission in a declaratory resolution adopted or amended under section 15 or 17.5 of this chapter **and finally approved by the municipal legislative body or the county executive under section 17 or 17.3 of this chapter**, and with respect to which the commission **and the municipal legislative body or the county executive** finds that taxes to be derived from the depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed to pay debt service or to provide security for bonds issued under section 25.1 of this chapter or to make payments or to provide security on leases payable under section 25.2 of this chapter in order to provide local public improvements for a particular allocation area. However, a commission **and a municipal legislative body or the county executive** may not designate a taxpayer after June 30, 1992, unless the commission **and the municipal legislative body or the county executive** also finds that:

- (1) the taxpayer's property in the allocation area will consist primarily of industrial, manufacturing, warehousing, research and development, processing, distribution, or transportation related projects; and
- (2) the taxpayer's property in the allocation area will not consist primarily of retail, commercial, or residential projects.

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 39(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of the

designated taxpayers in accordance with the procedures and limitations set forth in this section and section 39 of this chapter. If such a modification is included in the resolution, for purposes of section 39 of this chapter the term "base assessed value" with respect to the depreciable personal property means the net assessed value of all the depreciable personal property as finally determined for the assessment date immediately preceding:

- (1) the effective date of the modification, for modifications adopted before July 1, 1995; and
- (2) the adoption date of the modification for modifications adopted after June 30, 1995;

as adjusted under section 39(h) of this chapter.

SECTION 29. IC 36-8-9-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 7. (a) The board may provide that all appointments to the police department are probationary for a period not to exceed one (1) year.**

**(b) If the board finds, upon the recommendation of the chief of the department during the probationary period, that the conduct or capacity of a member is not satisfactory, the board shall notify the member in writing that the member is being suspended or that the member will not receive a permanent appointment.**

**(c) If a member is notified that the member will not receive a permanent appointment, the member's employment immediately ceases. Otherwise, at the expiration of the probationary period, the member is considered regularly employed."**

Page 7, between lines 32 and 33, begin a new paragraph and insert: "SECTION 31. IC 6-1.1-12-8 IS REPEALED [EFFECTIVE JULY 1, 2000]."

Renumber all SECTIONS consecutively.

(Reference is to HB 1008 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

STEVENSON, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Courts and Criminal Code, to which was referred House Bill 1030, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

DVORAK, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce and Economic Development, to which was referred House Bill 1037, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 15, after "association," insert "**a company including a limited liability company,**"

Page 2, between lines 32 and 33, begin a new paragraph and insert: "SECTION 3. IC 24-5-12-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 10. (a) This section does not apply to an issuer of a security or a subsidiary of an issuer of a security that has a class of securities that is subject to 15 U.S.C. 78l and that is either registered or exempt from registration under paragraph (A), (B), (C), (D), (E), (F), (G), or (H) of 15 U.S.C. 78l(g)(2).**

**(b) Before doing business in Indiana a seller must register with the division if the seller attempts a solicitation under which the seller offers an item or items where the total consideration has a value of more than one hundred dollars (\$100) and less than fifty thousand dollars (\$50,000).**

~~(b)~~ **(c) A person does business in Indiana if the person solicits:**

- (1) from a location in Indiana; or
- (2) a prospect who is located in Indiana."

Page 3, line 26, after "association," insert "**a company including a limited liability company,**"

Page 4, line 18, after "request." insert "**The fee imposed under this subsection may not exceed the division's actual costs in providing the listing to a telephone solicitor.**"

Page 5, line 12, after "seller" delete "or" and insert ",".

Page 5, line 12, after "lessor" insert "**, purchaser, or lessee**".

Page 5, line 12, after "of" insert "**real**".

Page 5, line 13, delete "when the call is made in response to a yard sign or other" and insert ".".

Page 5, delete line 14.

Page 7, line 17, after "chapter." insert "**In all communications notifying Indiana residents of the rights and duties created by this chapter, the division shall also include information, in the same size and style of type used throughout the communication, concerning:**

**(1) alternative listings or do-not-call services that are available to Indiana residents; and**

**(2) the costs, if any, of those alternative listings or services."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1037 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 2.

BOTTORFF, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, Corporations and Small Business, to which was referred House Bill 1188, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 35, after ";" insert "**or**".

Page 3, line 36, delete "; or" and insert ".".

Page 3, delete line 37.

(Reference is to HB 1188 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

FRY, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, Corporations and Small Business, to which was referred House Bill 1293, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 7, nays 4.

FRY, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, Corporations and Small Business, to which was referred House Bill 1334, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective date in SECTION 1 with "[EFFECTIVE UPON PASSAGE]".

Page 2, after line 37, begin a new paragraph and insert:

"SECTION 2. **An emergency is declared for this act.**"

(Reference is to HB 1334 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 0.

FRY, Chair

Report adopted.

**OTHER BUSINESS ON THE SPEAKER'S TABLE**

**Referrals to Ways and Means**

The Speaker announced, pursuant to House Rule 127, that House Bill 1025 had been referred to the Committee on Ways and Means.

**MESSAGE FROM THE SENATE**

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolutions 9 and 10 and the same are herewith returned to the House.

CAROLYN J. TINKLE  
Secretary of the Senate

**HOUSE MOTION**

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three coauthors and that Representative Hasler be added as coauthor of House Bill 1008

AYRES

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representative Ruppel be added as coauthor of House Bill 1015.

COOK

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three coauthors and that Representative M. Young be added as coauthor of House Bill 1018

GRUBB

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three coauthors and that Representative Hasler be added as coauthor of House Bill 1029

STEELE

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representative Liggett be added as coauthor of House Bill 1043.

STILWELL

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three coauthors and that Representatives Liggett, J. Lutz, McClain, and Yount be added as coauthors of House Bill 1045

HASLER

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representatives Hasler and Budak be added as coauthors of House Bill 1050.

LIGGETT

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representatives Kuzman, Dillon, and Crooks be added as coauthors of House Bill 1051.

THOMPSON

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representatives Budak and Kuzman be added as coauthors of House Bill 1061.

HASLER

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representative Steele be added as coauthor of House Bill 1064.

DENBO

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representatives Hasler and Dvorak be added as coauthors of House Bill 1070.

FOLEY

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representative Dillon be added as coauthor of House Bill 1076.

LEUCK

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representative Stilwell be added as coauthor of House Bill 1096.

L. LAWSON

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representative Dillon be added as coauthor of House Bill 1099.

MELLINGER

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three coauthors and that Representative Weinzapfel be added as coauthor of House Bill 1100

CHENEY

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representatives Ayres, Hasler, and Becker be added as coauthors of House Bill 1105.

CHENEY

Motion prevailed.

**HOUSE MOTION**

Mr. Speaker: I move that Representative Grubb be added as coauthor of House Bill 1114.

DILLON

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representative Bosma be added as coauthor of House Bill 1122.

KERSEY

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representative Bischoff be added as coauthor of House Bill 1138.

DUNCAN

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three coauthors and that Representative Goeglein be added as coauthor of House Bill 1141

BUDAK

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

## HOUSE MOTION

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three coauthors and that Representatives Cheney, Pelath, and Fry be added as coauthors of House Bill 1142

STEVENSON

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representatives Liggett, D. Young, and Kruse be added as coauthors of House Bill 1145.

AVERY

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representative Herrell be added as coauthor of House Bill 1150.

FRY

## HOUSE MOTION

Mr. Speaker: I move that Representative Friend be added as coauthor of House Bill 1155.

BISCHOFF

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representative Dillon be added as coauthor of House Bill 1160.

MELLINGER

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representatives Dillon and Leuck be added as coauthors of House Bill 1174.

POND

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representatives Ayres and Tincher be added as coauthors of House Bill 1182.

KERSEY

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representatives C. Brown, Ulmer, and M. Smith be added as coauthors of House Bill 1189.

FRY

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representatives D. Brown and Budak be added as coauthors of House Bill 1197.

BECKER

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three coauthors and that Representatives Cherry and T. Adams be added as coauthors of House Bill 1216

DOBIS

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representatives Wolkins and Oxley be added as coauthors of House Bill 1223.

MOSES

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representative Alderman be added as coauthor of House Bill 1228.

MOSES

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representative Kruzan be added as coauthor of House Bill 1276.

GIA QUINTA

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representative Fry be added as coauthor of House Bill 1293.

RUPPEL

Motion prevailed.

## HOUSE MOTION

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three coauthors and that Representatives Crooks, Fry, Stilwell, Hasler, Bodiker, and Crosby be added as coauthors of House Bill 1321

PELATH

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

## HOUSE MOTION

Mr. Speaker: I move that Representative Summers be added as coauthor of House Bill 1322.

PELATH

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Scholer be added as coauthor of House Bill 1327.

KRUZAN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Goeglein be added as coauthor of House Bill 1329.

KRUZAN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that House Rule 106.1 be suspended for the purpose of adding more than three coauthors and that Representatives Becker, Ayres, Crawford, Budak, Klinker, Kruse, Kuzman, and Ruppel be added as coauthors of House Bill 1394

HASLER

The motion, having been seconded by a constitutional majority and carried by a two-thirds vote of the members, prevailed.

HOUSE MOTION

Mr. Speaker: I move that the Committee on Rules and Legislative Procedures be removed as author of House Bill 1422 and that Representative Bardon be added as author.

MOSES, Chair

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Bauer the House adjourned at 5:15 p.m., this eighteenth day of January, 2000, until Wednesday, January 19, 2000, at 1:30 p.m.

JOHN R. GREGG

Speaker of the House of Representatives

LEE SMITH

Principal Clerk of the House of Representatives