Journal of the House

State of Indiana

114th General Assembly — Second Regular Session

Eleventh Meeting Day — **Wednesday Afternoon** — **January 25, 2006**

The House convened at 1:30 p.m. with Speaker Brian C. Bosma in the Chair.

The Pledge of Allegiance to the Flag was led by Representative David N. Frizzell.

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

Aguilera
Austin
Avery
Ayres
Bardon
Bauer
Behning
Bell
Bischoff
Borders
Borror
C. Bottorff
Bright
C. Brown
T. Brown
Buck
Budak
Buell
Burton
Cheney
Cherry
Cochran
Crawford
Crooks
Crouch
Davis
Day
Denbo
Dickinson
Dobis
Dodge
Duncan
Dvorak
Espich
Foley
Friend
Frizzell
Fry
GiaQuinta
Goodin
Grubb
Gutwein
E. Harris
T. Harris
Heim
Hinkle
Hoffman
Hoy
Kersey
Klinker
Koch
Kromkowski
Kuzman
L. Lawson
Lehe
Leonard
J. Lutz
Mahern
Mays
McClain
Messer
Micon
Moses
Murphy
Neese
Noe
Orentlicher
Oxley
Pelath
Pflum
Pierce
Pond
Porter
Reske
Richardson ⏏
Ripley
Robertson
Ruppel
Saunders
J. Smith ⏏
V. Smith
Stevenson
Stilwell
Stutzman
Summers
Thomas
Thompson
Tincher
Torr
Turner
Tyler
Ulmer
VanHaaften
Walorski
Welch
Whetstone
Wolkins
Woodruff
Yount
Mr. Speaker

Roll Call 39: 98 present; 2 excused. The Speaker announced a quorum in attendance. [*NOTE*: ⏏ *indicates those who were excused*.]

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Bills 2, 12, 41, 60, 73, 87, 88, 133, 147, 154, 168, 208, 234, 245, 246, 258, 260, 295, 296, 310, 355, and 362 and the same are herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Engrossed Senate Bill 114 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolution 20 and the same is herewith returned to the House.

MARY C. MENDEL
Principal Secretary of the Senate

HOUSE BILLS ON SECOND READING

House Bill 1010

The Speaker handed down for second reading House Bill 1010. The bill was reread a second time by title. The motion of Representative Thompson (1010-12) was pending.

Representative Thompson withdrew the motion.

HOUSE MOTION

Mr. Speaker: I move, pursuant to House Rule 86, that House Bill 1010 be made a special order of business for Wednesday, January 25, 2006, at 5:30 p.m.

WOLKINS

Motion prevailed; House Bill 1010 was made a special order of business.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1081, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 21, nays 0.

ESPICH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1097, 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 the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 27-1-15.7-2, AS AMENDED BY P.L.60-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) Except as provided in subsection (b), to renew a license issued under IC 27-1-15.6:

(1) a resident insurance producer must complete at least forty (40) hours of credit in continuing education courses; and

(2) a resident limited lines producer must complete at least ten (10) hours of credit in continuing education courses.

An attorney in good standing who is admitted to the practice of law in Indiana and holds a license issued under IC 27-1-15.6 may complete all or any number of hours of continuing education required by this subsection by completing an equivalent number of hours in continuing legal education courses that are related to the business of insurance.

(b) To renew a license issued under IC 27-1-15.6, a limited lines producer with a title qualification under IC 27-1-15.6-7(a)(8) must complete at least fourteen (14) hours of credit in continuing education courses related to the business of title insurance with at least one (1) hour of instruction in a structured setting or comparable self-study in each of the following:

(1) Ethical practices in the marketing and selling of title insurance.

(2) Title insurance underwriting.

(3) Escrow issues.

(4) Principles of the federal Real Estate Settlement Procedures Act (12 U.S.C. 2608).

An attorney in good standing who is admitted to the practice of law in Indiana and holds a license issued under IC 27-1-15.6 with a title qualification under IC 27-1-15.6-7(a)(8) may complete all or any number of hours of continuing education required by this subsection by completing an equivalent number of hours in continuing legal education courses related to the business of title insurance or any aspect of real property law.

(c) The following insurance producers are not required to complete continuing education courses to renew a license under this chapter:

(1) A limited lines producer who is licensed without examination under IC 27-1-15.6-18(1) or IC 27-1-15.6-18(2).

(2) A limited line credit insurance producer.

(3) An insurance producer who is at least seventy (70) years of age and has been a licensed insurance producer continuously for at least twenty (20) years immediately preceding the license renewal date.

(d) To satisfy the requirements of subsection (a) or (b), a licensee may use only those credit hours earned in continuing education courses completed by the licensee:

(1) after the effective date of the licensee's last renewal of a license under this chapter; or

(2) if the licensee is renewing a license for the first time, after the date on which the licensee was issued the license under this chapter.

(e) If an insurance producer receives qualification for a license in more than one (1) line of authority under IC 27-1-15.6, the insurance producer may not be required to complete a total of more than forty (40) hours of credit in continuing education courses to renew the license.

(f) Except as provided in subsection (g), a licensee may receive credit only for completing continuing education courses that have been approved by the commissioner under section 4 of this chapter.

(g) A licensee who teaches a course approved by the commissioner under section 4 of this chapter shall receive continuing education credit for teaching the course.

(h) When a licensee renews a license issued under this chapter, the licensee must submit:

(1) a continuing education statement that:

(A) is in a format authorized by the commissioner;

(B) is signed by the licensee under oath; and

(C) lists the continuing education courses completed by the licensee to satisfy the continuing education requirements of this section; and

(2) any other information required by the commissioner.

(i) A continuing education statement submitted under subsection (h) may be reviewed and audited by the department.

(j) A licensee shall retain a copy of the original certificate of completion received by the licensee for completion of a continuing education course.

(k) A licensee who completes a continuing education course that:

(1) is approved by the commissioner under section 4 of this chapter;

(2) is held in a classroom setting; and

(3) concerns ethics;

shall receive continuing education credit for the number of hours for which the course is approved plus additional hours, not to exceed two (2) hours in a renewal period, equal to the number of hours for which the course is approved.

SECTION 2. IC 27-1-15.7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) As used in this section, "council" refers to the insurance producer education and continuing education advisory council created under subsection (b).

(b) The insurance producer education and continuing education advisory council is created within the department. The council consists of the commissioner and ~~thirteen (13)~~ **fifteen (15)** members appointed by the governor as follows:

(1) Two (2) members recommended by the Professional Insurance Agents of Indiana.

(2) Two (2) members recommended by the Independent Insurance Agents of Indiana.

(3) Two (2) members recommended by the Indiana Association of Insurance and Financial Advisors.

(4) Two (2) members recommended by the Indiana State Association of Health Underwriters.

~~(4)~~ **(5)** Two (2) representatives of direct writing or exclusive producer's insurance companies.

~~(5)~~ **(6)** One (1) representative of the Association of Life Insurance Companies.

~~(6)~~ **(7)** One (1) member recommended by the Insurance Institute of Indiana.

~~(7)~~ **(8)** One (1) member recommended by the Indiana Land Title Association.

~~(8)~~ **(9)** Two (2) other individuals.

(c) Members of the council serve for a term of three (3) years. Members may not serve more than two (2) consecutive terms.

(d) Before making appointments to the council, the governor must:

(1) solicit; and

(2) select appointees to the council from;

nominations made by organizations and associations that represent individuals and corporations selling insurance in Indiana.

(e) The council shall meet at least semiannually.

(f) A member of the council is entitled to the minimum salary per diem provided under IC 4-10-11-2.1(b). A member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the state department of administration and approved by the state budget agency.

(g) The council shall review and make recommendations to the commissioner with respect to course materials, curriculum, and credentials of instructors of each prelicensing course of study for which certification by the commissioner is sought under section 5 of this chapter and shall make recommendations to the commissioner with respect to educational requirements for insurance producers.

(h) A member of the council or designee of the commissioner shall be permitted access to any classroom while instruction is in progress to monitor the classroom instruction.

(i) The council shall make recommendations to the commissioner concerning the following:

(1) Continuing education courses for which the approval of the commissioner is sought under section 4 of this chapter.

(2) Rules proposed for adoption by the commissioner that would affect continuing education.".

Page 2, line 7, after "6." insert "**(a)**".

Page 2, between lines 12 and 13, begin a new paragraph and insert:

"**(b) The term does not include the following:**

(1) An insurance company, or an affiliate of an insurance company, that is regulated under this title.

(2) A health maintenance organization, or an affiliate of a

health maintenance organization, that is regulated under this title.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1097 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

T. BROWN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy and Veterans Affairs, to which was referred House Bill 1250, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

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

"SECTION 1. IC 7.1-1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. ~~Construction.~~ **(a)** This title is an exercise of the police powers of the state.

(b) The classifications and differentiations made in this title are real and are actually and substantially related to the accomplishment of the purposes of this title.

(c) The provisions of this title shall be ~~liberally construed so as to effectuate the purposes of this title.~~ **strictly construed. The words used in this title shall be interpreted according to their literal meanings.**

(d) In accordance with IC 1-1-1-8, if any provision of this title is held to be invalid or unconstitutional, it is the intention of the state that the remaining provisions of this title shall be construed to:

(1) further limit rather than expand commerce in alcoholic beverages; and

(2) maintain a transparent and accountable three (3) tier system of alcoholic beverage distribution by a person with a substantial presence in Indiana.".

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 17.

Page 2, delete lines 26 through 42, begin a new paragraph and insert:

"SECTION 3. IC 7.1-3-1-14, AS AMENDED BY P.L.224-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. (a) It is lawful for an appropriate permittee, unless otherwise specifically provided in this title, to sell alcoholic beverages each day Monday through Saturday from 7 a.m., prevailing local time, until 3 a.m., prevailing local time, the following day. Sales shall cease wholly on Sunday at 3 a.m., prevailing local time, and not be resumed until the following Monday at 7 a.m., prevailing local time.

(b) It is lawful for the holder of a retailer's permit to sell the appropriate alcoholic beverages for consumption on the licensed premises only on Sunday from 10 a.m., prevailing local time, until 12:30 a.m., prevailing local time, the following day.

(c) It is lawful for the holder of a permit under this article to sell alcoholic beverages at athletic or sports events held on Sunday upon premises that:

(1) are described in section 25(a) of this chapter;

(2) are a facility used in connection with the operation of a paved track more than two (2) miles in length that is used primarily in the sport of auto racing; or

(3) are being used for a professional or an amateur tournament;

beginning one (1) hour before the scheduled starting time of the event or, if the scheduled starting time of the event is 1 p.m. or later, beginning at noon.

(d) It is lawful for the holder of a valid beer, wine, or liquor wholesaler's permit to sell to the holder of a valid retailer's or dealer's permit at any time.

(e) Notwithstanding subsection (b), if December 31 (New Year's Eve) is on a Saturday, it is lawful for the holder of a supplemental retailer's permit to sell the appropriate alcoholic beverages on Sunday, January 1 from the time provided in subsection (b) until 3 a.m. the following day.

SECTION 4. IC 7.1-3-1-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 25. (a) A city or county listed in this subsection that by itself or in combination with any other municipal body acquires by ownership or by lease any stadium, exhibition hall, auditorium, theater, convention center, or civic center may permit the retail sale of alcoholic beverages upon the premises if the governing board of the facility first applies for and secures the necessary permits as required by this title. The cities and counties to which this subsection applies are as follows:

(1) A consolidated city or its county.

(2) A city of the second class.

(3) A county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000).

(4) A county having a population of more than one hundred seventy thousand (170,000) but less than one hundred eighty thousand (180,000).

(5) A county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

(6) A county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000).

(7) A city having a population of more than five thousand one hundred thirty-five (5,135) but less than five thousand two hundred (5,200).

(8) A county having a population of more than one hundred twenty thousand (120,000) but less than one hundred thirty thousand (130,000).

(9) A county having a population of more than one hundred eighty thousand (180,000) but less than one hundred eighty-two thousand seven hundred ninety (182,790).

(b) A county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000) or a township located in such a county that has established a public park with a golf course within its jurisdiction under IC 36-10-3 or IC 36-10-7 may be issued a permit for the retail sale of alcoholic beverages on the premises of any community center within the park, including a clubhouse, social center, or pavilion.

(c) A township that:

(1) is located in a county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000); and

(2) acquires ownership of a golf course;

may permit the retail sale of alcoholic beverages upon the premises of the golf course, if the governing board of the golf course first applies for and secures the necessary permits required by this title.

(d) A township:

(1) having a population of more than thirty-five thousand (35,000) but less than one hundred thousand (100,000); and

(2) located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000);

may be issued a permit for the retail sale of alcoholic beverages on the premises of any community center or social center that is located within the township and operated by the township.

(e) A city that

~~(1) has a population of:~~

~~(A) more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000); or~~

~~(B) more than forty-six thousand five hundred (46,500) but less than fifty thousand (50,000); and~~

~~(2)~~ owns a golf course

may permit the retail sale of alcoholic beverages upon the premises of the golf course if the governing board of the golf course first applies for and secures the necessary permits required by this title.

(f) A city that:

(1) has a population of more than thirty-two thousand (32,000) but less than thirty-two thousand eight hundred (32,800); and

(2) owns or leases a marina;

may permit the retail sale of alcoholic beverages upon the premises of the marina, if the governing board of the marina first applies for and secures the necessary permits required by this title. The permit may include the carryout sale of alcoholic beverages in accordance

with IC 7.1-3-4-6(c), IC 7.1-3-9-9(c), IC 7.1-3-14-4(c), and 905 IAC 1-29 but may not include at-home delivery of alcoholic beverages.

(g) A city listed in this subsection that owns a marina may be issued a permit for the retail sale of alcoholic beverages on the premises of the marina. The permit may include the carryout sale of alcoholic beverages in accordance with IC 7.1-3-4-6(c), IC 7.1-3-9-9(c), IC 7.1-3-14-4(c), and 905 IAC 1-29 but may not include at-home delivery of alcoholic beverages. However, the city must apply for and secure the necessary permits that this title requires. This subsection applies to the following cities:

(1) A city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).

(2) A city having a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000).

(3) A city having a population of more than thirty-two thousand eight hundred (32,800) but less than thirty-three thousand (33,000).

(4) A city having a population of more than thirty-three thousand (33,000) but less than thirty-six thousand (36,000).

(5) A city having a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand four hundred (27,400).

(h) Notwithstanding subsection (a), the commission may issue a civic center permit to a person that:

(1) by the person's self or in combination with another person is the proprietor, as owner or lessee, of an entertainment complex; or

(2) has an agreement with a person described in subdivision (1) to act as a concessionaire for the entertainment complex for the full period for which the permit is to be issued.

SECTION 5. IC 7.1-2-3-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 16. (a) The commission shall have the power to regulate and prohibit advertising, signs, displays, posters, and designs intended to advertise an alcoholic beverage or the place where alcoholic beverages are sold.

(b) The commission shall not exercise the prohibition power contained in subsection (a), as to any advertisement appearing in a newspaper which:

(1) is published at least once a week;

(2) regularly publishes information of current news interest to the community; and

(3) circulates generally to the public in any part of this state, regardless of where printed.

However, a newspaper shall not include publications devoted to special interests such as labor, religious, fraternal, society, or trade publications or journals, or publications owned or issued by political organizations or parties.

(c) The commission shall not exercise the prohibition power contained in subsection (a) as to any advertisement broadcast over duly licensed radio and television stations.

(d) All advertisements relating to alcoholic beverages, whether published in a newspaper or broadcast over radio or television, shall conform to the rules and regulations of the commission.

(e) The commission shall not exercise the prohibition power contained in subsection (a) as to advertising in the official program of the Indianapolis 500 Race or the Madison Regatta, Inc., Hydroplane Race.

(f) Notwithstanding any other law, the commission may not prohibit the use of an illuminated sign advertising alcoholic beverages by brand name that is displayed within the interior or on the exterior of the premises covered by the permit, regardless of whether the sign is illuminated constantly or intermittently. However, it is unlawful for a primary source of supply or a wholesaler of alcoholic beverages to sell, give, supply, furnish, or grant to, or maintain for, a retail or dealer permittee an illuminated advertising sign **in a manner that violates the trade practice restrictions of the commission or this title.** ~~It is unlawful for a retail or dealer permittee to receive, accept, display, or permit to be displayed, an illuminated advertising sign sold, given, supplied, furnished, granted, or maintained in violation of this subsection.~~

(g) The commission may not prohibit the advertisement of:

(1) alcoholic beverages; or

(2) a place where alcoholic beverages may be obtained;

in a program, scorecard, handbill, throw-away newspaper, or menu; however, those advertisements must conform to the rules of the commission.

SECTION 6. IC 7.1-3-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. ~~Application.~~ The commission may issue a brewer's permit to a person who desires to commercially manufacture beer **in Indiana.**

SECTION 7. IC 7.1-3-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) Except as provided in subsection (b), the commission may issue a brewer's permit only to:

(1) an individual;

(2) a partnership ~~all the partners of which are bona fide residents of Indiana;~~ **domiciled in or admitted to do business in Indiana;**

(3) a limited liability company ~~all the members of which are bona fide residents of~~ **domiciled in or admitted to do business in** Indiana; or

(4) a corporation ~~organized and existing under the laws of~~ **domiciled in or admitted to do business in** Indiana. ~~and having authority under its charter to manufacture or sell beer.~~

(b) The commission may issue a brewer's permit to a brewer for a brewery that manufactures not more than twenty thousand (20,000) barrels of beer in a calendar year to:

(1) an individual;

(2) a partnership ~~organized and existing under the laws of~~ **domiciled in or admitted to do business in** Indiana;

(3) a limited liability company ~~organized and existing under the laws of~~ **domiciled in or admitted to do business in** Indiana; or

(4) a corporation ~~organized and existing under the laws of~~ **domiciled in or admitted to do business in** Indiana.

SECTION 8. IC 7.1-3-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do **only** the following:

(1) Manufacture beer.

(2) Place beer in containers or bottles.

(3) Transport beer.

(4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.

(5) If the brewer's brewery manufactures not more than twenty thousand (20,000) barrels of beer in a calendar year, do the following:

(A) Sell and deliver beer to a person holding a retailer or a dealer permit under this title.

(B) Be the proprietor of a restaurant.

(C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).

(D) Transfer beer directly from the brewery to the restaurant by means of:

(i) bulk containers; or

(ii) a continuous flow system.

(E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.

(F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.

(G) Sell the brewery's beer by the glass for consumption on the premises. Brewers permitted to sell beer by the glass under this clause must furnish the minimum food requirements prescribed by the commission.

(6) If the brewer's brewery manufactures more than twenty thousand (20,000) barrels of beer in a calendar year, own a portion of the corporate stock of another brewery that:

(A) is located in the same county as the brewer's brewery;

(B) manufactures less than twenty thousand (20,000) barrels of beer in a calendar year; and

(C) is the proprietor of a restaurant that operates under subdivision (5).

~~(7) Sell and deliver beer to a consumer at the plant of the brewer or at the residence of the consumer. The delivery to a consumer shall be made only in a quantity at any one (1) time of not more than one-half (1/2) barrel, but the beer may be contained in bottles or other permissible containers.~~

~~(8)~~ **(7)** Provide complimentary samples of beer that are:

(A) produced by the brewer; and

(B) offered to consumers for consumption on the brewer's premises.

~~(9)~~ **(8)** Own a portion of the corporate stock of a sports corporation that:

(A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and

(B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.

~~(10)~~ **(9)** For beer described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the beer on the licensed premises; and

(B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 9. IC 7.1-3-5-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 4. (a) A holder of a beer dealer permit must have at least one (1) employee who:**

(1) works on the licensed premises; and

(2) holds an employee's permit under IC 7.1-3-18-9.

(b) Beginning January 1, 2007, a holder of a beer dealer permit must ensure that a sales clerk working on the licensed premises receives training approved by the commission and provided by an employee described in subsection (a).

(c) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 10. IC 7.1-3-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. ~~Persons Eligible for Permits.~~ The commission may issue a temporary beer permit to a person who is qualified to hold a beer retailer's permit and who has such other qualifications as the commission may prescribe by a provisional order until it adopts a rule or regulation on the matter. However, the special disqualifications listed in ~~IC 1971, 7.1-3-4-2(c), (h), and (m) and the residency requirements provided in IC 1971, 7.1-3-21-3,~~ **IC 7.1-3-4-2(a)(3), IC 7.1-3-4-2(a)(8), and IC 7.1-3-4-2(a)(13)** shall not apply to an applicant for a temporary beer permit.

SECTION 11. IC 7.1-3-10-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 14. (a) This section does not apply to a package liquor store.**

(b) Beginning January 1, 2007, and except as provided in subsection (c), a holder of a liquor dealer permit must display liquor for sale in a clearly designated area that forbids the presence of a minor unless the minor is accompanied by a parent or guardian who is at least twenty-one (21) years of age. Other alcoholic beverages may be displayed in a designated area where liquor is displayed under this subsection.

(c) The holder of a liquor dealer permit is not required to comply with subsection (b) if the holder of the liquor dealer permit:

(1) displays liquor in an area that does not exceed twenty-five (25) linear feet; and

(2) uses at least one (1) of the following security measures:

(A) The liquor is displayed behind a retail counter or in a locked display case.

(B) Each bottle of liquor for sale on the licensed premises has a security cap.

(C) The liquor is displayed adjacent to a pharmacy counter.

(d) Liquor may not be displayed within thirty (30) feet of a public entrance of a licensed premises.

(e) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 12. IC 7.1-3-10-15 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 15. (a) This section does not apply to a package liquor store.**

(b) A holder of a liquor dealer permit must have at least one (1) employee who:

(1) works on the licensed premises; and

(2) holds an employee's permit under IC 7.1-3-18.

(c) Beginning January 1, 2007, a holder of a liquor dealer permit must ensure that a sales clerk working on the licensed premises receives training approved by the commission and provided by an employee described in subsection (a).

(d) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 13. IC 7.1-3-15-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 4. (a) A holder of a wine dealer permit must have at least one (1) employee who:**

(1) works on the licensed premises; and

(2) holds an employee's permit under IC 7.1-3-18.

(b) Beginning January 1, 2007, a holder of a wine dealer permit must ensure that a sales clerk working on the licensed premises receives training approved by the commission and provided by an employee described in subsection (a).

(c) The commission may adopt rules under IC 4-22-2 to implement this section.".

Delete pages 3 through 4.

Page 5, delete lines 1 through 3.

Page 5, line 39, strike "An applicant is not entitled to" and insert "**The commission may not issue**".

Page 5, line 39, strike "if:".

Page 5, line 40, strike "(1) the" and insert "**to an**".

Page 5, line 40, after "applicant" insert "**while the applicant**".

Page 5, run in lines 39 through 40.

Page 5, line 42, after "parole" delete ";" and insert ".".

Page 6, line 1, strike "(2) the", begin a new paragraph and insert: "**(g) The commission may not issue an employee's permit to an**".

Page 6, line 1, after "applicant" insert "**who**".

Page 6, line 1, strike "more than one (1) but less than three (3)" and insert "**two (2)**".

Page 6, line 2, strike "and less".

Page 6, strike lines 3 through 4.

Page 6, line 5, strike "intoxicated, including any term of probation or parole; or" and insert "**if:**

(1) the first conviction occurred less than ten (10) years before the date of the applicant's application for the permit; and

(2) the applicant completed the sentence for the second conviction, including any term of probation or parole, less than two (2) years before the date of the applicant's application for the permit.".

Page 6, line 6, strike "(3) the", begin a new paragraph and insert: "**(h) If an**".

Page 6, line 6, after "applicant" insert "**for an employee's permit**".

Page 6, line 7, delete "intoxicated." and insert "intoxicated, **and the applicant completed the sentence for the most recent conviction at least ten (10) years before the date of the applicant's application for the permit, the commission may grant or deny the issuance of the permit.**".

Page 6, line 8, strike "(g)" and insert "**(i)**".

Page 6, line 12, strike "becomes ineligible for the issuance of an".

Page 6, line 13, strike "employee's permit under subsection (f)." and insert "**is convicted of operating while intoxicated after the issuance of the permit.**".

Page 6, delete lines 19 through 42, begin a new paragraph and insert:

"SECTION 15. IC 7.1-3-20-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. ~~Clubs. General Requirements.~~ **(a)** In order to be considered a "club" within the meaning of this title and to be eligible to receive an appropriate club permit under this title, an association or corporation shall meet the following requirements:

~~(a)~~ **(1)** It shall have been organized in good faith under authority of law.

~~(b)~~ **(2)** It shall have been in active, continuous existence for at least three (3) years prior to the date the application for the permit is filed.

~~(c)~~ **(3)** It shall have maintained, in good faith, a membership roll for the three (3) year period.

~~(d)~~ **(4)** It shall have a paid-up membership of more than fifty (50) members at the time the application is filed.

~~(e)~~ **(5)** It shall be the owner, lessee, or occupant of an establishment operated solely for objects of a national, social, patriotic, political, or athletic nature, or the like.

~~(f)~~ **(6)** It shall not be operated for pecuniary gain.

~~(g)~~ **(7)** The property and the advantages of the organization shall belong to its members. ~~and~~

~~(h)~~ **(8)** It shall maintain an establishment provided with special space and ~~accomodations~~ **accommodations** where, in consideration of payment, food, with or without lodging, is habitually served.

(b) An association or a corporation located within a consolidated city is considered a club if the association or corporation:

(1) has held an annual bingo license issued by the state for at least ten (10) consecutive years;

(2) has been in existence in Indiana for at least twenty-five (25) years;

(3) does not allow a person less than eighteen (18) years of age to be a member, guest, worker, or operator; and

(4) complies with subsection (a)(1), (a)(2), (a)(5), (a)(6), and (a)(8).

SECTION 16. IC 7.1-3-20-16, AS AMENDED BY P.L.155-2005, SECTION 1, AS AMENDED BY P.L.214-2005, SECTION 48, AND AS AMENDED BY P.L.224-2005, SECTION 16, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 16. (a) A permit that is authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.

(b) The commission may issue a three-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant facility in the passenger terminal complex of a publicly owned airport which is served by a scheduled commercial passenger airline certified to enplane and deplane passengers on a scheduled basis by a federal aviation agency. A permit issued under this subsection shall not be transferred to a location off the airport premises.

(c) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a redevelopment project consisting of a building or group of buildings that:

(1) was formerly used as part of a union railway station;

(2) has been listed in or is within a district that has been listed in the federal National Register of Historic Places maintained pursuant to the National Historic Preservation Act of 1966, as amended; and

(3) has been redeveloped or renovated, with the redevelopment or renovation being funded in part with grants from the federal, state, or local government.

A permit issued under this subsection shall not be transferred to a location outside of the redevelopment project.

(d) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant:

(1) on land; or

(2) in a historic river vessel;

within a municipal riverfront development project funded in part with state and city money. A permit issued under this subsection may not be transferred.

(e) The commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a renovation project consisting of a building that:

(1) was formerly used as part of a passenger and freight railway station; and

(2) was built before 1900.

The permit authorized by this subsection may be issued without regard to the proximity provisions of IC 7.1-3-21-11.

(f) The commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption at a cultural center for the visual and performing arts to a town that:

(1) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); and

(2) has a population of more than twenty thousand (20,000) but less than twenty-three thousand (23,000).

(g) After June 30, 2005, the commission may issue not more than ten (10) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets the following requirements:

(1) The district has been listed in the National Register of Historic Places maintained under the National Historic Preservation Act of 1966, as amended.

(2) A county courthouse is located within the district.

(3) A historic opera house listed on the National Register of Historic Places is located within the district.

(4) A historic jail and sheriff's house listed on the National Register of Historic Places is located within the district.

The legislative body of the municipality in which the district is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. An applicant is not eligible for a permit if, less than two (2) years before the date of the application, the applicant sold a retailer's permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this section or within five hundred (500) feet of the district. A permit issued under this subsection shall not be transferred. The cost of an initial permit issued under this subsection is six thousand dollars ($6,000).

~~(g)~~ **(h)** *The commission may issue a three-way permit for the sale of alcoholic beverages for on premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in:*

(1) a town with a population of more than twenty thousand (20,000); or

(2) a city with a population of more than twenty-seven thousand (27,000) but less than twenty-seven thousand four hundred (27,400);

located in a county having a population of more than ninety thousand (90,000) but less than one hundred thousand (100,000). The commission may issue not more than five (5) licenses under this section to premises within a municipality described in subdivision (1) and not more than five (5) licenses to premises within a municipality described in subdivision (2). The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars ($35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars ($1,350). Before the district expires, a permit issued under this subsection may not be transferred. After the district expires, a permit issued under this subsection may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(i) After June 30, 2006, the commission may issue not more than ten (10) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets all of the following requirements:

(1) The district is within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14.

(2) A unit of the National Park Service is partially located within the district.

(3) A international deep water seaport is located within the district.

The legislative body of the municipality in which the district is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. An applicant is not eligible for a permit under this subsection if, less than two (2) years before the date of the application, the applicant sold a retailers' permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this subsection or within five hundred (500) feet of the district. A permit issued under this subsection may not be transferred. If the commission issues ten (10) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed ten (10) at any time. The cost of an initial permit issued under this section is six thousand dollars ($6,000).

SECTION 17. IC 7.1-3-21-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. ~~Indiana State Fair.~~ **(a)** The commission shall ~~not~~ issue a permit for the sale of alcoholic beverages on the Indiana state fair grounds **to the Indiana state fair commission.** ~~during the period of the Indiana State Fair.~~

(b) The holder of a permit under this section:

(1) is entitled to sell alcoholic beverages by the glass on the state fair grounds to consumers;

(2) is entitled to grant multiple vendors of the state fair commission separate permits at different locations on the state fair grounds to sell alcoholic beverages by the glass under the permit;

(3) is entitled to receive the permit directly from the commission without local board approval;

(4) is not subject to quota restrictions under IC 7.1-3-22-3; and

(5) is entitled to allow a minor to be present in the places on the state fair grounds where alcoholic beverages are sold.

(c) The holder of a permit under this section must comply with the following requirements:

(1) File a floor plan of the premises where alcoholic beverages will be served and consumed.

(2) Provide that service of alcoholic beverages may be performed only by servers certified under IC 7.1-3-1.5.

(3) Allow sales during the times prescribed under IC 7.1-3-1-14.

(4) Prohibit sales prohibited under IC 7.1-5-10-1 and IC 7.1-5-10-17.

(5) Operate under rules adopted by the commission to protect the public interest under IC 7.1-1-1.".

Page 7, delete lines 1 through 9, begin a new paragraph and insert:

"SECTION 18. IC 7.1-5-10-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. ~~Credit Sales Prohibited.~~ **(a) This section does not apply to a permittee that sells or offers to sell an alcoholic beverage to an individual who does not hold a permit under this title.**

(b) It is unlawful for a permittee to sell, offer to sell, purchase or receive, an alcoholic beverage for anything other than cash. A permittee who extends credit in violation of this section shall have no right of action on the claim.

(c) This section ~~shall~~ **does** not prohibit:

(1) a permittee from crediting to a purchaser the actual price charged for a package or an original container returned by the original purchaser as a credit on a sale;

(2) ~~This section shall not prohibit~~ a permittee from refunding to a purchaser the amount paid by the purchaser for a container, or as a deposit on a container, if it is returned to the permittee;

(3) ~~This section shall not prohibit~~ a manufacturer from extending usual and customary credit for alcoholic beverages sold to a customer who maintains a place of business outside this state when the alcoholic beverages are actually shipped to a point outside this state; **or**

(4) ~~This section shall not prohibit~~ a distiller or a liquor or wine wholesaler from extending credit on liquor, flavored malt beverages, and wine sold to a permittee for a period of fifteen (15) days from the date of invoice, date of invoice included. However, if the fifteen (15) day period passes without payment in full, the wholesaler shall sell to that permittee on a cash on delivery basis only.".

Page 7, delete lines 23 through 28, begin a new paragraph and insert:

"SECTION 20. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2006]: IC 7.1-3-21-3; IC 7.1-3-21-4; IC 7.1-3-21-5; IC 7.1-3-21-5.2; IC 7.1-3-21-5.4; IC 7.1-3-21-6;IC 7.1-3-21-7.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1250 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 2.

STUTZMAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1266, 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 15 and 16, begin a new paragraph and insert:

"SECTION 2. IC 27-5.1-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 8. The following provisions apply to standard companies and extended companies:

(1) IC 27-1-3.
(2) IC 27-1-3.1.
(3) IC 27-1-5-3.
(4) IC 27-1-7-14 through IC 27-1-7-16.
(5) IC 27-1-7-21 through IC 27-1-7-23.
(6) IC 27-1-9.
(7) IC 27-1-10.
(8) IC 27-1-13-3 through IC 27-1-13-4.
(9) IC 27-1-13-6 through IC 27-1-13-9.
(10) IC 27-1-15.6.
(11) IC 27-1-18-2.
~~(11)~~ **(12)** IC 27-1-20-1.
~~(12)~~ **(13)** IC 27-1-20-4.
~~(13)~~ **(14)** IC 27-1-20-6.
~~(14)~~ **(15)** IC 27-1-20-9 through IC 27-1-20-11.
~~(15)~~ **(16)** IC 27-1-20-14.
~~(16)~~ **(17)** IC 27-1-20-19 through IC 27-1-20-21.3.
~~(17)~~ **(18)** IC 27-1-20-23.
~~(18)~~ **(19)** IC 27-1-20-30.
~~(19)~~ **(20)** IC 27-1-22.
~~(20)~~ **(21)** IC 27-4-1.
~~(21)~~ **(22)** Except as provided in IC 27-6-1.1-6, IC 27-6-1.1-2.
~~(22)~~ **(23)** IC 27-6-2.
~~(23)~~ **(24)** IC 27-7-2.
~~(24)~~ **(25)** IC 27-9.
~~(25)~~ **(26)** IC 34-30-17.".

Page 2, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 4. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)] **IC 27-5.1-2-8, as amended by this act, applies only to taxable years beginning after December 31, 2005.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1266 as printed on January 20, 2006.)

and when so amended that said bill do pass.

Committee Vote: yeas 23, nays 0.

ESPICH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1368, 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 14, nays 0.

ESPICH, Chair

Report adopted.

Pursuant to House Rule 60, committee meetings were announced.

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 6:45 p.m. with the Speaker in the Chair.

Representative J. Smith, who had been excused, was present.

SPECIAL ORDER OF BUSINESS

House Bill 1010

The Speaker handed down for second reading House Bill 1010, authored by Representative Wolkins, which had been made a special order of business. The bill was reread a second time by title.

HOUSE MOTION
(Amendment 1010–2)

Mr. Speaker: I move that House Bill 1010 be amended to read as follows:

Page 7, line 36, after "appoint" insert ":".

Page 7, line 36, strike "three (3)".

Page 7, line 36, before "disinterested" begin a new line block indented and insert:

"**(1) one (1)**".

Page 7, line 36, after "freeholders" insert "**freeholder**".

Page 7, line 36, reset in roman "of".

Page 7, line 37, reset in roman "the county".

Page 7, line 37, after "county" insert "; **and**

(2) two (2)".

Page 7, line 37, after "appraisers" insert "**licensed under IC 25-34.1 who are residents of Indiana;**".

Page 7, line 37, beginning with "to" begin a new line blocked left.

Page 7, line 39, delete "An appraiser" and insert "**One (1) of the appraisers appointed under subdivision (2) must reside not more than fifty (50) miles from the property.**".

Page 7, delete lines 40 through 42.

(Reference is to HB 1010 as printed January 11, 2006.)

MAHERN

Motion prevailed.

HOUSE MOTION
(Amendment 1010–10)

Mr. Speaker: I move that House Bill 1010 be amended to read as follows:

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

"SECTION 1. IC 22-13-2-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 1.5. A state agency or political subdivision may not require that a lawfully erected sign be removed or altered as a condition of issuing:**

(1) a permit;

(2) a license;

(3) a variance; or

(4) any other order concerning land use or development;

unless the owner of the sign is compensated in accordance with IC 32-24.".

Page 1, delete lines 13 through 14.

Page 1, line 15, delete "(2)" and insert "**(1)**".

Page 1, after line 15, begin a new line block indented and insert:

"**(2) Providing the owner of the property with an appraisal or other evidence used to establish the proposed purchase price.**

(3) Conducting good faith negotiations with the owner of the property.".

Page 2, delete lines 1 through 2.

Page 3, line 40, delete "." and insert "**and _____ (condemnor) is not required to agree to your demands.**".

Page 6, line 12, delete "section" and insert "**sections**".

Page 6, line 12, after "5.8" insert "**and 5.9**".

Page 6, line 28, after "domain" insert "**for the same project or a substantially similar project**".

Page 7, line 16, after "domain" insert "**for the same or a substantially similar project**".

Page 7, line 16, delete "six (6)" and insert "**three (3)**".

Page 7, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 6. IC 32-24-1-5.9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.9. (a) As used in this section, "public utility" means a public utility, municipally owned utility, cooperatively owned utility, or joint agency created under IC 8-1-2.2.**

(b) This section applies only to a public utility.

(c) If:

(1) a public utility submits a written acquisition offer to the owner of a parcel of real estate under section 5 of this chapter; and

(2) the owner rejects the offer;

the public utility, to acquire the parcel by the exercise of eminent domain, must file a complaint under this article, not more than six (6) years after the date on which the public utility submitted the written acquisition offer to the owner.

(d) If a public utility fails to meet the requirements set forth in subsection (c) concerning a parcel of real estate, the public utility may not initiate an action under this article to acquire the parcel through the power of eminent domain for the same project or a substantially similar project for at least three (3) years after the date on which the six (6) year period described in subsection (c) expires.".

Page 10, line 15, delete ";" and insert ",".

Page 10, reset in roman lines 16 through 17.

Page 10, delete lines 33 through 42, begin a new paragraph and insert:

"**Sec. 1. (a) As used in this section, "public use" means the:**

(1) possession, occupation, and enjoyment of a parcel of real property by the general public or a public agency;

(2) use of a parcel of real property to create or operate a public utility, including an energy utility (as defined in IC 8-1-2.5-2); or

(3) acquisition of a parcel of real property to cure a specific and identifiable harmful effect caused by the use of the parcel, including the:

(A) removal of a:

(i) public nuisance; or

(ii) structure that is beyond repair or unfit for human habitation or use; and

(B) acquisition of abandoned property.

The term does not include the public benefit of economic development, including an increase in a tax base, tax revenues, employment, or general economic health.

(b) This chapter applies to a condemnor that exercises the power of eminent domain to acquire a parcel of real property:

(1) from a private person;

(2) with the intent of ultimately transferring ownership or control to another private person; and

(3) for a use that is not a public use.".

Page 11, delete lines 1 through 4.

Page 11, line 17, delete "is unfit for human" and insert "**:**".

Page 11, delete line 18.

Page 12, line 1, delete "and" and insert "**, garbage, or other**".

Page 12, line 4, after "exceed the" insert "**assessed**".

Page 12, between lines 12 and 13, begin a new line double block indented and insert:

"**(J) There is a reasonable doubt concerning who owns the parcel.**".

Page 12, between lines 24 and 25, begin a new line blocked left and insert:

"**A determination concerning whether a condition described in**

this section has been met is subject to judicial review in an eminent domain proceeding concerning the parcel of real property.".

Page 12, line 34, after "(ii)" insert "**upon the request of the owner and if the owner and condemnor both agree,**".

Page 13, line 18, after "($1,000)." insert "**However, the total amount of attorney's fees that a condemnor may be required to reimburse an owner under this section may not exceed two hundred fifty thousand dollars ($250,000).**".

Page 13, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 12. IC 36-7-2-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 5.5. A unit may not require that a lawfully erected sign be removed or altered as a condition of issuing:**

(1) a permit;

(2) a license;

(3) a variance; or

(4) any other order concerning land use or development;

unless the owner of the sign is compensated in accordance with IC 32-24.".

Page 16, line 14, delete "filed on or after November 23, 2005." and insert "**that have not reached a final judgment before the effective date of this SECTION.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1010 as printed January 11, 2006.)

WOLKINS

Motion prevailed. The bill was ordered engrossed.

House Bill 1024

Representative J. Smith called down House Bill 1024 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

House Bill 1207

Representative Pond called down House Bill 1207 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1207–1)

Mr. Speaker: I move that House Bill 1207 be amended to read as follows:

Page 2, delete lines 13 through 19.

Page 2, line 20, delete "(8)" and insert "(7) upon request by the consumer,".

Page 2, line 20, delete "a consumer with a written" and insert "the consumer with any".

Page 2, line 20, before "warranty" insert "written".

Page 2, line 27, delete "(9)" and insert "(8)".

Page 2, line 33, delete "(10)" and insert "(9)".

(Reference is to HB 1207 as reprinted January 20, 2006.)

THOMAS

Motion prevailed. The bill was ordered engrossed.

House Bill 1257

Representative Bell called down House Bill 1257 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1257–1)

Mr. Speaker: I move that House Bill 1257 be amended to read as follows:

Page 1, line 3, strike "(c), (e), and (f)," and insert "**(d), and (e),**".

Page 1, delete lines 10 through 17, begin a new line block indented and insert:

"~~(2) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are not more than five thousand dollars ($5,000), the institution shall secure a surety bond in the amount of one hundred percent (100%) of that institution's annual gross tuition charges assessed for the previous year.~~

~~(3) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than five thousand dollars ($5,000) but less than fifty thousand dollars ($50,000), the institution shall secure a surety bond in the amount of five thousand dollars ($5,000).~~

~~(4) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than fifty thousand dollars ($50,000) but less than five hundred thousand dollars ($500,000), the institution shall secure a surety bond in the amount of ten percent (10%) of that institution's annual gross tuition charges assessed for the previous year.~~".

Page 2, delete lines 1 through 11.

Page 2, line 12, strike "(5)" and insert "**(2)**".

Page 2, line 12, after "If" insert "**at any time**".

Page 2, line 12, after "institution's" insert "**projected**".

Page 2, line 13, strike "assessed for the previous year".

Page 2, line 14, strike "five hundred" and insert "**two hundred fifty**".

Page 2, line 14, strike "($500,000)," and insert "**($250,000),**".

Page 2, delete lines 17 through 35, begin a new paragraph and insert:

"(~~b) When a postsecondary proprietary educational institution is required to contribute to the fund and the fund has a balance on the date that the surety bond is due of at least:~~

~~(1) one hundred thousand dollars ($100,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by twenty percent (20%);~~

~~(2) two hundred thousand dollars ($200,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by forty percent (40%);~~

~~(3) three hundred thousand dollars ($300,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by sixty percent (60%);~~

~~(4) four hundred thousand dollars ($400,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by eighty percent (80%); or~~

~~(5) five hundred thousand dollars ($500,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by one hundred percent (100%).~~".

Page 2, line 36, strike "(c)" and insert "**(b)**".

Page 2, line 38, strike "(f);" and insert "**(e);**".

Page 3, line 3, strike "(d)" and insert "**(c)**".

Page 3, line 6, strike "(e)" and insert "**(d)**".

Page 3, line 7, strike "(f)," and insert "**(e),**".

Page 3, line 9, delete ":".

Page 3, line 10, strike "(1)".

Page 3, run in lines 9 through 10.

Page 3, line 12, strike "(d); and" and insert "**(c).**".

Page 3, strike lines 13 through 15.

Page 3, line 16, strike "(f)" and insert "**(e)**".

Page 3, line 20, strike "(c)" and insert "**(b)**".

Page 3, line 20, strike "(e)" and insert "**(d)**".

Page 3, line 34, reset in roman "money in the fund.".

Page 3, line 34, delete "the sixty dollar ($60) quarterly fund".

Page 3, delete lines 35 through 40.

Page 4, line 4, delete "five hundred" and insert "**fifty**".

Page 4, line 5, delete "($500,000)," and insert "**($50,000),**".

Page 4, line 6, delete "five hundred" and insert "**fifty**".

Page 4, line 7, delete ($500,000)." and insert "**($50,000).**".

Page 4, line 10, delete "five hundred" and insert "**fifty**".

Page 4, line 10, delete "($500,000);" and insert "**($50,000);**".

Page 4, line 15, delete "five hundred" and insert "**fifty**".

Page 4, line 15, delete "($500,000)," and insert "**($50,000),**".

Page 4, delete lines 24 through 29.

Page 6, line 7, after "closed" insert "**involuntarily**".

(Reference is to HB 1257 as printed January 20, 2006.)

BELL

Motion prevailed. The bill was ordered engrossed.

House Bill 1279

Representative Murphy called down House Bill 1279 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1279–1)

Mr. Speaker: I move that House Bill 1279 be amended to read as follows:

Page 21, line 26, delete "that is:" and insert "**and a certificate holder.**".

Page 21, delete lines 27 through 33.

Page 21, between lines 37 and 38, begin a new paragraph and insert:

"**Sec. 3.5. As used in this chapter, "certificate holder" refers to a person holding a certificate of franchise authority issued under IC 8-1-34-17.**".

Page 22, line 11, delete "a metropolitan statistical area;" and insert "**an exchange area or a service area regulated under IC 8-1-34;**".

Page 22, line 18, after "provider" insert "**or a certificate holder**".

Page 22, line 19, delete "quarterly," and insert "**semi-annually,**".

Page 22, line 31, after "provider" insert "**or a certificate holder**".

Page 22, line 37, after "provider's" insert "**or a certificate holder's**".

Page 23, between lines 3 and 4, begin a new line block indented and insert:

"**(4) A franchise authorized under IC 8-1-34.**".

Page 23, line 6, delete "provider;" and insert "**provider or a certificate holder;**".

Page 23, line 12, after "provider" insert "**or a certificate holder**".

Page 23, line 23, after "provider" insert "**or a certificate holder**".

Page 23, line 25, after "provider" insert "**or the certificate holder**".

Page 23, line 30, delete "or".

Page 23, between lines 30 and 31, begin a new line double block indented and insert:

"**(C) a certificate of franchise authority issued under IC 8-1-34; or**".

Page 23, line 31, delete "(C)" and insert "**(D)**".

Page 23, line 32, after "provider" insert "**or the certificate holder**".

Page 23, line 41, after "provider" insert "**or the certificate holder**".

Page 24, line 2, after "provider" insert "**or the certificate holder**".

Page 24, line 3, after "provider" insert "**or the certificate holder**".

Page 24, line 8, after "provider" insert "**or the certificate holder**".

Page 24, line 9, delete "provider;" and insert "**provider or the certificate holder;**".

Page 24, line 11, after "provider" insert "**or the certificate holder**".

Page 24, line 23, after "provider" insert "**or a certificate holder**".

Page 24, line 41, after "provider" insert "**or a certificate holder**".

Page 25, line 6, delete "provider," and insert "**provider or a certificate holder,**".

Page 25, line 8, after "provider" insert "**or the certificate holder**".

Page 25, line 15, after "provider" insert "**or certificate holder**".

Page 25, line 17, after "provider" insert "**or certificate holder**".

Page 25, line 21, delete "provider;" and insert "**provider or certificate holder;**".

Page 25, line 24, after "provider" insert "**or certificate holder**".

Page 25, line 26, after "provider" insert "**or certificate holder**".

Page 26, line 8, after "provider" insert "**or certificate holder**".

Page 26, line 11, after "another provider" insert "**or another certificate holder**".

Page 26, line 11, delete "provider." and insert "**provider or certificate holder.**".

(Reference is to HB 1279 as printed January 20, 2006.)

MURPHY

Motion prevailed.

HOUSE MOTION
(Amendment 1279–2)

Mr. Speaker: I move that House Bill 1279 be amended to read as follows:

Page 14, line 17, delete "or".

Page 14, line 23, delete "IC 8-1-29.5." and insert "**IC 8-1-29.5; or**".

Page 14, between lines 23 and 24, begin a new line block indented and insert:

"**(7) the commission's authority to investigate and resolve pursuant to IC 8-1-2-5 an interconnection not governed by federal law.**".

Page 26, line 20, delete "UPON PASSAGE]" and insert "MAY 1, 2006]".

Page 27, line 18, delete "section," and insert "**chapter,**".

Page 27, line 23, delete "or residential".

Page 27, line 24, delete "apartment buildings, condominiums,"

Page 27, line 25, delete "subdivisions,".

Page 27, line 25, delete "buildings," and insert "**buildings**".

Page 27, line 25, after "." insert "**The term does not include apartment buildings, condominiums, or subdivisions.**".

Page 28, line 11, delete "A" and insert "**After April 30, 2006, a**".

Page 28, line 30, after "." insert "**This section may not be construed to affect the validity of a contract entered into before May 1, 2006.**".

Page 30, between lines 16 and 17, begin a new paragraph and insert:

"**Sec. 15. (a) Except as provided in subsection (b), the owner, operator, or developer of multitenant real estate located in a service area in which one (1) or more communications service providers are authorized to provide communications service may not do any of the following:**

(1) Prevent a communications service provider from installing on the premises communications service equipment that an occupant requests.

(2) Interfere with a communications service provider's installation on the premises of communications service equipment that an occupant requests.

(3) Discriminate against a communications service provider or impose unduly burdensome conditions on the terms, conditions, and compensation for a communications service provider's installation of communications service equipment on the premises.

(4) Demand or accept an unreasonable payment from:

(A) an occupant; or

(B) a communications service provider;

in exchange for allowing the communications service provider access to the premises.

(5) Discriminate against or in favor of an occupant in any manner, including charging higher or lower rental charges to the occupant, because of the communications service provider from which the occupant receives communications service.

(b) This section does not prohibit the owner, operator, or developer of multitenant real estate from doing any of the following:

(1) Imposing a condition on a communications service provider that is reasonably necessary to protect:

(A) the safety, security, appearance, or condition of the property; or

(B) the safety and convenience of other persons.

(2) Imposing a reasonable limitation on the hours during which a communications service provider may have access to the premises to install communications service equipment.

(3) Imposing a reasonable limitation on the number of communications service providers that have access to the premises, if the owner, operator, or developer can demonstrate a space constraint that requires the limitation.

(4) Requiring a communications service provider to agree to indemnify the owner, operator, or developer for damage caused by installing, operating, or removing communications service equipment on or from the premises.

(5) Requiring an occupant or a communications service provider to bear the entire cost of installing, operating, or removing communications service equipment.

(6) Requiring a communications service provider to pay compensation for access to or use of the premises, as long as the compensation is:

(A) reasonable; and

(B) nondiscriminatory;

among communications service providers.

(c) For purposes of this subsection, an "affected person" includes the following:

(1) An occupant that is a current or potential subscriber of communications service on the premises of multitenant real estate.

(2) A unit in which multitenant real estate is located, acting on behalf of:

(A) a person described in subdivision (1); or

(B) other similarly situated persons.

(3) A communications service provider.

An affected person that alleges a violation of this section by the owner, operator, or developer of multitenant real estate may seek equitable or compensatory relief in a court having jurisdiction. The party prevailing in any action filed under this section is entitled to recover the costs of the action, including reasonable attorney's fees as determined by the court.

Sec. 16 (a) The commission may not require a communications service provider, including a provider of last resort, to provide any communications service to the occupants of multitenant real estate if the owner, operator, or developer of the multitenant real estate does any of the following to the benefit of another communications service provider:

(1) Permits only one (1) communications service provider to install the provider's facilities or equipment during the construction or development phase of the multitenant real estate.

(2) Accepts or agrees to accept incentives or rewards that:

(A) are offered by a communications service provider to the owner, operator, developer, or occupants of the multitenant real estate; and

(B) are contingent upon the provision of communications service by that provider to the occupants of the multitenant real estate, to the exclusion of any services provided by other communications service providers.

(3) Collects from the occupants of the multitenant real estate any charges for the provision of communications service to the occupants, including charges collected through rent, fees, or dues.

(4) Enters into an agreement with a communications service provider that is prohibited by section 14 of this chapter.

(b) This subsection applies to a communications service provider that is relieved under subsection (a) of an obligation to provide communications service to the occupants of multitenant real estate. This section does not prohibit the communications service provider from voluntarily offering service to the occupants of the multitenant real estate. However, the commission shall not exercise jurisdiction over the terms, conditions, rates, or availability of any communications service voluntarily offered by a communications service provider under this subsection.".

Page 30, line 17, delete "15." and insert "**17.**".

(Reference is to HB 1279 as printed January 20, 2006.)

MURPHY

Motion prevailed.

HOUSE MOTION
(Amendment 1279–4)

Mr. Speaker: I move that House Bill 1279 be amended to read as follows:

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

"SECTION 1. IC 8-1-1.1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The governor shall appoint a consumer counselor, for a term of four (4) years at a salary to be fixed by the governor. The counselor shall serve at the will and pleasure of the governor. The counselor shall be a practicing attorney, and qualified by knowledge and experience to practice in utility regulatory agency proceedings. The counselor shall apply ~~his~~ **the counselor's** full efforts to the duties of the office and may not ~~be actively engaged~~ **engage** in any ~~other~~ occupation, practice, profession or business **that would conflict with the duties of the office.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1279 as printed January 20, 2006.)

MURPHY

Motion prevailed.

HOUSE MOTION
(Amendment 1279–5)

Mr. Speaker: I move that House Bill 1279 be amended to read as follows:

Page 41, line 21, delete "subsection (e)," and insert "**subsections (e) and (f),**".

Page 42, between lines 32 and 33, begin a new paragraph and insert:

"**(f) This subsection applies only to a holder issued a certificate to provide video service in a unit that imposed a franchise fee of less than five percent (5%) as of July 1, 2006. A fee may not be imposed upon the holder under this section that exceeds the fee imposed as of July 1, 2006, unless the unit's fiscal body adopts an ordinance establishing the fee. A fee established by ordinance under this subsection may not exceed:**

(1) the amount of gross revenue received from providing video service in the unit during the most recent calendar quarter, as determined under section 23 of this chapter; multiplied by

(2) five percent (5%).".

(Reference is to HB 1279 as printed January 20, 2006.)

MURPHY

Motion prevailed.

HOUSE MOTION
(Amendment 1279–22)

Mr. Speaker: I move that House Bill 1279 be amended to read as follows:

Page 14, line 17, delete "or".

Page 14, line 23, delete "IC 8-1-29.5." and insert "**IC 8-1-29.5; or**".

Page 14, between lines 23 and 24, begin a new line block indented and insert:

"**(7) the commission's duty to establish and administer the Indiana lifeline assistance program under IC 8-1-36.**".

Page 46, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 38. IC 8-1-36 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 36. Indiana Lifeline Assistance Program

Sec. 1. This chapter applies to an incumbent local exchange carrier that offers basic telecommunications service in one (1) or more exchange areas in Indiana.

Sec. 2. Except as otherwise provided in this chapter, the definitions in IC 8-1-2.6 apply throughout this chapter.

Sec. 3. As used in this chapter, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.

Sec. 4. As used in this chapter, "customer" refers to a residential customer that receives basic telecommunications service from an incumbent local exchange carrier.

Sec. 5. As used in this chapter, "eligible customer" refers to a customer who:

(1) is not a qualifying low-income consumer (as defined in 47 CFR 54.400(a)) under the federal lifeline program; but

(2) is eligible for the Indiana lifeline assistance program under section 11 of this chapter.

Sec. 6. As used in this chapter, "eligible telecommunications carrier" refers to an incumbent local exchange carrier that is designated as an eligible telecommunications carrier by the commission under 47 CFR 54.201.

Sec. 7. As used in this chapter, "federal lifeline program" refers to the retail local service offering:

(1) available only to qualifying low-income consumers (as defined in 47 CFR 54.400(a));

(2) for which qualifying low-income consumers pay reduced charges as a result of the application of the lifeline support amount described in 47 CFR 54.403; and

(3) that includes the services and functionalities set forth in 47 CFR 54.101(a)(1) through (a)(9);

as described in 47 CFR 54.401.

Sec. 8. As used in this chapter, "participant" refers to an eligible customer who applies for and receives assistance through the program.

Sec. 9. As used in this chapter, "program" refers to the Indiana lifeline assistance program established by the commission under section 10 of this chapter.

Sec. 10. (a) Not later than July 1, 2008, the commission shall adopt rules under IC 4-22-2 to establish the Indiana lifeline assistance program. The program must offer reduced charges for basic telecommunications service to eligible customers. The rules adopted by the commission under this section must do the following:

(1) Require an eligible telecommunications carrier to offer toll limitation (as defined in 47 CFR 54.400(d)) to an eligible customer who applies for assistance under the program. The rules must specify that an eligible telecommunications carrier may not charge a participant an administrative charge or any other additional amount for toll limitation.

(2) Allow an eligible telecommunications carrier to block a participant's access to interexchange service, except for access to toll free numbers, if the participant owes an outstanding amount for basic telecommunications service. The rules must require an eligible telecommunications carrier to remove the block without additional cost to the participant upon payment of the outstanding amount.

(3) Prohibit an eligible telecommunications carrier from discontinuing basic telecommunications service to a participant because of nonpayment by the participant of charges for other services billed by the eligible telecommunications carrier, including interexchange service.

(b) The following costs of the program shall be paid from the telecommunications budgets of the commission and the office of utility consumer counselor as determined under IC 8-1-6-1:

(1) The costs of reimbursing eligible telecommunications carriers for lost revenues associated with providing reduced charges for basic telecommunications service to participants.

(2) Reasonable expenses incurred by the commission and eligible telecommunications carriers to:

(A) administer the program; and

(B) publicize the availability of the program in a manner reasonably designed to reach eligible customers.

(c) The rules adopted by the commission under IC 4-22-2 to establish the program must:

(1) take effect not later than July 1, 2009;

(2) be consistent with this chapter.

Upon the effective date of the rules adopted by the commission under this section, an eligible telecommunications carrier shall offer basic telecommunications service to an eligible customer at the reduced rates established under the rules.

Sec. 11. A customer is eligible to receive reduced rates for basic telecommunications service under the program if:

(1) the customer's income (as defined in 47 CFR 54.400(f)) does not exceed one hundred fifty percent (150%) of the federal poverty guidelines; or

(2) any person in the customer's household receives or has a child who receives any of the following:

(A) Medicaid.

(B) Food stamps.

(C) Supplemental Security Income.

(D) Federal public housing assistance.

(E) Home energy assistance under a program administered by the division of family resources under IC 12-14-11.

(F) Assistance under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

(G) Free lunches under the national school lunch program.

Sec. 12. An eligible telecommunications carrier may seek TierThree federal lifeline support under 47 CFR 54.403(a)(3) in connection with support provided by the eligible telecommunications carrier under this chapter.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1279 as printed January 20, 2006.)

MAYS

Motion prevailed.

HOUSE MOTION
(Amendment 1279–7)

Mr. Speaker: I move that House Bill 1279 be amended to read as follows:

Page 11, line 12, delete "(as defined in".

Page 11, line 13, delete "IC 8-1-34-14)".

Page 11, line 13, delete "customers, as determined by the" and insert "**customers.**".

Page 11, line 14, delete "commission in carrying out its duties under IC 8-1-34.".

Page 30, delete lines 23 through 42, begin a new paragraph and insert:

"**Sec. 1. As used in this chapter, "incumbent cable operator" means the cable operator (as defined in 47 U.S.C. 522(5)) serving the largest number of cable service subscribers in a particular unit.**".

Page 31, delete lines 1 through 6.

Page 31, line 7, delete "8." and insert "**2.**".

Page 31, line 8, delete ":".

Page 31, delete line 9.

Page 31, line 10, delete "(2)".

Page 31, line 10, delete "video service" and insert "**cable**".

Page 31, run in lines 8 through 10.

Page 31, line 11, after "system" insert "**(as defined in 47 U.S.C. 522(7))**".

Page 31, delete lines 12 through 42, begin a new paragraph and insert:

"**Sec. 3. As used in this chapter, "unit" has the meaning set forth in IC 36-1-2-23.**

Sec. 4. As used in this chapter, "video programming" has the meaning set forth in 47 U.S.C. 522(20).

Sec. 5. (a) A unit shall make a local franchise available to any entity other than the unit's incumbent cable operator that seeks to provide video programming in the unit by means of any facilities that in whole or in part make use of public rights-of-way, regardless of technology. A franchise made available under this subsection must contain identical terms and conditions to the franchise in effect for the incumbent cable operator serving the unit.

(b) The unit shall make the local franchise described in subsection (a) available for execution not more than fifteen (15) days after the unit's receipt of a written application that is in a form acceptable to the unit and contains all the information required by the unit.

(c) An entity that does not have a franchise may not provide video programing by means of any facilities, regardless of technology, that in whole or in part make use of public rights-of-way.".

Delete pages 32 through 45.

Page 46, delete lines 1 through 40.

Renumber all SECTIONS consecutively.

(Reference is to HB 1279 as printed January 20, 2006.)

MESSER

Upon request of Representatives Pierce and Crooks, the Speaker ordered the roll of the House to be called. Roll Call 40: yeas 56, nays 42. Motion prevailed.

HOUSE MOTION
(Amendment 1279–20)

Mr. Speaker: I move that House Bill 1279 be amended to read as follows:

Page 34, line 15, delete "or".

Page 34, line 17, after ";" insert "**or**".

Page 34, between lines 17 and 18, begin a new line block indented and insert:

"**(3) pay an application fee, a document fee, a state franchise**

fee, a service charge, or any fee other than the franchise fee paid to local units under section 24 of this chapter;".

(Reference is to HB 1279 as printed January 20, 2006.)

AUSTIN

Motion prevailed.

HOUSE MOTION
(Amendment 1279–21)

Mr. Speaker: I move that House Bill 1279 be amended to read as follows:

Page 9, between lines 40 and 41, begin a new line block indented and insert:

"**(3) Ensure consumer access to affordable basic telecommunications service.**".

Page 9, line 41, delete "(3)" and insert "**(4)**".

Page 10, line 1, delete "(4)" and insert "**(5)**".

Page 10, line 3, delete "(5)" and insert "**(6)**".

Page 12, between lines 31 and 32, begin a new paragraph and insert:

"**(b) Not later than July 1, 2007, the commission shall adopt rules under IC 4-22-2 to require a telecommunications service provider, at any time the provider communicates with a residential customer about changing the customer's basic telecommunications service to nonbasic telecommunications service, to notify the residential customer of:**

(1) the option of basic telecommunications service; and

(2) any regulatory protections, including pricing or quality of service, that the residential customer would forego by switching to nonbasic telecommunications service.".

Page 12, line 32, delete "(b)" and insert "**(c)**".

(Reference is to HB 1279 as printed January 20, 2006.)

MOSES

Upon request of Representatives Moses and VanHaaften, the Speaker ordered the roll of the House to be called. Roll Call 41: yeas 90, nays 7. Motion prevailed.

HOUSE MOTION
(Amendment 1279–23)

Mr. Speaker: I move that House Bill 1279 be amended to read as follows:

Page 8, line 11, delete "over:" and insert "**over the price, terms, and conditions of basic telecommunications service offered by a provider of basic telecommunications service in a particular exchange area if the commission finds, after notice and hearing, that the provider makes broadband service available to:**

(1) at least fifty percent (50%) of the households located in the exchange area; and

(2) at least eighty percent (80%) of the provider's statewide customer base for basic telecommunications service.".

Page 8, delete lines 12 through 16.

Page 8, line 17, delete "percent (50%) of the households located in the exchange area."

Page 8, line 17, beginning with "The" begin a new line blocked left.

Page 8, line 26, delete "least" and insert "**least:**

(1) fifty percent (50%) of the households located in an exchange area; and

(2) eighty percent (80%) of the provider's statewide customer base for basic telecommunications service.".

Page 8, delete line 27.

(Reference is to HB 1279 as printed January 20, 2006.)

MICON

Upon request of Representatives Micon and Bauer, the Speaker ordered the roll of the House to be called. Roll Call 42: yeas 29, nays 68. Motion failed.

HOUSE MOTION
(Amendment 1279–19)

Mr. Speaker: I move that House Bill 1279 be amended to read as follows:

Page 39, between lines 4 and 5, begin a new line double block indented and insert:

"**(F) Late payment fees collected from customers.**"

Page 39, between lines 12 and 13, begin a new line block indented and insert:

"**(3) Subject to subsection (c)(11), a pro rata share of all revenue derived by the holder or the holder's affiliates under compensation arrangements for advertising carried on the holder's video service system. The pro rata share with respect to a particular unit is determined by multiplying the total revenue received by the holder under the compensation arrangement by a fraction, the numerator of which is the number of the holder's subscribers in the unit, and the denominator of which is the total number of the holder's subscribers in the relevant regional or national compensation arrangement. Advertising fees or commissions paid by the holder to third parties shall not be subtracted from advertising revenue included in gross revenue under this subdivision.**

(4) Subject to subsection (c)(12), commissions paid to the holder as compensation for the promotion or exhibition of any products or services through the holder's system, such as through a home shopping channel or other similar channel.".

Page 40, line 34, delete "Late payment fees collected from customers." and insert "**Directory or Internet advertising revenue, including revenue from yellow pages, white pages, banner advertisements, and electronic publishing.**

(12) Any consideration paid directly by a subscriber to a home shopping programmer for merchandise purchased by the subscriber through a home shopping channel offered as part of the video service, but not including any commissions paid to the holder under subsection (b)(4).".

Page 40, line 35, delete "(12)" and insert "**(13)**".

Page 41, line 24, delete "to:" and insert "**to the product of the following:**"

Page 41, line 25, delete "the" and insert "**The**".

Page 41, line 27, delete "chapter;" and insert "**chapter.**".

Page 41, delete line 28.

Page 41, line 29, delete "five percent (5%)." and insert "**A percentage equal to the lesser of the following:**

(A) Five percent (5%).

(B) A percentage equal to one (1) of the following percentages, whichever applies:

(i) If there is one (1) local franchise in effect with respect to the unit on January 1, 2006, the percentage of gross revenue paid by the holder of that local franchise as a franchise fee to the unit. Upon the expiration of a local franchise described in this item, the percentage shall be determined by the unit but may not exceed five percent (5%).

(ii) If there is no local franchise in effect with respect to the unit on January 1, 2006, a percentage determined by the unit. A percentage determined by the unit under this item may not exceed five percent (5%).

(iii) If there is more than one (1) local franchise in effect with respect to the unit on January 1, 2006, a percentage determined by the unit. A percentage determined by the unit under this item may not exceed five percent (5%).".

Page 46, between lines 40 and 41, begin a new paragraph and insert:

"**Sec. 29. (a) This section applies to a provider that elects to terminate a local franchise under section 21(b)(2) of this chapter.**

(b) A holder to which this section applies shall continue to provide the following services under the terms of the terminated local franchise until January 1, 2009, or until the terminated local franchise would have expired, whichever is later:

(1) Institutional network capacity, however defined or referenced in the terminated local franchise, but generally including private line data network capacity for use by the unit for noncommercial purposes. Institutional network capacity provided under this subdivision shall continue to be provided at the same capacity as was provided to the unit before the date of termination of the local franchise.

However, the unit shall compensate the provider for the actual incremental cost of the capacity provided.

(2) Video service to community public buildings, such as municipal buildings and public schools, however defined or referenced in the terminated local franchise, but generally including cable drop connections to the buildings and a particular tier of video service provided to the buildings. Video service provided under this subdivision shall continue to be provided to the same extent provided to the unit before the date of termination of the local franchise. Beginning January 1, 2009, or upon the date on which the terminated local franchise would have expired, whichever is later, a provider that provides video service under this subdivision may subtract from the franchise fee paid to the unit under section 24 of this chapter an amount equal to the actual incremental cost of the video service provided under this subdivision, if the unit requests that the services provided under this subdivision continue after December 31, 2008, or after the date the terminated local franchise would have expired, whichever is later.".

(Reference is to HB 1279 as printed January 20, 2006.)

MAHERN

After discussion, Representative Mahern withdrew the motion.

There being no further amendments, the bill was ordered engrossed.

House Bill 1299

Representative Bardon called down House Bill 1299 for second reading. The bill was read a second time by title.

HOUSE MOTION
(Amendment 1299–1)

Mr. Speaker: I move that House Bill 1299 be amended to read as follows:

Page 25, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 25. IC 26-2-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. **(a)** As used in this chapter, "credit agreement" means an agreement to:

(1) lend or forbear repayment of money, goods, or things in action;

(2) otherwise extend credit; or

(3) make any other financial accommodation.

(b) The term includes an agreement to modify an agreement described in subsection (a).

SECTION 26. IC 26-2-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. **(a)** A debtor may ~~bring an action upon~~ **assert:**

(1) a claim for legal or equitable relief; or

(2) a defense in a claim;

arising from a credit agreement only if the **credit** agreement **at issue satisfies the requirements set forth in subsection (b).**

(b) A debtor may assert a claim or defense under subsection (a) only if the credit agreement at issue:

(1) is in writing;

(2) sets forth all material terms and conditions of the credit agreement, including the loan amount, rate of interest, duration, and security; and

(3) is signed by the creditor and the debtor.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1299 as printed January 18, 2006.)

BARDON

Motion prevailed. The bill was ordered engrossed.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Safety and Homeland Security, to which was referred House Bill 1028, 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 31, delete "or".

Page 3, between lines 31 and 32, begin a new line block indented and insert:

"**(4) on the property of an oil refinery; or**".

Page 3, line 32, delete "(4)" and insert "**(5)**".

(Reference is to HB 1028 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 1.

RUPPEL, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Natural Resources, 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 do pass.

Committee Vote: yeas 10, nays 0.

HOFFMAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1093, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 7, delete "or is readily adaptable to be used".

Page 2, delete lines 6 through 11, begin a new line double block indented and insert:

"**(A) the knife is provided to the person by the school corporation or possession of the knife is authorized by the school corporation; and**

(B) the person uses the knife for a purpose authorized by the school corporation; or

(2) if the knife is secured in a motor vehicle.".

(Reference is to HB 1093 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 6, nays 4.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred House Bill 1123, 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 1, delete "established and" and insert "**established. Except as provided in subsection (o), the board**".

Page 2, line 1, after "of" insert "**the executive director of the commission for women established by section 3 of this chapter and**".

Page 2, line 1, delete "seven (7)" and insert "**additional nine (9)**".

Page 2, line 3, delete "commission." and insert "**prosecuting attorneys council of Indiana.**".

Page 2, line 5, delete "from the judicial system." and insert "**representing a rape crisis center.**".

Page 2, between line 10 and 11, begin a new line block indented and insert:

"**(8) A member who is an employee of the criminal justice institute.**

(9) A member who is a survivor of sexual violence.".

Page 2, line 11, delete "A" and insert "**Except for the executive director of the commission for women, a**".

Page 2, line 11, after "than" delete "four" and insert "**five**".

Page 2, line 12, delete "(4)" and insert "**(5)**".

Page 2, line 15, delete "Four (4)" and insert "**Five (5)**".

Page 2, delete line 21.

Page 2, line 22, delete "." and insert "**;**".

Page 2, between lines 22 and 23, begin a new line block indented and insert:

"**(4) administer the sexual assault victims assistance account established by subsection (i); and**

(5) certify sexual assault victim advocates to provide advocacy services.".

Page 2, line 29, after "nonprofit" insert "**sexual assault coalition as designated by the federal Centers for Disease Control and Prevention under 42 U.S.C. 280 et seq.**".

Page 2, delete lines 30 through 31.

Page 2, line 32, delete "money in the account to rape crisis centers.".

Page 2, run in lines 29 through 32.

Page 3, between lines 13 and 14, begin a new paragraph and insert:

"**(o) If the position of the executive director of the commission for women is vacant, the governor shall appoint a member of the commission to the board until the executive director position is filled.**

(p) If a vote of the board is a tie, the position for which the chairperson voted shall be treated as the position adopted by the commission.".

Page 5, line 38, delete "seven (7)" and insert "**nine (9)**".

Page 5, line 41, delete "Two (2)" and insert "**Three (3)**".

Page 6, line 2, delete "One (1) member" and insert "**Two (2) members**".

(Reference is to HB 1123 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 0.

BUDAK, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Natural Resources, to which was referred House Bill 1138, 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.

HOFFMAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Economic Development and Small Business, to which was referred House Bill 1173, 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.

T. HARRIS, Vice Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Safety and Homeland Security, to which was referred House Bill 1176, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

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

"SECTION 1. IC 35-47-2-3, AS AMENDED BY P.L.187-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) A person desiring a license to carry a handgun shall apply:

(1) to the chief of police or corresponding law enforcement officer of the municipality in which the applicant resides;

(2) if that municipality has no such officer, or if the applicant does not reside in a municipality, to the sheriff of the county in which the applicant resides after the applicant has obtained an application form prescribed by the superintendent; or

(3) if the applicant is a resident of another state and has a regular place of business or employment in Indiana, to the sheriff of the county in which the applicant has a regular place of business or employment.

The superintendent and local law enforcement agencies shall allow an applicant desiring to obtain or renew a license to carry a handgun to submit an application electronically under this chapter if federal funds are available to establish and maintain an electronic application system.

(b) The law enforcement agency which accepts an application for a handgun license shall collect a ten dollar ($10) application fee, five dollars ($5) of which shall be refunded if the license is not issued. Except as provided in subsection (h), the fee shall be:

(1) deposited into the law enforcement agency's firearms training fund or other appropriate training activities fund; and

(2) used by the agency for the purpose of:

(A) training law enforcement officers in the proper use of firearms or other law enforcement duties; or

(B) purchasing for the law enforcement officers employed by the law enforcement agency firearms, or firearm related equipment, or both.

The state board of accounts shall establish rules for the proper accounting and expenditure of funds collected under this subsection.

(c) The officer to whom the application is made shall ascertain the applicant's name, full address, length of residence in the community, whether the applicant's residence is located within the limits of any city or town, the applicant's occupation, place of business or employment, criminal record, if any, and convictions (minor traffic offenses excepted), age, race, sex, nationality, date of birth, citizenship, height, weight, build, color of hair, color of eyes, scars and marks, whether the applicant has previously held an Indiana license to carry a handgun and, if so, the serial number of the license and year issued, whether the applicant's license has ever been suspended or revoked, and if so, the year and reason for the suspension or revocation, and the applicant's reason for desiring a license. The officer to whom the application is made shall conduct an investigation into the applicant's official records and verify thereby the applicant's character and reputation, and shall in addition verify for accuracy the information contained in the application, and shall forward this information together with the officer's recommendation for approval or disapproval and one (1) set of legible and classifiable fingerprints of the applicant to the superintendent.

(d) The superintendent may make whatever further investigation the superintendent deems necessary. Whenever disapproval is recommended, the officer to whom the application is made shall provide the superintendent and the applicant with the officer's complete and specific reasons, in writing, for the recommendation of disapproval.

(e) If it appears to the superintendent that the applicant:

(1) has a proper reason for carrying a handgun;

(2) is of good character and reputation;

(3) is a proper person to be licensed; and

(4) is:

(A) a citizen of the United States; or

(B) not a citizen of the United States but is allowed to carry a firearm in the United States under federal law;

the superintendent shall issue to the applicant a qualified or an unlimited license to carry any handgun lawfully possessed by the applicant. The original license shall be delivered to the licensee. A copy shall be delivered to the officer to whom the application for license was made. A copy shall be retained by the superintendent for at least four (4) years. This license shall be valid for a period of four (4) years from the date of issue. The license of police officers, sheriffs or their deputies, and law enforcement officers of the United States government who have been honorably retired by a lawfully created pension board or its equivalent after twenty (20) or more years of service, shall be valid for the life of such individuals. However, such lifetime licenses are automatically revoked if the license holder does not remain a proper person.

(f) At the time a license is issued and delivered to a licensee under subsection (e), the superintendent shall include with the license information concerning handgun safety rules that:

(1) neither opposes nor supports an individual's right to bear arms; and

(2) is:

(A) recommended by a nonprofit educational organization that is dedicated to providing education on safe handling and use of firearms;

(B) prepared by the state police department; and

(C) approved by the superintendent.

The superintendent may not deny a license under this section because the information required under this subsection is unavailable at the time the superintendent would otherwise issue a license. The state police department may accept private donations or grants to defray the cost of printing and mailing the information required under this subsection.

(g) A license to carry a handgun shall not be issued to any person who:

(1) has been convicted of a felony;

(2) has had a license to carry a handgun suspended, unless the person's license has been reinstated;

(3) is under eighteen (18) years of age;

(4) is under twenty-three (23) years of age if the person has been adjudicated a delinquent child for an act that would be a felony if committed by an adult; or

(5) has been arrested for a Class A or Class B felony, or any other felony that was committed while armed with a deadly weapon or that involved the use of violence, if a court has found probable cause to believe that the person committed the offense charged.

In the case of an arrest under subdivision (5), a license to carry a handgun may be issued to a person who has been acquitted of the specific offense charged or if the charges for the specific offense are dismissed. The superintendent shall prescribe all forms to be used in connection with the administration of this chapter.

(h) If the law enforcement agency that charges a fee under subsection (b) is a city or town law enforcement agency, the fee shall be deposited in the law enforcement continuing education fund established under IC 5-2-8-2.

(i) If a person who holds a valid license to carry a handgun issued under this chapter:

(1) changes the person's name; or

(2) changes the person's address;

the person shall, not later than sixty (60) days after the date of the change, notify the superintendent, in writing, of the person's new name or new address.

(j) The state police shall indicate on the form for a license to carry a handgun the notification requirements of subsection (i).

(k) The state police department shall adopt rules under IC 4-22-2 to implement an electronic application system under subsection (a). Rules adopted under this section must require the superintendent to keep on file one (1) set of classifiable and legible fingerprints from every person who has received a license to carry a handgun so that a person who applies to renew a license will not be required to submit an additional set of fingerprints.".

Page 2, delete lines 1 through 40.

Page 3, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 3. IC 35-47-2.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. **(a)** This chapter does not apply to the following:

(1) Transactions between persons who are licensed as firearms importers or collectors or firearms manufacturers or dealers under 18 U.S.C. 923.

(2) Purchases by or sales to a law enforcement officer or agent of the United States, the state, or a county or local government.

(3) Indiana residents licensed to carry handguns under IC 35-47-2-3.

(b) Notwithstanding any other provision of this chapter, the state shall participate in the NICS if federal funds are available to assist the state in participating in the NICS. If:

(1) the state participates in the NICS; and

(2) there is a conflict between:

(A) a provision of this chapter; and

(B) a procedure required under the NICS;

the procedure required under the NICS prevails over the conflicting provision of this chapter.

SECTION 4. IC 35-47-2.5-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 2.5. As used in this chapter, "NICS" refers to the National Instant Criminal Background Check System maintained by the Federal Bureau of Investigation in accordance with the federal Brady Handgun Violence Prevention Act (18 U.S.C. 921 et seq.).**".

Page 3, line 28, delete "As used in this".

Page 3, delete lines 29 through 32.

Page 3, line 33, delete "(b)".

Page 3, run in lines 28 and 33.

Page 4, line 11, delete "(c)" and insert "**(b)**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1176 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 4, nays 3.

RUPPEL, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment and Labor, to which was referred House Bill 1192, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning taxation.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-3.1-31 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:

Chapter 31. Employee Certification Credit

Sec. 1. As used in this chapter, "certification" means a degree or certificate that:

(1) is issued a by a certified training provider to an employee upon completion of a course of training or education;

(2) is recognized by the department of workforce development or an appropriate industry organization as evidence of an employee's acquisition of new knowledge or skills; and

(3) results in the payment of higher wages to an employee.

Sec. 2. As used in this chapter, "certified training provider" means an organization that provides a course of training or education to an employee for which the employee receives a degree or certificate.

Sec. 3. (a) As used in this chapter, "employee" means an individual who:

(1) is continuously employed for at least sixteen (16) consecutive weeks during a taxable year;

(2) either:

(A) is employed for consideration for at least thirty-five (35) hours each week; or

(B) renders any other standard of service specified by contract or generally accepted by custom as full-time employment; and

(3) receives a certification from a certified training provider.

(b) Notwithstanding subsection (a), the term "employee" does not include an individual who has a direct or an indirect ownership interest of at least five percent (5%) in the profits, capital, or value of the employer, as determined in accordance with Section 1563 of the Internal Revenue Code and regulations prescribed under that Section.

Sec. 4. (a) As used in this chapter, "employer" means a taxpayer that employs an employee and pays qualified wages to the employee.

(b) Notwithstanding subsection (a), the term "employer" does not include a taxpayer that:

(1) is a nonprofit corporation;

(2) is an educational institution; or

(3) requires a gaming license or permit to operate under IC 4-31-5 or IC 4-33-6.

Sec. 5. As used in this chapter, "qualified wages" means the difference between:

(1) wages paid by an employer to an employee after the employee's certification; minus

(2) wages paid by an employer to an employee before the

employee's certification.

Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

(1) IC 6-3 (the adjusted gross income tax);

(2) IC 6-2.5 (state gross retail and use tax);

(3) IC 6-5.5 (the financial institutions tax); and

(4) IC 27-1-18-2 (the 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.

Sec. 7. As used in this chapter, "taxpayer" means a person, a corporation, a partnership, a limited liability corporation, a limited liability partnership, or any other entity that has any state tax liability.

Sec. 8. (a) A taxpayer is entitled to a credit against the taxpayer's state tax liability for a taxable year if the taxpayer pays qualified wages in the taxable year.

(b) The amount of the credit to which a taxpayer is entitled equals the product of fifty percent (50%) multiplied by all qualified wages paid by the employer during the taxable year. However, the credit amount claimed for a taxable year may not exceed the taxpayer's state tax liability for the taxable year.

(c) If the amount of the credit to which a taxpayer is entitled exceeds the taxpayer's state tax liability, the taxpayer may carry the excess credit over to the following taxable years. The amount of the credit carryover from a taxable year is reduced to the extent that the taxpayer uses the carryover to obtain a credit under this chapter for any subsequent taxable year.

(d) A taxpayer is not entitled to a carryback or refund of any unused credit.

Sec. 9. To receive the credit under this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue:

(1) proof of payment of qualified wages;

(2) proof of the certification of each employee to whom qualified wages are paid; and

(3) all information that the department of state revenue determines is necessary to:

(A) calculate the credit under this chapter; or

(B) determine whether wages are qualified wages. The department of workforce development shall review a determination under this clause.

(Reference is to HB 1192 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 5.

TORR, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred House Bill 1203, 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 1.

BUDAK, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1213, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 8, nays 3.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Safety and Homeland Security, to which was referred House Bill 1235, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 16-18-2-194.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 194.5. "Isolation", for purposes of IC 16-41-9, means the physical separation, including confinement or restriction, of an individual or a group of individuals from the general public if the individual or group is infected with a communicable disease, in order to prevent or limit the transmission of the disease to an uninfected individual.**

SECTION 2. IC 16-18-2-298.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 298.5. "Public health authority", for purposes of IC 16-41-9, means:**

(1) the state health commissioner of the state department;

(2) a deputy or an assistant state health commissioner appointed by the state health commissioner, or an agent expressly authorized by the state health commissioner; or

(3) the local health officer.

SECTION 3. IC 16-18-2-302.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 302.6. "Quarantine", for purposes of IC 16-41-9, means the physical separation, including confinement or restriction of movement, of an individual or a group of individuals who may have been exposed to a communicable disease during the disease's period of communicability, in order to prevent or limit the transmission of the disease to an uninfected individual.**

SECTION 4. IC 16-21-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. With the approval of the budget director and upon the recommendation of the budget committee, each county that has incurred costs for a carrier ~~(other than costs incurred under IC 16-41-9-11)~~ under:

(1) IC 16-41-1;

(2) IC 16-41-2;

(3) IC 16-41-3;

(4) IC 16-41-5;

(5) IC 16-41-6;

(6) IC 16-41-7;

(7) IC 16-41-8;

(8) IC 16-41-9; or

(9) IC 16-41-13;

is entitled to a pro rata share of the money remaining at the end of the state fiscal year in the fund established under this chapter.

SECTION 5. IC 16-22-8-31, AS AMENDED BY P.L.184-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 31. (a) The director of the division of public health has the powers, functions, and duties of a local health officer.

(b) Orders, citations, and administrative notices of violation issued by the director of the division of public health, the director's authorized representative, a supervisor in the division, or an environmental health specialist may be enforced by the corporation in a court with jurisdiction by filing a civil action in accordance with IC 16-42-5-28, IC 33-36-3-5(b), or IC 36-1-6-4.

(c) Orders, health directives, and restrictions issued by the state health commissioner, the state health commissioner's legally authorized agent, a designated health official, or the director of the division of public health may be enforced by the corporation in a court with jurisdiction by filing a civil action in accordance with ~~IC 16-41-9-1 or IC 16-41-9-11.~~ **IC 16-41-9.**

(d) A change of venue from the county may not be granted for court proceedings initiated under this section.

SECTION 6. IC 16-41-9-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 1.5. (a) If the public health authority has reason to believe that:**

(1) an individual:

(A) has been infected with; or

(B) has been exposed to;

a dangerous communicable disease or outbreak; and

(2) the individual is likely to cause the infection of an uninfected individual if the individual is not restricted in the individual's ability to come into contact with an uninfected individual;

the public health authority may petition a circuit or superior court for an order imposing isolation or quarantine on the individual. A petition for isolation or quarantine filed under this subsection must include a brief description of the facts supporting the public health authority's belief that isolation or quarantine should be imposed on an individual.

(b) Except as provided in subsections (e) and (k), an individual described in subsection (a) is entitled to notice and an opportunity to be heard, in person or by counsel, before a court issues an order imposing isolation or quarantine. A court may restrict an individual's right to appear in person if the court finds that the individual's personal appearance may expose an uninfected person to a dangerous communicable disease or outbreak.

(c) If an individual is restricted from appearing in person under subsection (b), the court shall:

(1) hold the hearing in a manner that would allow all parties to fully and safely participate in the proceedings under the circumstances; or

(2) require the individual to appear by counsel.

(d) If the public health authority proves by a preponderance of the evidence that:

(1) an individual has been infected or exposed to a dangerous communicable disease or outbreak; and

(2) the individual is likely to cause the infection of an uninfected individual if the individual is not restricted in the individual's ability to come into contact with an uninfected individual;

the court may impose isolation or quarantine on the individual. The court shall establish the conditions of isolation or quarantine, including the duration of isolation or quarantine. The court shall impose the least restrictive conditions of isolation or quarantine that are consistent with the protection of the public.

(e) If the public health authority has reason to believe that an individual described in subsection (a) may expose an uninfected individual to a dangerous communicable disease or outbreak before the individual can be provided with notice and an opportunity to be heard, the public health authority may seek in a circuit or superior court an emergency order of quarantine or isolation by filing a verified petition for emergency quarantine or isolation. The verified petition must include a brief description of the facts supporting the public health authority's belief that:

(1) isolation or quarantine should be imposed on an individual; and

(2) the individual may expose an uninfected individual to a dangerous communicable disease or outbreak before the individual can be provided with notice and an opportunity to be heard.

(f) If the public health authority proves by a preponderance of the evidence that:

(1) an individual has been infected or exposed to a dangerous communicable disease or outbreak;

(2) the individual is likely to cause the infection of an uninfected individual if the individual is not restricted in the individual's ability to come into contact with an uninfected individual; and

(3) the individual may expose an uninfected individual to a dangerous communicable disease or outbreak before the individual can be provided with notice and an opportunity to be heard;

the court may issue an emergency order imposing isolation or quarantine on the individual. An emergency order of isolation or quarantine expires after fourteen (14) days unless renewed in accordance with subsection (l). The court shall establish the other conditions of isolation or quarantine. The court shall impose the least restrictive conditions of isolation or quarantine that are consistent with the protection of the public.

(g) A court may issue an emergency order of isolation or quarantine without the verified petition required under subsection (e) if the court receives sworn testimony of the same facts required in the verified petition:

(1) in a nonadversarial, recorded hearing before the judge;

(2) orally by telephone or radio; or

(3) in writing by facsimile transmission (fax).

If the court agrees to issue an emergency order of isolation or quarantine based upon information received under subdivision (2), the court shall direct the public health authority to sign the judge's name and to write the time and date of issuance on the proposed emergency order. If the court agrees to issue an emergency order of isolation or quarantine based upon information received under subdivision (3), the court shall direct the public health authority to transmit a proposed emergency order to the court, which the court shall sign, add the date of issuance, and transmit back to the public health authority. A court may modify the conditions of a proposed emergency order.

(h) If an emergency order of isolation or quarantine is issued under subsection (g)(2), the court shall record the conversation on audiotape and order the court reporter to type or transcribe the recording for entry in the record. The court shall certify the audiotape, the transcription, and the order retained by the judge for entry in the record.

(i) If an emergency order of isolation or quarantine is issued under subsection (g)(3), the court shall order the court reporter to retype or copy the facsimile transmission for entry in the record. The court shall certify the transcription or copy and order retained by the judge for entry in the record.

(j) The clerk shall notify the public health authority who received an emergency order under subsection (g)(2) or (g)(3) when the transcription or copy required under this section is entered in the record. The public health authority shall sign the typed, transcribed, or copied entry upon receiving notice from the court reporter.

(k) The public health authority may issue an immediate order imposing isolation or quarantine on an individual if exigent circumstances, including the number of affected individuals, exist that make it impracticable for the public health authority to seek an order from a court. An immediate order of isolation or quarantine expires after fourteen (14) days unless renewed in accordance with subsection (l). The public health authority shall establish the other conditions of isolation or quarantine. The public health authority shall impose the least restrictive conditions of isolation or quarantine that are consistent with the protection of the public. The public health authority shall post a copy of the order where it is likely to be seen by individuals subject to the order.

(l) The public health authority may seek to renew an order of isolation or quarantine or an immediate order of isolation or quarantine issued under this section by doing the following:

(1) By filing a petition to renew the emergency order of isolation or quarantine or the immediate order of isolation or quarantine with:

(A) the court that granted the emergency order of isolation or quarantine; or

(B) a circuit or superior court, in the case of an immediate order.

The petition for renewal must include a brief description of the facts supporting the public health authority's belief that the individual who is the subject of the petition should remain in isolation or quarantine.

(2) By providing the individual who is the subject of the emergency order of isolation or quarantine or the immediate order of isolation or quarantine with a copy of the petition and notice of the hearing at least twenty-four (24) hours before the time of the hearing.

(3) By informing the individual who is the subject of the emergency order of isolation or quarantine or the immediate order of isolation or quarantine that the individual has the right to:

(A) appear, unless the court finds that the individual's personal appearance may expose an uninfected person to a dangerous communicable disease or outbreak;

(B) cross-examine witnesses; and

(C) counsel, including court appointed counsel in accordance with subsection (c).

(4) If:

(A) the petition applies to a group of individuals; and

(B) it is impracticable to provide individual notice;

by posting the petition in a conspicuous location on the isolation or quarantine premises.

(m) If the public health authority proves by a preponderance of evidence at a hearing under subsection (l) that:

(1) an individual has been infected or exposed to a dangerous communicable disease or outbreak; and

(2) the individual is likely to cause the infection of an uninfected individual if the individual is not restricted in the individual's ability to come into contact with an uninfected individual;

the court may renew the existing order of isolation or quarantine or issue a new order imposing isolation or quarantine on the individual. The court shall establish the conditions of isolation or quarantine, including the duration of isolation or quarantine. The court shall impose the least restrictive conditions of isolation or quarantine that are consistent with the protection of the public.

(n) Upon the motion of any party, or upon its own motion, a court may consolidate cases for a hearing under this section if:

(1) the number of individuals who may be subject to isolation or quarantine, or who are subject to isolation or quarantine, is so large as to render individual participation impractical;

(2) the law and the facts concerning the individuals are similar; and

(3) the individuals have similar rights at issue.

A court may order an attorney to represent a group of similarly situated individuals if the individuals can be adequately represented.

(o) A public health authority that imposes a quarantine may allow:

(1) the parent or guardian of a child who is quarantined under this section; or

(2) an adult family member of an adult who is quarantined under this section;

to remain with the quarantined individual in quarantine if the parent, guardian, or adult family member receives a vaccination or treatment for the disease or condition for which the quarantine is imposed.

(p) If an individual who is quarantined under this section is the sole parent or guardian of one (1) or more children who are not quarantined, the child or children shall be placed in the residence of a relative, friend, or neighbor of the quarantined individual until the quarantine period has expired. Placement under this subsection must be in accordance with the directives of the parent or guardian, if possible.

(q) State and local law enforcement agencies shall cooperate with the public health authority in enforcing an order of isolation or quarantine.

(r) The court shall appoint an attorney to represent an indigent individual in an action brought under this chapter or under IC 16-41-6. If funds to pay for the court appointed attorney are not available from any other source, the state department may use the proceeds of a grant or loan to reimburse the county, state, or attorney for the costs of representation.

(s) A person who knowingly or intentionally violates a condition of isolation or quarantine under this chapter commits violating quarantine or isolation, a Class A misdemeanor. Each day that a violation continues constitutes a separate offense.

(t) The state department may adopt rules under IC 4-22-2 to implement this section.

SECTION 7. IC 16-41-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) ~~A designated health official~~ **The local health officer** may file a report with the court that states that a carrier who has been detained under this article may be discharged without danger to the health or life of others.

(b) The court may enter an order of release based on information presented by the ~~designated health official~~ **local health officer** or other sources.

SECTION 8. IC 16-41-9-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. (a) The court shall determine what part of the cost of care or treatment ordered by the court, if any, the carrier can pay and whether there are other available sources of public or private funding responsible for payment of the carrier's care or treatment. The carrier shall provide the court documents and other information necessary to determine financial ability. If the carrier cannot pay the full cost of care and other sources of public or private funding responsible for payment of the carrier's care or treatment are not available, the county is responsible for the cost. If the carrier:

(1) provides inaccurate or misleading information; or

(2) later becomes able to pay the full cost of care;

the carrier becomes liable to the county for costs paid by the county.

(b) Except as provided in subsections (c) and (d), the costs incurred by the county under this chapter are limited to the costs incurred under ~~section 11~~ **section 1.5** of this chapter.

(c) However, subsection (b) does not relieve the county of the responsibility for the costs of a carrier who is ordered by the court under this chapter to a county facility.

(d) Costs, other than costs described in subsections (b) and (c) that are incurred by the county for care ordered by the court under this chapter, shall be reimbursed by the state under IC 16-21-7 to the extent funds have been appropriated for reimbursement.

SECTION 10. IC 34-30-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 13.5. Health Care: Immunity for Persons Providing Services in a Disaster

Sec. 1. Except as provided in section 2 of this chapter, a person who meets the following criteria is immune from civil liability resulting from an act or omission relating to the provision of health care services in response to a disaster (as defined in IC 10-14-3-1):

(1) Has a license to provide health care services under Indiana law or the law of another state.

(2) Provides a health care service:

(A) within the scope of the person's license to another person; and

(B) at a location where health care services are provided during an event that is declared as a disaster.

Sec. 2. A person described in section 1 of this chapter is not immune from civil liability if the damages resulting from the act or omission relating to the provision of the health care services resulted from the person's gross negligence or willful misconduct.

Sec. 3. A medical clinic, health care facility, or other location that is providing health care services during an event that is declared as a disaster is immune from civil liability resulting from an act or omission relating to the provision of health care services in response to a disaster by a health professional licensed to provide the health care service under Indiana law or the law of another state if the person is acting during an event that is declared as a disaster.

SECTION 11. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2006]: IC 16-41-9-1; IC 16-41-9-2; IC 16-41-9-4; IC 16-41-9-11; IC 16-41-9-14.

SECTION 12. [EFFECTIVE JULY 1, 2006] **IC 16-41-9-1.5(s), as added by this act, applies only to crimes committed after June 30, 2006.**

Renumber all SECTIONS consecutively.

(Reference is to HB 1235 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 0.

RUPPEL, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Natural Resources, to which was referred House Bill 1258, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

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

"SECTION 2. IC 14-15-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. **(a) This section does not apply to a body of water that is under the jurisdiction of the:**

(1) department; or

(2) United States Army Corps of Engineers.

~~(a)~~ **(b)** As used in this section, "litter" means bottles, glass, crockery, cans, scrap metal, junk, paper, garbage, rubbish, plastic, or similar refuse.

~~(b)~~ **(c)** In the operation or use of watercraft, a person may not throw, dump, place, deposit, or cause or permit to be thrown, dumped, placed, or deposited:

(1) any litter, filth, or putrid or unwholesome substance; or

(2) the contents of a water closet or toilet, catch basin, or grease trap;

in or upon public water or the banks of public water.".

Page 1, line 12, delete "A" and insert "**Except as provided in subsection (b),** a".

Page 2, between lines 7 and 8, begin a new paragraph and insert:

"**(b) Subsection (a)(4) does not apply to an entity referred to in section 26.5(a)(1) through 26.5(a)(4) of this chapter.**".

Page 2, line 8, strike "(b)" and insert "**(c)**".

Page 2, line 16, delete "one hundred (100)" and insert "**fifty (50)**".

Page 5, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 13. IC 35-45-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A person who recklessly, knowingly, or intentionally places or leaves refuse on property of another person, except in a container provided for refuse, commits littering, a Class B infraction. **However, the offense is a Class A misdemeanor if the refuse is placed or left in, on, or within one hundred (100) feet of a body of water that is under the jurisdiction of the:**

(1) department of natural resources; or

(2) United States Army Corps of Engineers.

(b) "Refuse" includes solid and semisolid wastes, dead animals, and offal.

(c) Evidence that littering was committed from a moving vehicle other than a public conveyance constitutes prima facie evidence that it was committed by the operator of that vehicle.".

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

"SECTION 15. [EFFECTIVE JULY 1, 2006] **IC 35-45-3-2, as amended by this act, applies only to offenses committed after June 30, 2006.**".

Delete pages 6 through 7.

Renumber all SECTIONS consecutively.

(Reference is to HB 1258 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 11, nays 0.

HOFFMAN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Economic Development and Small Business, to which was referred House Bill 1259, 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.

T. HARRIS, Vice Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment and Labor, to which was referred House Bill 1267, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 20-33-3-12, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. (a) As proof of prospective employment, the issuing officer shall require a written statement that:

(1) is signed by the person for whom the child is to work; ~~and~~

(2) sets forth the nature of work that the child is to perform; **and**

(3) specifies the maximum number of hours per week that the child will work for the employer.

(b) When a child's employment terminates, the employer shall immediately notify the issuing officer in writing of the:

(1) termination; and

(2) date on which it occurred.

This notice shall be on a blank form attached to the child's employment certificate.

~~(c) It is unlawful for an issuing officer to issue a subsequent employment certificate until the issuing officer has:~~

~~(1) received a termination notice from the current employer; or~~

~~(2) otherwise determined that the child's employment has terminated.~~

~~(d)~~ **(c)** An employment certificate may be used at not more than two (2) locations within the same enterprise if the enterprise complies with the hour restrictions prescribed in sections ~~21~~ **22** through ~~29~~ **28** of this chapter.

SECTION 2. IC 20-33-3-13, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2006]: Sec. 13. (a) Upon presentation to the issuing officer of the documents required by section 10 of this chapter, an employment certificate shall be issued immediately to the child. **The employment certificate shall state the maximum number of hours that the child may be employed by the employer.** However, an issuing officer may deny a certificate to a child:

(1) whose attendance is not in good standing; or

(2) whose academic performance does not meet the school corporation's standard.

(b) Not more than five (5) days after issuing an employment certificate, the issuing officer shall send a copy of the employment certificate to the department of labor. The issuing officer shall keep a record in the issuing officer's office of each employment certificate issued.

(c) A student may appeal the denial of a certificate under subsection (a) to the principal.

SECTION 3. IC 20-33-3-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2006]: **Sec. 13.5. (a) A child may hold more than one (1) employment certificate at a time. However, a child who holds more than one (1) employment certificate at a time is subject to the penalties in sections 39 and 40 of this chapter for any of the following:**

(1) Hour violations under sections 22 through 28 of this chapter.

(2) A violation of section 23(3) or 24(3) of this chapter.

(b) An employer of a child who holds more than one (1) employment certificate under subsection (a) is subject only to the penalties in sections 39 and 40 of this chapter for:

(1) hour violations under sections 22 through 28 of this chapter; or

(2) a violation of section 23(3) or 24(3) of this chapter;

for the employment of the child with the employer.

SECTION 4. IC 20-33-3-23, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2006]: Sec. 23. **Except as provided in section 27 of this chapter,** a child who is at least sixteen (16) years of age and less than seventeen (17) years of age may not:

(1) work for more than eight (8) hours in any one (1) day;

(2) work for more than thirty (30) hours in any one (1) week;

(3) work for more than six (6) days in any one (1) week; or

(4) begin a work day before 6 a.m.

SECTION 5. IC 20-33-3-24, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2006]: Sec. 24. **Except as provided in section 27 of this chapter,** a child who is at least seventeen (17)

years of age and less than eighteen (18) years of age may not:

(1) work for more than eight (8) hours in any one (1) day;

(2) work for more than thirty (30) hours in any one (1) week;

(3) work for more than six (6) days in any one (1) week; or

(4) begin a work day before 6 a.m. on a school day.

SECTION 6. IC 20-33-3-27, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2006]: Sec. 27. (a) ~~An employer may employ~~ A child who is at least sixteen (16) years of age and less than eighteen (18) years of age **may be employed** for up to forty (40) hours during a school week if the employer ~~has.~~ **or employers have:**

(1) obtained written permission from the child's parent; and

(2) placed the written permission on file in the employer's office **or the offices of the employers.**

(b) If ~~an~~ **the** employer ~~has~~ **or employers have** obtained written permission required under subsection (a), ~~the employer may employ~~ a child who is at least sixteen (16) years of age and less than eighteen (18) years of age **may be employed** for periods that do not exceed a total of nine (9) hours in any one (1) day and a total of forty-eight (48) hours in any one (1) nonschool week.

SECTION 7. IC 20-33-3-39, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2006]: Sec. 39. **Notwithstanding section 13.5(b) of this chapter,** a person, firm, limited liability company, or corporation that violates this chapter may be assessed the civil penalties described in this section by the department of labor. For an employment certificate violation under section 5 or 14 of this chapter, a termination notice violation under section 12 of this chapter, an hour violation of not more than thirty (30) minutes under ~~sections 21~~ **sections 22** through ~~29~~ **28** of this chapter, **a violation of section 23(3) or 24(3) of this chapter,** or a posting violation under section 34 of this chapter, the civil penalties are as follows:

(1) A warning letter for any violations identified during an initial inspection.

(2) Fifty dollars ($50) per instance for a second violation identified in a subsequent inspection.

(3) Seventy-five dollars ($75) per instance for a third violation that is identified in a subsequent inspection.

(4) One hundred dollars ($100) per instance for a fourth or subsequent violation that is identified in an inspection subsequent to the inspection under subdivision (3) and occurs not more than two (2) years after a prior violation.

SECTION 8. [EFFECTIVE JULY 1, 2006] **(a) As used in this SECTION, "committee" refers to the interim study committee on child labor established by this SECTION.**

(b) There is established the interim study committee on child labor. The committee shall study:

(1) the issuance of employment certificates;

(2) the maximum hours that a child under age eighteen (18) may work in a week; and

(3) enforcement of child labor laws.

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

(d) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure.

(e) This SECTION expires December 31, 2006.

SECTION 9. **An emergency is declared for this act.**

(Reference is to HB 1267 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 7, nays 5.

TORR, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Economic Development and Small Business, to which was referred House Bill 1318, 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 6-1.1-12.1-1, AS AMENDED BY P.L.216-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. For purposes of this chapter:

(1) "Economic revitalization area" means an area which is within the corporate limits of a city, town, or county which has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The term "economic revitalization area" also includes:

(A) any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

(B) a residentially distressed area, except as otherwise provided in this chapter.

(2) "City" means any city in this state, and "town" means any town incorporated under IC 36-5-1.

(3) "New manufacturing equipment" means any tangible personal property which:

(A) was installed after February 28, 1983, and on or before the approval deadline determined under section 9 of this chapter, in an area that is declared an economic revitalization area after February 28, 1983, in which a deduction for tangible personal property is allowed;

(B) is used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property, including but not limited to use to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(C) was acquired by its owner for use as described in clause (B) and was never before used by its owner for any purpose in Indiana.

However, notwithstanding any other law, the term includes tangible personal property that is used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products and was installed after March 1, 1993, and before March 2, 1996, even if the property was installed before the area where the property is located was designated as an economic revitalization area or the statement of benefits for the property was approved by the designating body.

(4) "Property" means a building or structure, but does not include land.

(5) "Redevelopment" means the construction of new structures, in economic revitalization areas, either:

(A) on unimproved real estate; or

(B) on real estate upon which a prior existing structure is demolished to allow for a new construction.

(6) "Rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.

(7) "Designating body" means the following:

(A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.

(B) For a county containing a consolidated city, the metropolitan development commission.

(8) "Deduction application" means: ~~either:~~

(A) the application filed in accordance with section 5 of this chapter by a property owner who desires to obtain the deduction provided by section 3 of this chapter; ~~or~~

(B) the application filed in accordance with section 5.4 of this chapter by a person who desires to obtain the deduction provided by section 4.5 of this chapter; **or**

(C) the application filed in accordance with section 5.3 of this chapter by a property owner that desires to obtain the deduction provided by section 4.8 of this chapter.

(9) "Designation application" means an application that is filed

with a designating body to assist that body in making a determination about whether a particular area should be designated as an economic revitalization area.

(10) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a). The term includes waste determined to be a hazardous waste under IC 13-22-2-3(b).

(11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a). However, the term does not include dead animals or any animal solid or semisolid wastes.

(12) "New research and development equipment" means tangible personal property that:

(A) is installed after June 30, 2000, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

(i) laboratory equipment;

(ii) research and development equipment;

(iii) computers and computer software;

(iv) telecommunications equipment; or

(v) testing equipment;

(C) is used in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products; and

(D) is acquired by the property owner for purposes described in this subdivision and was never before used by the owner for any purpose in Indiana.

The term does not include equipment installed in facilities used for or in connection with efficiency surveys, management studies, consumer surveys, economic surveys, advertising or promotion, or research in connection with literacy, history, or similar projects.

(13) "New logistical distribution equipment" means tangible personal property that:

(A) is installed after June 30, 2004, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

(i) racking equipment;

(ii) scanning or coding equipment;

(iii) separators;

(iv) conveyors;

(v) fork lifts or lifting equipment (including "walk behinds");

(vi) transitional moving equipment;

(vii) packaging equipment;

(viii) sorting and picking equipment; or

(ix) software for technology used in logistical distribution;

(C) is used for the storage or distribution of goods, services, or information; and

(D) before being used as described in clause (C), was never used by its owner for any purpose in Indiana.

(14) "New information technology equipment" means tangible personal property that:

(A) is installed after June 30, 2004, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of equipment, including software, used in the fields of:

(i) information processing;

(ii) office automation;

(iii) telecommunication facilities and networks;

(iv) informatics;

(v) network administration;

(vi) software development; and

(vii) fiber optics; and

(C) before being installed as described in clause (A), was never used by its owner for any purpose in Indiana.

(15) "Eligible vacant building" means a building that:

(A) is zoned for commercial or industrial purposes; and

(B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

SECTION 2. IC 6-1.1-12.1-2, AS AMENDED BY P.L.216-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A designating body may find that a particular area within its jurisdiction is an economic revitalization area. However, the deduction provided by this chapter for economic revitalization areas not within a city or town shall not be available to retail businesses.

(b) In a county containing a consolidated city or within a city or town, a designating body may find that a particular area within its jurisdiction is a residentially distressed area. Designation of an area as a residentially distressed area has the same effect as designating an area as an economic revitalization area, except that the amount of the deduction shall be calculated as specified in section 4.1 of this chapter and the deduction is allowed for not more than five (5) years. In order to declare a particular area a residentially distressed area, the designating body must follow the same procedure that is required to designate an area as an economic revitalization area and must make all the following additional findings or all the additional findings described in subsection (c):

(1) The area is comprised of parcels that are either unimproved or contain only one (1) or two (2) family dwellings or multifamily dwellings designed for up to four (4) families, including accessory buildings for those dwellings.

(2) Any dwellings in the area are not permanently occupied and are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) Parcels of property in the area:

(A) have been sold and not redeemed under IC 6-1.1-24 and IC 6-1.1-25; or

(B) are owned by a unit of local government.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection or one (1) of the additional findings described in subsection (c).

(c) In a county containing a consolidated city or within a city or town, a designating body that wishes to designate a particular area a residentially distressed area may make the following additional findings as an alternative to the additional findings described in subsection (b):

(1) A significant number of dwelling units within the area are not permanently occupied or a significant number of parcels in the area are vacant land.

(2) A significant number of dwelling units within the area are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) The area has experienced a net loss in the number of dwelling units, as documented by census information, local building and demolition permits, or certificates of occupancy, or the area is owned by Indiana or the United States.

(4) The area (plus any areas previously designated under this subsection) will not exceed ten percent (10%) of the total area within the designating body's jurisdiction.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection as an alternative to one (1) of the additional findings described in subsection (b).

(d) A designating body is required to attach the following conditions to the grant of a residentially distressed area designation:

(1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability.

(2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed within a reasonable period of time.

(e) To make a designation described in subsection (a) or (b), the designating body shall use procedures prescribed in section 2.5 of this chapter.

(f) The property tax deductions provided by ~~sections~~ **section** 3, ~~and~~ 4.5, **or 4.8** of this chapter are only available within an area which the designating body finds to be an economic revitalization area.

(g) The designating body may adopt a resolution establishing general standards to be used, along with the requirements set forth in the definition of economic revitalization area, by the designating body in finding an area to be an economic revitalization area. The standards must have a reasonable relationship to the development objectives of the area in which the designating body has jurisdiction. The following ~~three (3)~~ **four (4)** sets of standards may be established:

(1) One (1) relative to the deduction under section 3 of this chapter for economic revitalization areas that are not residentially distressed areas.

(2) One (1) relative to the deduction under section 3 of this chapter for residentially distressed areas.

(3) One (1) relative to the deduction allowed under section 4.5 of this chapter.

(4) One (1) relative to the deduction allowed under section 4.8 of this chapter.

(h) A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as an economic revitalization area. The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or more owner-occupied, single-family dwellings may not exceed the cost of publishing the required notice.

(i) In declaring an area an economic revitalization area, the designating body may:

(1) limit the time period to a certain number of calendar years during which the economic revitalization area shall be so designated;

(2) limit the type of deductions that will be allowed within the economic revitalization area to ~~either~~ the deduction allowed under section 3 of this chapter, ~~or~~ the deduction allowed under section 4.5 of this chapter, **the deduction allowed under section 4.8 of this chapter, or any combination of these deductions;**

(3) limit the dollar amount of the deduction that will be allowed with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment if a deduction under this chapter had not been filed before July 1, 1987, for that equipment;

(4) limit the dollar amount of the deduction that will be allowed with respect to redevelopment and rehabilitation occurring in areas that are designated as economic revitalization areas on or after September 1, 1988;

(5) limit the dollar amount of the deduction that will be allowed under section 4.8 of this chapter with respect to the occupation of an eligible vacant building; or

~~(5)~~ **(6)** impose reasonable conditions related to the purpose of this chapter or to the general standards adopted under subsection (g) for allowing the deduction for the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

To exercise one (1) or more of these powers, a designating body must include this fact in the resolution passed under section 2.5 of this chapter.

(j) Notwithstanding any other provision of this chapter, if a designating body limits the time period during which an area is an economic revitalization area, that limitation does not:

(1) prevent a taxpayer from obtaining a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment installed on or before the approval deadline determined under section 9 of this chapter, but after the expiration of the economic revitalization area if:

(A) the economic revitalization area designation expires after December 30, 1995; and

(B) the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was described in a statement of benefits submitted to and approved by the designating body in accordance with section 4.5 of this chapter before the expiration of the economic revitalization area designation; or

(2) limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under section 4, ~~or~~ 4.5, **or 4.8** of this chapter.

(k) Notwithstanding any other provision of this chapter, deductions:

(1) that are authorized under section 3 of this chapter for property in an area designated as an urban development area before March 1, 1983, and that are based on an increase in assessed valuation resulting from redevelopment or rehabilitation that occurs before March 1, 1983; or

(2) that are authorized under section 4.5 of this chapter for new manufacturing equipment installed in an area designated as an urban development area before March 1, 1983;

apply according to the provisions of this chapter as they existed at the time that an application for the deduction was first made. No deduction that is based on the location of property or new manufacturing equipment in an urban development area is authorized under this chapter after February 28, 1983, unless the initial increase in assessed value resulting from the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment occurred before March 1, 1983.

(l) If property located in an economic revitalization area is also located in an allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), an application for the property tax deduction provided by this chapter may not be approved unless the commission that designated the allocation area adopts a resolution approving the application.

SECTION 3. IC 6-1.1-12.1-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) If a designating body finds that an area in its jurisdiction is an economic revitalization area, it shall either:

(1) prepare maps and plats that identify the area; or

(2) prepare a simplified description of the boundaries of the area by describing its location in relation to public ways, streams, or otherwise.

(b) After the compilation of the materials described in subsection (a), the designating body shall pass a resolution declaring the area an economic revitalization area. The resolution must contain a description of the affected area and be filed with the county assessor. A resolution adopted after June 30, 2000, may include a determination of the number of years a deduction under section 3, **4.5, or 4.8** of this chapter is allowed. ~~In addition, if the resolution is adopted after June 30, 2000, the resolution may include a determination of the number of years a deduction under section 4.5 of this chapter is allowed.~~

(c) After approval of a resolution under subsection (b), the designating body shall do the following:

(1) Publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1.

(2) File the following information with each taxing unit that has authority to levy property taxes in the geographic area where the economic revitalization area is located:

(A) A copy of the notice required by subdivision (1).

(B) A statement containing substantially the same information as a statement of benefits filed with the designating body before the hearing required by this section under ~~sections~~ **section** 3, ~~and~~ 4.5, **or 4.8** of this chapter.

The notice must state that a description of the affected area is available and can be inspected in the county assessor's office. The notice must also name a date when the designating body will receive and hear all remonstrances and objections from interested persons. The designating body shall file the information required by subdivision (2) 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 public hearing. After considering

the evidence, the designating body shall take final action determining whether the qualifications for an economic revitalization area have been met and confirming, modifying and confirming, or rescinding the resolution. This determination is final except that an appeal may be taken and heard as provided under subsections (d) and (e).

(d) A person who filed a written remonstrance with the designating body under this section and who is aggrieved by the final action taken may, within ten (10) days after that final action, initiate an appeal of that action by filing in the office of the clerk of the circuit or superior court a copy of the order of the designating body and ~~his~~ **the person's** remonstrance against that order, together with ~~his~~ **the person's** bond conditioned to pay the costs of ~~his~~ **the person's** appeal if the appeal is determined against ~~him.~~ **the person.** The only ground of appeal that the court may hear is whether the proposed project will meet the qualifications of the economic revitalization area law. The burden of proof is on the appellant.

(e) 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 appeal, and may confirm the final action of the designating body or sustain the appeal. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

SECTION 4. IC 6-1.1-12.1-4.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.8. (a) A property owner that is an applicant for a deduction under this section must provide a statement of benefits to the designating body.**

(b) If the designating body requires information from the property owner for the designating body's use in deciding whether to designate an economic revitalization area, the property owner must provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the property owner must submit the completed statement of benefits form to the designating body before the occupation of the eligible vacant building for which the property owner desires to claim a deduction.

(c) The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the eligible vacant building that the property owner or a tenant of the property owner will occupy.

(2) An estimate of the number of individuals who will be employed or whose employment will be retained by the property owner or the tenant as a result of the occupation of the eligible vacant building, and an estimate of the annual salaries of those individuals.

(3) Information regarding efforts by the owner or a previous owner to sell, lease, or rent the eligible vacant building during the period the eligible vacant building was unoccupied.

(4) Information regarding the amount for which the eligible vacant building was offered for sale, lease, or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied.

(d) With the approval of the designating body, the statement of benefits may be incorporated in a designation application. A statement of benefits is a public record that may be inspected and copied under IC 5-14-3.

(e) The designating body must review the statement of benefits required by subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area or whether a deduction should be allowed, after the designating body has made the following findings:

(1) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(2) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(3) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(4) Whether the occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the economic revitalization area.

(5) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not designate an area an economic revitalization area or approve a deduction under this section unless the findings required by this subsection are made in the affirmative.

(f) Except as otherwise provided in this section, the owner of an eligible vacant building located in an economic revitalization area is entitled to a deduction from the assessed value of the building if the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes. The property owner is entitled to the deduction:

(1) for the first year in which the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes; and

(2) for subsequent years determined under subsection (g).

(g) The designating body shall determine the number of years for which a property owner is entitled to a deduction under this section. However, the deduction may not be allowed for more than five (5) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by a resolution adopted not more than sixty (60) days after the designating body receives a copy of the property owner's deduction application from the county auditor.

A certified copy of a resolution under subdivision (2) shall be sent to the county auditor, who shall make the deduction as provided in section 5.3 of this chapter. A determination concerning the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by using the procedure under subdivision (2).

(h) Except as provided in section 2(i)(5) of this chapter and subsection (k), the amount of the deduction the property owner is entitled to receive under this section for a particular year equals the product of:

(1) the assessed value of the building or part of the building that is occupied by the property owner or a tenant of the property owner; multiplied by

(2) the percentage set forth in the table in subsection (i).

(i) The percentage to be used in calculating the deduction under subsection (h) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%

3rd	60%
4th	40%
5th	20%

(j) The amount of the deduction determined under subsection (h) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the period of the deduction, the amount of the assessed value determined under subsection (h)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved and results in a reduction of the assessed value of the property, the amount of a deduction under this section shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(k) The maximum amount of a deduction under this section may not exceed the lesser of:

(1) the annual amount for which the eligible vacant building was offered for lease or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied; or

(2) an amount, as determined by the designating body in its discretion, that is equal to the annual amount for which similar buildings in the county or contiguous counties were leased or rented or offered for lease or rent during the period the eligible vacant building was unoccupied.

(l) The department of local government finance shall adopt rules under IC 4-22-2 to implement this section.

SECTION 5. IC 6-1.1-12.1-5.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.3. (a) A property owner that desires to obtain the deduction provided by section 4.8 of this chapter must file a deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the eligible vacant building is located. Except as otherwise provided in this section, the deduction application must be filed before May 10 of the year in which the property owner or a tenant of the property owner initially occupies the eligible vacant building.**

(b) If notice of the assessed valuation or new assessment for a year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date the notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The deduction application required by this section must contain the following information:

(1) The name of the property owner and, if applicable, the property owner's tenant.

(2) A description of the property for which a deduction is claimed.

(3) The amount of the deduction claimed for the first year of the deduction.

(4) Any other information required by the department of local government finance or the designating body.

(d) A deduction application filed under this section applies to the year in which the property owner or a tenant of the property owner occupies the eligible vacant building and in the following years in which the deduction is allowed, without an additional deduction application being filed.

(e) A property owner that desires to obtain the deduction provided by section 4.8 of this chapter but that did not file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year. A deduction application filed under this subsection applies to the year in which the deduction application is filed and the following years in which the deduction is allowed, without an additional deduction application being filed. The amount of the deduction under this subsection is the amount that would have been applicable to the year under section 4.8 of this chapter if the deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall do the following:

(1) If a determination concerning the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination concerning the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided by section 4.8 of this chapter are not affected by a change in the ownership of the eligible vacant building or a change in the property owner's tenant, if the new property owner or the new tenant:

(1) continues to occupy the eligible vacant building in compliance with any standards established under section 2(g) of this chapter; and

(2) files an application in the manner provided by subsection (e).

(h) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the eligible vacant building is located review the deduction application.

(i) A property owner may appeal a determination of the county auditor under subsection (f) by requesting in writing a preliminary conference with the county auditor not more than forty-five (45) days after the county auditor gives the property owner notice of the determination. An appeal under this subsection shall be processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

(j) In addition to the requirements of subsection (c), a property owner that files a deduction application under this section must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 4.8 of this chapter. This information must be included in the deduction application and must also be updated each year in which the deduction is applicable:

(1) at the same time that the property owner or the property owner's tenant files a personal property tax return for property located at the eligible vacant building for which the deduction was granted; or

(2) if subdivision (1) does not apply, before May 15 of each year.

(k) The following information is a public record if filed under this section:

(1) The name and address of the property owner.

(2) The location and description of the eligible vacant building for which the deduction was granted.

(3) Any information concerning the number of employees at the eligible vacant building for which the deduction was granted, including estimated totals that were provided as part of the statement of benefits.

(4) Any information concerning the total of the salaries paid to the employees described in subdivision (3), including estimated totals that are provided as part of the statement of benefits.

(5) Any information concerning the assessed value of the eligible vacant building, including estimates that are provided as part of the statement of benefits.

(l) Information concerning the specific salaries paid to individual employees by the property owner or tenant is confidential.

SECTION 6. IC 6-1.1-12.1-5.9, AS AMENDED BY P.L.193-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.9. (a) This section does not apply to:

(1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or

(2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 1991.

(b) Not later than forty-five (45) days after receipt of the information described in section 5.1, **5.3(j),** or 5.6 of this chapter, the designating body may determine whether the property owner has substantially complied with the statement of benefits approved under section 3, ~~or~~ 4.5, **or 4.8** of this chapter. If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:

(1) An explanation of the reasons for the designating body's determination.

(2) The date, time, and place of a hearing to be conducted by the designating body for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.

(c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3, ~~or~~ 4.5, **or 4.8** of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

(d) If the designating body adopts a resolution terminating a deduction under subsection (c), the designating body shall immediately mail a certified copy of the resolution to:

(1) the property owner;

(2) the county auditor; and

(3) if the deduction applied under section 4.5 of this chapter, the township assessor.

The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction. If the designating body's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

(e) A property owner whose deduction is terminated by the designating body under this section may appeal the designating body's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is final and conclusive unless an appeal is taken as in other civil actions.

(f) If an appeal under subsection (e) is pending, the taxes resulting from the termination of the deduction are not due until after the appeal is finally adjudicated and the termination of the deduction is finally determined.

SECTION 7. IC 6-1.1-12.1-8, AS AMENDED BY P.L.193-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Not later than December 31 of each year, the county auditor shall publish the following in a newspaper of general interest and readership and not one of limited subject matter:

(1) A list of the deduction applications that were filed under this chapter during that year that resulted in deductions being applied under this chapter for that year. The list must contain the following:

(A) The name and address of each person approved for or receiving a deduction that was filed for during the year.

(B) The amount of each deduction that was filed for during the year.

(C) The number of years for which each deduction that was filed for during the year will be available.

(D) The total amount for all deductions that were filed for and applied during the year.

(2) The total amount of all deductions for real property that were in effect under section 3 of this chapter during the year.

(3) The total amount of all deductions for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that were in effect under section 4.5 of this chapter during the year.

(4) The total amount of all deductions for eligible vacant buildings that were in effect under section 4.8 of this chapter during the year.

(b) The county auditor shall file the information described in subsection (a)(2), ~~and~~ (a)(3), **and (a)(4)** with the department of local government finance not later than December 31 of each year.

SECTION 8. IC 6-1.1-12.1-9, AS AMENDED BY P.L.216-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. Notwithstanding any other provision of this chapter, a designating body may not approve a statement of benefits for a deduction under section 3, ~~or~~ 4.5, **or 4.8** of this chapter after the approval deadline, which is determined in the following manner:

(1) The initial approval deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial approval deadline and subsequent approval deadlines are automatically extended in increments of five (5) years, so that approval deadlines subsequent to the initial approval deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an approval deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of approval deadlines under subdivision (2); and

(B) specifically designates a particular date as the final approval deadline.

SECTION 9. IC 6-1.1-12.1-11.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.3. (a) This section applies only to the following requirements:

(1) Failure to provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter.

(2) Failure to submit the completed statement of benefits form to the designating body before the:

(A) initiation of the redevelopment or rehabilitation; ~~or the~~

(B) installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment; **or**

(C) occupation of an eligible vacant building;

for which the person desires to claim a deduction under this chapter.

(3) Failure to designate an area as an economic revitalization area before the initiation of the:

(A) redevelopment;

(B) installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment; ~~or~~

(C) rehabilitation; **or**

(D) occupation of an eligible vacant building;

for which the person desires to claim a deduction under this chapter.

(4) Failure to make the required findings of fact before designating an area as an economic revitalization area or authorizing a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment under

section 2, 3, ~~or~~ 4.5, **or 4.8** of this chapter.

(5) Failure to file a:

(A) timely; or

(B) complete;

deduction application under section 5, **5.3,** or 5.4 of this chapter.

(b) This section does not grant a designating body the authority to exempt a person from filing a statement of benefits or exempt a designating body from making findings of fact.

(c) A designating body may by resolution waive noncompliance described under subsection (a) under the terms and conditions specified in the resolution. Before adopting a waiver under this subsection, the designating body shall conduct a public hearing on the waiver.

SECTION 10. IC 6-1.1-12.1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) A property owner that has received a deduction under section 3, or 4.5 of this chapter is subject to the provisions of this section if the designating body adopts a resolution incorporating the provisions of this section for the economic revitalization area in which the property owner is located.

(b) If:

(1) the property owner **(or, in the case of a deduction under section 4.8 of this chapter, the property owner or a tenant of the property owner)** ceases operations at the facility for which the deduction was granted; and

(2) the designating body finds that the property owner obtained the deduction by intentionally providing false information concerning the property owner's plans to continue operations at the facility;

the property owner shall pay the amount determined under subsection (e) to the county treasurer.

(c) A property owner may appeal the designating body's decision under subsection (b) by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined not more than thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is a final determination that may be appealed in the same manner as other civil actions.

(d) If an appeal under subsection (c) is pending, the payment required by this section is not due until after the appeal is finally adjudicated and the property owner's liability for the payment is finally determined.

(e) The county auditor shall determine the amount to be paid by the property owner according to the following formula:

STEP ONE: For each year that the deduction was in effect, determine the additional amount of property taxes that would have been paid by the property owner if the deduction had not been in effect.

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

STEP THREE: Multiply the sum determined under STEP TWO by one and one-tenth (1.1).

(f) The county treasurer shall distribute money paid under this section on a pro rata basis to the general fund of each taxing unit that contains the property that was subject to the deduction. The amount to be distributed to the general fund of each taxing unit shall be determined by the county auditor according to the following formula:

STEP ONE: For each year that the deduction was in effect, determine the additional amount of property taxes that would have been paid by the property owner to the taxing unit if the deduction had not been in effect.

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

STEP THREE: Divide the STEP TWO sum by the sum determined under STEP TWO of subsection (e).

STEP FOUR: Multiply the amount paid by the property owner under subsection (e) by the STEP THREE quotient.

SECTION 11. IC 6-1.1-12.1-14, AS AMENDED BY P.L.193-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section does not apply to:

(1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or

(2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 2004.

(b) A property owner that receives a deduction under section 3, ~~or~~ 4.5, **or 4.8** of this chapter is subject to this section only if the designating body, with the consent of the property owner, incorporates this section, including the percentage to be applied by the county auditor for purposes of STEP TWO of subsection (c), into its initial approval of the property owner's statement of benefits and deduction at the time of that approval.

(c) During each year in which a property owner's property tax liability is reduced by a deduction applied under this chapter, the property owner shall pay to the county treasurer a fee in an amount determined by the county auditor. The county auditor shall determine the amount of the fee to be paid by the property owner according to the following formula:

STEP ONE: Determine the additional amount of property taxes that would have been paid by the property owner during the year if the deduction had not been in effect.

STEP TWO: Multiply the amount determined under STEP ONE by the percentage determined by the designating body under subsection (b), which may not exceed fifteen percent (15%). The percentage determined by the designating body remains in effect throughout the term of the deduction and may not be changed.

STEP THREE: Determine the lesser of the STEP TWO product or one hundred thousand dollars ($100,000).

(d) Fees collected under this section must be distributed to one (1) or more public or nonprofit entities established to promote economic development within the corporate limits of the city, town, or county served by the designating body. The designating body shall notify the county auditor of the entities that are to receive distributions under this section and the relative proportions of those distributions. The county auditor shall distribute fees collected under this section in accordance with the designating body's instructions.

(e) If the designating body determines that a property owner has not paid a fee imposed under this section, the designating body may adopt a resolution terminating the property owner's deduction under section 3, ~~or~~ 4.5, **or 4.8** of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

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

Renumber all SECTIONS consecutively.

(Reference is to HB 1318 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

T. HARRIS, Vice Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1329, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 10, nays 0.

T. BROWN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1347, 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 17, delete "completion" and insert "**fast track to college**".

Page 2, line 23, after "age" insert "**and not enrolled in a school**".

Page 2, line 24, delete "but less than".

Page 2, line 25, delete "nineteen (19) years of age ".

Page 3, line 22, delete "completion" and insert "**fast track to college**".

Page 3, line 28, after "age" insert "**and not enrolled in a school**".

Page 3, line 29, delete "but less than".

Page 3, line 30, delete "nineteen years of age".

Page 4, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 6. IC 20-12-77 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 77. Financial Aid Reporting

Sec. 1. (a) Each state educational institution (as defined in IC 20-12-0.5-1) shall submit a report annually to the legislative council and the commission for higher education that includes the amount of need based financial aid and merit based financial aid available to students from all sources.

(b) A report submitted to the legislative council under this section must be in an electronic format under IC 5-14-6.".

Page 4, between lines 29 and 30, begin a new line double block indented and insert:

"**(H) School flex program, if offered.**".

Page 5, between lines 36 and 37, begin a new line block indented and insert:

"**(24) The number of students receiving an international baccalaureate diploma.**".

Page 5, line 37, delete "(24)" and insert "**(25)**".

Page 5, delete lines 39 through 42.

Delete pages 6 through 10.

Page 11, delete lines 1 through 33.

Page 12, line 1, after "." insert "**The school counselor shall provide counseling services for the purpose of advising the student of credit recovery options and services available to help the student progress towards graduation.**".

Page 12, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 9. IC 20-30-10-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 4. Each high school must provide at least two (2) of each of the following course offerings to high school students who qualify to enroll in the courses:**

(1) Dual credit.

(2) Advanced placement.

SECTION 10. IC 20-30-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 11.5. Double Up For College Program

Sec. 1. As used in this chapter, "commission" refers to the commission on higher education established by IC 20-12-0.5-2.

Sec. 2. As used in this chapter, "postsecondary credit" means credit toward an associates degree or baccalaureate degree granted by a state educational institution (as defined under IC 20-12-0.5-1) upon the successful completion of a course taken under the program.

Sec. 3. As used in this chapter, "program" refers to the double up for college program established under this chapter.

Sec. 4. As used in this chapter, "secondary credit" means credit toward high school graduation requirements granted by a student's school corporation upon the successful completion of a course taken under the program.

Sec. 5. (a) The double up for college program is established for secondary school students in grades 11 and 12.

(b) A student may enroll in courses offered by a state educational institution under the program on a full-time basis during grade 11 or grade 12, or both.

(c) If the state board has approved a course offered by a state educational institution for secondary credit, a student is entitled to credit toward graduation requirements for each course the student successfully completes at the eligible institution.

(d) Courses offered under the program must be listed in the:

(1) statewide core transfer library courses that are transferable on all campuses of the state educational institutions in accordance with the principles in IC 20-12-0.5-13; or

(2) articulation agreements that apply to any campus in the Ivy Tech State College system and to Vincennes University and draw from liberal arts and the technical, professional, and occupational fields.

The state board shall review courses described in subdivisions (1) and (2) to determine which are eligible for secondary credit. The department shall disseminate the list of approved courses to school corporations.

(e) Based on the demand for enrollment in the identified courses and the resources available to the state educational institutions, the identified courses may be offered through:

(1) onsite instruction;

(2) telecommunication; or

(3) a combination of methods described in subdivisions (1) and (2);

at on-campus or off-campus sites.

Sec. 6. Before February 1 each year, each school corporation shall provide each student in grades 10 and 11 with information concerning the program.

Sec. 7. A representative of the school corporation shall meet with each student who intends to participate in the program and discuss the following:

(1) The courses in which the student is authorized to enroll.

(2) The postsecondary credit the student earns upon successful completion of a course.

(3) The consequences of a student's failure to successfully complete a course.

(4) The student's schedule.

(5) The responsibilities of the student, the student's parent, and the school under the program.

(6) The financial obligations of the student, the student's parent, and the school under the program, including whether or not the school corporation will assume all or part of the cost of the student's participation in the program.

(7) Other matters concerning the program.

Sec. 8. The governing body of each school corporation shall:

(1) adopt policies to implement the program, based on guidelines established by the department; and

(2) work with the commission and state educational institutions to grant secondary credits to a student who attends a postsecondary institution while the student is also attending secondary school.

Sec. 9. (a) A student may apply for enrollment to a state educational institution. The state educational institution shall accept or reject the student based on the standards ordinarily used to decide student enrollments. However, a student in the program may not be refused admission solely because the student has not graduated from a secondary school.

(b) The state educational institution shall promptly inform the:

(1) student;

(2) student's principal; and

(3) department;

of the decision under subsection (a).

(c) A state educational institution may grant financial assistance to a student for courses taken under this program based on the student's:

(1) financial need; or

(2) academic achievement;

or any other criteria.

(d) A state educational institution shall waive tuition for a student who is:

(1) eligible for free or reduced lunch in high school;

(2) accepted into the program; and

(3) accepted for admission to an eligible institution.

Sec. 10. If a student enrolls in a course offered by a state educational institution under the program, the institution and the student's school corporation shall enter into a contract for dual credit. The contract must establish the terms and conditions:

(1) under which the institution will award credit for specified classes successfully completed by students in the school corporation;

(2) under which the school corporation will award credit for specified classes successfully completed by students at the institution; and

(3) establishing the criteria for the faculty member, instructor, or other individual responsible for teaching each course.

Sec. 11. A student who participates in the program is considered a student enrolled in the school corporation for the purpose of computing average daily membership.

Sec. 12. A school corporation shall grant secondary credit for a course successfully completed by a student at a state educational institution if the state board approved the course for secondary credit. The student's school records must reflect that the secondary credits were earned at a state educational institution.

Sec. 13. If a student enrolls in a state educational institution after graduation from secondary school, the state educational institution shall award postsecondary credit for a course successfully completed by the student at the state educational institution. If the student enrolls in another state educational institution, that state educational institution may grant credit for courses successfully completed by the student.

Sec. 14. (a) The department, in consultation with the commission, shall:

(1) establish guidelines to carry out this chapter; and

(2) evaluate the program annually and report to the state board concerning the program.

(b) The guidelines established under subsection (a)(1) must encourage participation by students at all achievement levels and in a variety of academic and vocational subjects.

Sec. 15. The state board and the commission shall adopt rules under IC 4-22-2 to carry out this chapter.

Sec. 16. This chapter shall conform to the academic dual credit policies of the commission.

SECTION 11. IC 20-32-4-4.5, IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005 (RETROACTIVE)]: **Sec. 4.5. Notwithstanding any other law, a student who does not achieve a passing score on the graduation examination and who does not meet the requirements of section 1 of this chapter may be eligible to graduate if the student completes:**

(1) the course and credit requirements for a general diploma, including the career academic sequence;

(2) a workforce readiness assessment; and

(3) at least one (1) career exploration internship, cooperative education, or workforce credential recommended by the student's school.".

Page 14, line 25, delete "or".

Page 14, line 26, delete "." and insert "**; or**".

Page 14, between lines 26 and 27, begin a new line double block indented and insert:

"**(C) an order by a court that has jurisdiction over the child.**".

Page 16, line 11, after "age" insert "**and not enrolled in a school**".

Page 16, line 12, delete "but less than".

Page 16, line 13, delete "nineteen (19) years of age".

Page 16, after line 31, begin a new paragraph and insert:

"SECTION 18. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "board" refers to the Indiana state board of education established by IC 20-19-2-2.**

(b) The board shall adopt rules to amend the academic honors course requirement rules adopted by the board and codified at 511 IAC 6-7-6.5. The rules adopted by the board under this subsection must allow for a high school student who has earned an international baccalaureate degree to be eligible to receive an academic honors diploma. The board may adopt emergency rules to carry out the intent of this subsection. Emergency rules adopted under this subsection expire on the date rules are adopted by the board under IC 4-22-2 or January 1, 2007, whichever is earlier.

(c) This SECTION expires January 1, 2007.

SECTION 20. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1347 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Economic Development and Small Business, to which was referred House Bill 1358, 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 3, after "of" insert "**:**

(1)".

Page 2, line 3, after "city" insert "**; or**

(2) a county that contains a city;".

Page 2, line 3, beginning with "in" begin a new line blocked left.

Page 2, line 13, after "city" insert "**or county**".

Page 2, line 38, delete "." and insert "**or county, as applicable.**".

Page 3, line 6, after "city" insert "**or county**".

Page 3, line 9, delete "city".

Page 3, line 16, after "city" insert "**or county**".

Page 9, line 33, after "of" insert "**:**

(1)".

Page 9, line 33, after "city" insert "**; or**

(2) a county that contains a city;".

Page 9, line 33, beginning with "in" begin a new line blocked left.

(Reference is to HB 1358 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 8, nays 0.

T HARRIS, Vice Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1378, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 10, line 27, delete "sixty (60)" and insert "**one hundred eighty (180)**".

Page 12, after line 18, begin a new paragraph and insert:

"SECTION 24. [EFFECTIVE JULY 1, 2006] **(a) Notwithstanding IC 15-4-10-24, as amended by this act, for the period beginning July 1, 2007, and ending June 30, 2010, thirty percent (30%) of the money collected by the Indiana corn marketing council under IC 15-4-10-26, as amended by this act, shall be distributed to the Indiana economic development corporation established by IC 5-28-3-1 to be used for incentives for the development of new ethanol plants that have a majority ownership in Indiana.**

(b) This SECTION expires December 31, 2010.".

(Reference is to HB 1378 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 1.

GUTWEIN, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1420, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning tobacco products.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 22-5-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. An employer may not:

(1) require, as a condition of employment, an employee or prospective employee to refrain from using; or
(2) discriminate against an employee with respect to:
(A) the employee's compensation and benefits, **other than health benefits provided by the employer;** or
(B) terms and conditions of employment;
based on the employee's use of;
tobacco products outside the course of the employee's or prospective employee's employment.
(Reference is to HB 1420 as introduced.)
and when so amended that said bill do pass.

Committee Vote: yeas 6, nays 1.

T. BROWN, Chair

Report adopted.

RESOLUTIONS ON FIRST READING

House Concurrent Resolution 27

Representative Tyler introduced House Concurrent Resolution 27:

A CONCURRENT RESOLUTION memorializing Representative R. Tiny Adams.

Whereas, Representative R. Tiny Adams passed away on December 7, 2005, from complications resulting from a stroke;

Whereas, Representative Adams was a long-time resident of Muncie and a dedicated servant of the people of Indiana;

Whereas, Stroke is the third leading cause of death in the United States;

Whereas, Symptoms of a stroke include sudden numbness or weakness of the face, arm, or leg, especially on one side of the body, confusion, trouble speaking or understanding, trouble seeing in one or both eyes, and sudden severe headache with no known cause;

Whereas, To pay tribute to the life and spirit of R. Tiny Adams and his dedication to his community and his state, fellow legislators should know their risk of heart disease and stroke by having their level of cholesterol, blood pressure, and glucose tested; and

Whereas, Tiny would encourage fellow legislators to know their risk for heart disease and stroke by getting tested during the Annual Legislative Screening Day, 8:30 a.m. until noon on Tuesday, January 17: 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 expresses its sympathy and great feeling of loss at the passing of one of our family members. R. Tiny Adams will be greatly missed. He was a dedicated public servant who worked tirelessly on behalf of his constituents. The members of the Indiana General Assembly encourage all to be aware of the risks of heart disease and stroke and to have their cholesterol, blood pressure, and glucose levels tested regularly.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to the family of R. Tiny Adams.

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

House Resolution 4

Representative Kuzman introduced House Resolution 4:

A HOUSE RESOLUTION honoring Chester Lobodzinski.

Whereas, Chester Lobodzinski, a Third Degree member of the Knights of Columbus Cardinal Stritch 4620 Council, received a national award of recognition from the Supreme Council for his efforts of organizational pride and dedication in membership recruitment and public relations;

Whereas, Chester Lobodzinski is a shining example of a person who is totally committed to the betterment of mankind and who possesses a firm belief and commitment to God; and

Whereas, Chester Lobodzinski is an outstanding citizen of Lake County who exemplifies selflessness, hard work, and dedication to his community: Therefore,

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

SECTION 1. That the Indiana House of Representatives congratulates Chester Lobodzinski on the occasion of the recognition of his efforts on behalf of the Knights of Columbus Cardinal Stritch 4620 Council.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Chester Lobodzinski.

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

House Resolution 5

Representative Fry introduced House Resolution 5:

A HOUSE RESOLUTION honoring Michael R. Hargreaves on the occasion of his retirement.

Whereas, Michael R. Hargreaves, the retiring training and instruction division chief of the Mishawaka Fire Department, has served the citizens of Mishawaka faithfully for 25 years;

Whereas, Michael R. Hargreaves began his career with the fire department the day he graduated from Eastern High School in Lansing, Michigan, in 1964;

Whereas, As if it had always been intended for Michael to help those in need, there was a Lansing Mercy ambulance waiting at the curb on graduation day;

Whereas, The driver asked Michael if he could work that day;

Whereas, Michael drove his car home, took off his cap and gown, and went to work;

Whereas, In 1965, Michael became a volunteer firefighter, and in 1967, Michael became a full-time firefighter with the East Lansing, Michigan, Fire Department. He became the chief of EMS at the Mishawaka, Indiana, Fire Department in 1977; and

Whereas, After answering 14,000 ambulance calls, performing CPR more than 500 times, and helping to deliver 36 babies, Michael R. Hargreaves retired on January 1, 2006: Therefore,

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

SECTION 1. That the Indiana House of Representatives congratulates Michael R. Hargreaves on his retirement after 25 years of dedicated service to the citizens of Mishawaka and wishes him well in his future endeavors.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Michael R. Hargreaves and his family.

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

House Resolution 6

Representatives Pelath, Budak, and Bosma introduced House Resolution 6:

A HOUSE RESOLUTION honoring Chief Justice John Glover Roberts, Jr.

Whereas, Chief Justice John Glover Roberts, Jr. grew up in Roslyn Trail in Long Beach, Indiana;

Whereas, Chief Justice Roberts graduated from La Lumiere School in LaPorte in 1973;

Whereas, After receiving a law degree from Harvard Law School in 1979, Chief Justice Roberts embarked upon one of our nation's most distinguished legal careers;

Whereas, Chief Justice Roberts served as a law clerk for Judge Henry Friendly, U.S. Court of Appeals for the Second Circuit, a law clerk for Supreme Court Justice William H. Rehnquist, a special assistant to the U.S. Attorney General, an associate counsel to President Reagan, a lawyer for the firm of Hogan and Hartson in

Washington, D.C., the Principal Deputy Solicitor General, and a judge on the U.S. Court of Appeals for the District of Columbia Circuit;

Whereas, In 2005, President George W. Bush nominated him for the Office of Chief Justice of the United States Supreme Court; and

Whereas, The United States Senate confirmed his nomination on September 29, 2005, and he became the seventeenth Chief Justice of the United States: Therefore,

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

SECTION 1. That the Indiana House of Representatives and the people of LaPorte County and the state of Indiana are extremely proud that one of their native sons has risen to head one of our three branches of government.

SECTION 2. That the Indiana House of Representatives honors Chief Justice Roberts for his nomination and confirmation and offers many prayers and best wishes as he helps guide our nation.

SECTION 3. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Chief Justice John Glover Roberts, Jr.

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

House Resolution 7

Representative Kuzman introduced House Resolution 7:

A HOUSE RESOLUTION recognizing the 2005 Crown Point 8 and Under Girls Softball Team.

Whereas, Softball began indoors on Thanksgiving Day in Chicago in 1887 and was moved outside at a Minneapolis, Minnesota firehouse in 1895 by Lewis Rober Sr. so the firefighters could get some exercise while waiting for an alarm;

Whereas, Women's fast-pitch softball was selected to debut as a medal sport at the 1996 Olympic Summer Games in Atlanta, Georgia;

Whereas, Today softball is a way of life for thousands of people each year;

Whereas, The 2005 Crown Point 8 and Under Girls Softball Team is the 2005 National Softball Association 8 and Under Girls' Indiana State Champion; and

Whereas, The members of the 2005 Crown Point 8 and Under Girls Softball Team have proven themselves to be true champions and have learned the many valuable lessons that athletics can give our young people, including the value of friendship, sportsmanship, and teamwork: Therefore,

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

SECTION 1. That the members of the Indiana House of Representatives congratulate the members of Crown Point's 2005 8 and Under Girls Softball Team on their state championship and to wish them continued success in their future endeavors.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to manager Craig Van Prooyen, Coaches Terry McDaniel, Lisa Morrow, and James Wright, and team members Ashley Cunningham, Miranda Elish, Rachael Honaker, Bobbie Sue McDaniel, Bailey Mores, Sydney Morrow, Brittany Robinson, Jordan Smith, Rachael Suits, Sarah Tiernan, Hanna Van Prooyen, and Brittany Wright.

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

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 9:05 p.m. with the Speaker in the Chair.

Representative Murphy was excused for the rest of the day.

HOUSE BILLS ON SECOND READING

House Bill 1001

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

HOUSE MOTION
(Amendment 1001–22)

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

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

"SECTION 1. IC 3-10-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. If a local public question must be certified to an election board by law, that certification must occur no later than noon:

(1) sixty (60) days before a primary election if the public question is to be placed on the primary or municipal primary election ballot; ~~or~~

(2) August 1 if the public question is to be placed on the general or municipal election ballot**; or**

(3) except as otherwise provided by law, sixty (60) days before a special election if the public question is to be placed on a special election ballot.".

Page 3, delete lines 10 through 42.

Delete pages 4 through 5.

Page 6, delete lines 1 through 5.

Page 68, delete lines 26 through 42, begin a new paragraph and insert:

"SECTION 82. IC 6-1.1-17-3, AS AMENDED BY P.L.234-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) **Before August 10 of a calendar year,** the proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy;

(3) the current and proposed tax levies of each fund; and

(4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing.

(b) Before August 10 of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer book, a statement that includes:

(1) the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1(b);

(2) the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:

(A) the estimated budget and proposed tax rate and tax levy formulated by the political subdivision under subsection (a);

(B) any deductions or exemptions that apply to the assessed valuation of the tangible property;

(C) any credits that apply in the determination of the tax liability; and

(D) the county auditor's best estimate of the effects on the tax liability that might result from actions of the county board of tax adjustment or the department of local government finance;

(3) a prominently displayed notation that:

(A) the estimate under subdivision (2) is based on the best information available at the time the statement is mailed; and

(B) based on various factors, including potential actions by the county board of tax adjustment or the department of local government finance, it is possible that the tax liability as finally determined will differ substantially from the estimate;

(4) comparative information showing the amount of property taxes for which the person is liable to each political subdivision on the tangible property for taxes first due and payable in the current year; and

(5) the date, time, and place at which the political subdivision will hold a public hearing on the political subdivision's estimated budget and proposed tax rate and tax levy as required under subsection (a).

(c) The department of local government finance shall:

(1) prescribe a form for; and

(2) provide assistance to county auditors in preparing; statements under subsection (b).

~~(b)~~ **(d)** The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

(1) in any county of the solid waste management district; and

(2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

~~(c)~~ **(e)** The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

~~(d) A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:~~

~~(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.~~

~~(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.~~

~~A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.~~

(f) Mailing the statement described in subsection (b) to a mortgagee maintaining an escrow account for a person who is liable for any property taxes shall not be construed as compliance with subsection (b).".

Delete page 69.

Page 70, delete lines 1 through 35.

Page 75, line 24, after "in" insert ":

(A)".

Page 75, line 24, after "repeal)" insert ";".

Page 75, line 24, strike "or".

Page 75, line 25, before "IC 6-1.1-20-3.1" begin a new line double block indented and insert:

"**(B)**".

Page 75, line 25, after "6-1.1-20-3.2" delete "." and insert "**(in the case of a controlled project costing:**

(i) less than two percent (2%) of the total assessed value of all taxable property in the political subdivision;

(ii) more than two million dollars ($2,000,000); and

(iii) less than fifty million dollars ($50,000,000)); or

(C) IC 6-1.1-20-3.5 through IC 6-1.1-20-3.6 (in the case of a controlled project costing at least:

(i) two percent (2%) of the total assessed value of all taxable property in the political subdivision; or

(ii) fifty million dollars ($50,000,000)).".

Page 79, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 92. IC 6-1.1-20-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1.1. As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

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

(A) debt service; or

(B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or IC 6-1.1-19. A project is not a controlled project even though the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient.

(2) A project that will ~~not~~ cost the political subdivision ~~more~~ **less** than:

(A) two million dollars ($2,000,000); **and**

(B) two percent (2%) of the total assessed value of all taxable property in the political subdivision.

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

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

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

Page 79, line 37, delete "subdivision less than ten million dollars ($10,000,000)." and insert "**subdivision:**

(1) less than two percent (2%) of the total assessed value of all taxable property in the political subdivision;

(2) more than two million dollars ($2,000,000); and

(3) less than fifty million dollars ($50,000,000).".

Page 84, delete lines 24 through 28, begin a new line block indented and insert:

"**(1) that will cost a political subdivision at least:**

(A) two percent (2%) of the total assessed value of all taxable property in the political subdivision; or

(B) fifty million dollars ($50,000,000); and

(2) for which the proper officers of the political subdivision make a preliminary determination to issue bonds or enter into a lease after June 30, 2006.".

Page 87, line 20, delete "at the" and insert "**at:**

(1) the next election in which all voters of the political subdivision are entitled to vote; or

(2) if a request for a special election is made in:

(A) a petition filed under section 3.5 of this chapter in the form required by IC 3-10-9-6; or

(B) a resolution of the political subdivision that states the day of the election for which the political subdivision seek the placement of the question on the ballot and is filed with the county election board in conformity with IC 3-10-9-3;

for a year in which an election in which all of the voters of the political subdivision are entitled to vote is not otherwise regularly scheduled, a special election held on the date ordered by the county election board.

The county election board shall pay the costs of a special election. A political subdivision shall reimburse the county election board from money in the political subdivision's general fund that is not otherwise appropriated, without appropriation, if a special election occurs under this section.".

Page 86, delete lines 21 through 22.

Page 106, line 25, after "which" insert "**deferred**".

Page 106, line 26, delete "are deferred" and insert "**become due**".

Page 136, line 34, delete "first" and insert "**March 1, 2005, or January 15, 2006,**".

Page 136, line 34, delete "after" and insert "**, whichever is applicable,**".

Page 136, line 35, delete "January 15, 2001,".

Page 136, line 35, delete "lesser of the" and insert "**homestead property tax liability for the March 1, 2005, or January 1, 2006, assessment date, whichever is applicable.**".

Page 136, delete lines 36 through 41.

Page 155, line 35, delete "division" and insert "**department of child services**".

Page 156, line 12, delete "or" and insert "**;**".

Page 156, line 13, delete "the division;".

Page 156, line 15, delete "or" and insert "**.**".

Page 156, delete line 16.

Page 156, line 32, delete "or division".

Page 168, line 27, delete "board less than ten million dollars" and insert "**board:**

(A) less than two percent (2%) of the total assessed value of all taxable property in the political subdivision;

(B) more than two million dollars ($2,000,000); and

(C) less than fifty million dollars ($50,000,000)); or

(2) vote on the proposed issuance in an election on a local public question (in the case of a preliminary determination made after June 30, 2006, to issue bonds for a project costing the board at least:

(A) two percent (2%) of the total assessed value of all taxable property in the political subdivision; or

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

Page 168, delete lines 28 through 32.

Page 169, delete lines 9 through 42.

Delete pages 170 through 171.

Page 172, delete lines 1 through 34.

Page 183, line 39, delete "corporation less than ten million dollars" and insert "**corporation:**

(i) less than two percent (2%) of the total assessed value of all taxable property in the political subdivision;

(ii) more than two million dollars ($2,000,000); and

(iii) less than fifty million dollars ($50,000,000)); or

(B) an election on the local public question (in the case of a preliminary determination made after June 30, 2006, to enter into a lease costing the school corporation at least:

(i) two percent (2%) of the total assessed value of all taxable property in the political subdivision; or

(ii) fifty million dollars ($50,000,000)); and".

Page 183, delete lines 40 through 42.

Page 184, delete lines 1 and 2.

Page 238, delete lines 6 through 42.

Page 239, delete lines 1 through 26.

Page 254, delete lines 4 through 27.

Page 260, delete lines 12 through 19, begin a new line block indented and insert:

"**(1) IC 8-22-3.5-10**

(2) IC 36-7-14-39

(3) IC 36-7-14-39.5

(4) IC 36-7-15.1-26.5

(5) IC 36-7-15.1-35

(6) IC 36-7-15.1-56

(7) IC 36-7-30-25

(8) IC 36-7-30-27

(9) IC 36-7-30.5-30

(10) IC 36-7-30.5-32

(11) IC 36-7-32-18.".

Page 261, between lines 15 and 16, begin a new paragraph and insert:

"**(c) IC 6-1.1-20-3.1 and IC 6-1.1-30-3.2, as effective June 30, 2006, and not IC 6-1.1-30-3.5 and IC 6-1.1-20-3.6, both as added by this act, apply to a controlled project (as defined in IC 6-1.1-20-1.1, as effective June 30, 2006) for which a notice of the preliminary determination of the political subdivision to issue bonds or enter into a lease is published under IC 6-1.1-20-3.1 before July 1, 2006.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

ESPICH

Motion prevailed.

HOUSE MOTION

(Amendment 1001–3)

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

Page 75, line 24, after "in" insert ":

(A)".

Page 75, line 24, after "(before its repeal)" insert ";".

Page 75, line 24, strike "or".

Page 75, line 25, before "IC 6-1.1-20-3.1" begin a new line double block indented and insert "**(B)**".

Page 75, line 25, after "IC 6-1.1-20-3.2" delete "." and insert "**(in the case of a controlled project costing less than the amount determined by the department of local government finance under IC 6-1.1-20-11); or**

(C) IC 6-1.1-20-3.5 through IC 6-1.1-20-3.6 (in the case of a controlled project costing at least the amount determined by the department of local government finance under IC 6-1.1-20-11).".

Page 79, line 37, delete "ten million dollars ($10,000,000)." and insert "**the amount determined by the department of local government finance under section 11 of this chapter.**".

Page 84, line 24, delete "ten million" and insert "**the amount determined by the department of local government finance under section 11 of this chapter; and**".

Page 84, delete line 25.

Page 90, between lines 3 and 4, begin a new paragraph and insert: "SECTION 98. IC 6-1.1-20-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11. On or before January 1 of each year, the department of local government finance shall determine an amount equal to one hundred ten percent (110%) of the national average cost per square foot of constructing each of the following municipal facilities:**

(1) A city or town hall.

(2) A police station.

(3) A fire station.

(4) A library.

(5) Any other municipal facility that the department anticipates could be constructed during the same calendar year as the calendar year during which the department makes the average cost determination under this section.".

Page 168, line 27 delete "ten million dollars" and insert "**the amount determined by the department of local government finance under IC 6-1.1-20-11)); or**".

Page 168, delete line 28.

Page 168, line 32, delete "ten million dollars ($10,000,000))" and insert "**the amount determined by the department of local government finance under IC 6-1.1-20-11).**".

Page 183, line 39, delete "ten million dollars" and insert "**the amount determined by the department of local government finance under IC 6-1.1-20-11); or**".

Page 183, delete line 40.

Page 184, line 1, delete "ten" and insert "**the amount determined by the department of local government finance under IC 6-1.1-20-11); and**".

Page 184, delete line 2.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

KLINKER

Upon request of Representatives Fry and Ulmer, the Speaker ordered the roll of the House to be called. Roll Call 43: yeas 45, nays 52. Motion failed.

HOUSE MOTION

(Amendment 1001–20)

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

Delete the title and insert the following:

"A BILL FOR AN ACT to amend the Indiana Code concerning local government and to make an appropriation.".

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

"SECTION 1. IC 4-10-18-8 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. (a) Except as provided in subsection (b), if the balance, at the end of a state fiscal year, in the fund exceeds seven percent (7%) of the total state general fund revenues for that state fiscal year, the excess is appropriated from the fund to the ~~property tax replacement~~ **state general** fund. ~~established under IC 6-1.1-21.~~ The auditor of state and the treasurer of state shall transfer the amount so appropriated from the fund to the ~~property tax replacement~~ **state general** fund during the immediately following state fiscal year.

(b) If an appropriation is made out of the fund under section 4 of this chapter for a state fiscal year during which a transfer is to be made from the fund to the ~~property tax replacement~~ **state general** fund **under subsection (a),** the amount of the appropriation made under subsection (a) shall be reduced by the amount of the appropriation made under section 4 of this chapter. However, the amount of the appropriation made under subsection (a) may not be reduced to less than zero (0).

SECTION 2. IC 4-24-7-4, AS AMENDED BY P.L.246-2005, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) Accounts of state institutions described in sections 1 and 3 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of such institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from which county the inmate or patient was admitted.

(2) All accounts accruing between January 1 and June 30 of each year shall be forwarded to the county auditor on or before October 1 of such year.

(3) All accounts accruing between July 1 and December 31 of each year shall be forwarded to the county auditor on or before April 1 of the following year.

(4) Upon receipt of any such account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, and the same shall be paid out of the funds of the county appropriated therefor.

(5) The county council of each county of the state shall annually appropriate sufficient funds to pay such accounts.

(b) All accounts of state institutions described in section 2 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of the institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from the county from which the inmate was admitted.

(2) All accounts accruing after December 31 and before April 1 of each year shall be forwarded to the county auditor on or before May 15 of that year.

(3) All accounts accruing after March 31 and before July 1 of each year shall be forwarded to the county auditor on or before August 15 of that year.

(4) All accounts accruing after June 30 and before October 1 of each year shall be forwarded to the county auditor on or before November 15 of that year.

(5) All accounts accruing after September 30 and before January 1 of each year, and any reconciliations for previous periods, shall be forwarded to the county auditor on or before March 15 of the following year.

(6) Upon receipt of an account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, which shall be paid from the funds of the county that were appropriated for the payment.

(7) The county council of each county shall annually appropriate sufficient funds to pay these accounts.

If a county has not paid an account within six (6) months after the account is forwarded under this subsection, the auditor of state shall, notwithstanding anything to the contrary in ~~IC 6-1.1-21,~~ **IC 6-10-7,** reduce the next distribution of **certified** property tax replacement ~~credits~~ **distribution** under ~~IC 6-1.1-21~~ **IC 6-10-7** to the county and withhold the amount owed on the account. The auditor of state shall credit the withheld amount to the state general fund for the purpose of curing the default. The account is then considered paid. A county that has the county's distribution reduced under this subsection shall apply the withheld amount only to the county unit's share of the distribution and may not reduce a distribution to any other civil taxing unit or school corporation within the county.

SECTION 3. IC 4-33-13-5, AS AMENDED BY P.L.246-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars ($33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the property tax replacement fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter as follows:

(1) Thirty-seven and one half percent (37.5%) shall be paid to the ~~property tax replacement~~ **state general** fund. ~~established under IC 6-1.1-21.~~

(2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars ($20,000,000), the amount described in this subdivision shall be paid to the ~~property tax replacement~~ **state general** fund. ~~established under IC 6-1.1-21.~~

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in

~~IC 6-1.1-1-21~~ **IC 6-10-2-33)** in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in ~~IC 6-1.1-1-21~~ **IC 6-10-2-33)** in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular city's or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars ($250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.".

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

"SECTION 4. IC 5-13-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) All taxes collected by the county treasurer shall be deposited as one (1) fund in the several depositories selected for the deposit of county funds and, except as provided in subsection (b), remain in the depositories until distributed at the following semiannual distribution made by the county auditor.

(b) Every county treasurer who, by virtue of the treasurer's office, is the collector of any taxes for any political subdivision wholly or partly within the county shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a proper officer of any political subdivision within the county, advance to that political subdivision a portion of the taxes collected before the semiannual distribution. The amount advanced may not exceed the lesser of:

(1) ninety-five percent (95%) of the total amount collected at the time of the advance; or

(2) ninety-five percent (95%) of the amount to be distributed at the semiannual distribution.

(c) Every county treasurer shall, not later than thirty (30) days after receipt of a written request for funds filed with the treasurer by a

proper officer of any political subdivision within the county, advance to that political subdivision a part of the distributions received under ~~IC 6-1.1-21-10~~ **IC 6-10** from the ~~property tax replacement~~ **state general** fund for the political subdivision. The amount advanced may not exceed the lesser of:

(1) ninety-five percent (95%) of the amount distributed from the fund to the county treasurer for the political subdivision at the time of the advance; or

(2) ninety-five percent (95%) of the total amount to be distributed by the county treasurer to the political subdivision on the next scheduled distribution date.

(d) Upon notice from the county treasurer of the amount to be advanced, the county auditor shall draw a warrant upon the county treasurer for the amount. The amount of the advance must be available immediately for the use of the political subdivision.

(e) At the semiannual distribution all the advances made to any political subdivision under subsection (b) or (c) shall be deducted from the total amount due any political subdivision as shown by the distribution.".

Page 24, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 34. IC 6-1.1-4-31.5, AS ADDED BY P.L.228-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 31.5. (a) As used in this section, "assessment official" means any of the following:

(1) A county assessor.

(2) A township assessor.

(3) A township trustee-assessor.

(b) As used in this section, "department" refers to the department of local government finance.

(c) If the department makes a determination and informs local officials under section 31(c) of this chapter, the department may order a state conducted assessment or reassessment in the county subject to the time limitation in that subsection.

(d) If the department orders a state conducted assessment or reassessment in a county, the department shall assume the duties of the county's assessment officials. Notwithstanding sections 15 and 17 of this chapter, an assessment official in a county subject to an order issued under this section may not assess property or have property assessed for the assessment or general reassessment. Until the state conducted assessment or reassessment is completed under this section, the assessment or reassessment duties of an assessment official in the county are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(e) Before assuming the duties of a county's assessment officials, the department shall transmit a copy of the department's order requiring a state conducted assessment or reassessment to the county's assessment officials, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. The department is not required to conduct a public hearing before taking action under this section.

(f) Township and county officials in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

(1) data;

(2) records;

(3) maps;

(4) parcel record cards;

(5) forms;

(6) computer software systems;

(7) computer hardware systems; and

(8) other information;

related to the assessment or reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to an assessment or a general reassessment and is subject to IC 6-1.1-37-2.

(g) The department may enter into a contract with a professional appraising firm to conduct an assessment or reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's assessment or reassessment before the department orders a state conducted assessment or reassessment in the county under this section, the contract:

(1) is as valid as if it had been entered into by the department; and

(2) shall be treated as the contract of the department.

(h) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (g), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment. The notice of assessment or reassessment:

(1) is subject to appeal by the taxpayer under section 31.7 of this chapter; and

(2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

(i) The department shall forward a bill for services provided under a contract described in subsection (g) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (j).

(j) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (g), without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

(1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;

(2) obtains from the department:

(A) approval of the form and amount of the bill; and

(B) a certification that the billed goods and services have been received and comply with the contract; and

(3) files with the county auditor:

(A) a duplicate copy of the bill submitted to the department;

(B) proof of the department's approval of the form and amount of the bill; and

(C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(k) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

(1) The commissioner of the Indiana department of administration.

(2) The director of the budget agency.

(3) The attorney general.

(l) If money in the county's property reassessment fund is insufficient to pay for an assessment or reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the assessment or reassessment.

(m) The department or the contractor of the department shall use

the land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's assessment officials of the land values determined under this subsection.

(n) A contractor of the department may notify the department if:

(1) a county auditor fails to:

(A) certify the contractor's bill;

(B) publish the contractor's claim;

(C) submit the contractor's claim to the county executive; or

(D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (j) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (j) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(o) The department, upon receiving notice under subsection (n) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (n)(1) or (n)(2); or

(B) a person or an entity acted or failed to act as described in subsection (n)(3); and

(2) provide to the treasurer of state the department's approval under subsection (j)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (n).

(p) Upon receipt of the department's approval of a contractor's bill under subsection (o), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions from the property tax replacement fund or distribution of admissions taxes or wagering taxes.

(q) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, ~~IC 6-1.1-21-4(b),~~ **IC 6-10,** or any other law to a county described in a notice provided under subsection (n) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (p). Money shall be withheld first from the money payable to the county under ~~IC 6-1.1-21-4(b)~~ **IC 6-10** and then from all other sources payable to the county.

(r) Compliance with subsections (n) through (q) constitutes compliance with IC 5-11-10.

(s) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (n) through (q). This subsection and subsections (n) through (q) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(t) The provisions of this section are severable as provided in IC 1-1-1-8(b).".

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

"SECTION 35. IC 6-1.1-4-35, AS AMENDED BY P.L.88-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 35. (a) This section applies to a county other than a county subject to section 32 of this chapter.

(b) This section applies to a general reassessment of real property conducted under section 4(a) of this chapter that is scheduled to become effective for property taxes first due and payable in 2003.

(c) As used in this section, "department" refers to the department of local government finance.

(d) As used in this section, "reassessment official" means:

(1) a county assessor; or

(2) a township assessor.

(e) If:

(1) the department determines that a county's reassessment officials are unable to complete the reassessment in a timely manner; or

(2) the department determines that a county's reassessment officials are likely to complete the reassessment in an inaccurate manner;

the department may order a state conducted reassessment in the county. The department may consider a reassessment in a county untimely if the county does not submit the county's equalization study to the department in the manner prescribed under 50 IAC 14 before October 20, 2003. The department may consider the reassessment work of a county's reassessment officials inaccurate if the department determines from a sample of the assessments completed in the county that there is a variance exceeding ten percent (10%) between the total assessed valuation of the real property within the sample and the total assessed valuation that would result if the real property within the sample were valued in the manner provided by law.

(f) If the department orders a state conducted reassessment in a county, the department shall assume the duties of the county's reassessment officials. Notwithstanding sections 15 and 17 of this chapter, a reassessment official in a county subject to an order issued under this section may not assess property or have property assessed for the general reassessment. Until the state conducted reassessment is completed under this section, the reassessment duties of a reassessment official in the county are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(g) Before assuming the duties of a county's reassessment officials, the department shall transmit a copy of the department's order requiring a state conducted reassessment to the county's reassessment officials, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. If no newspaper is published in the county, the notice shall be published in a newspaper:

(1) of general circulation in the county; and

(2) that is published in an adjacent county.

The department is not required to conduct a public hearing before taking action under this section.

(h) Township and county officials in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

(1) data;

(2) records;

(3) maps;

(4) parcel record cards;

(5) forms;

(6) computer software systems;

(7) computer hardware systems; and

(8) other information;

related to the reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to a general reassessment and is subject to IC 6-1.1-37-2.

(i) The department may enter into a contract with a professional appraising firm to conduct a reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's reassessment before the department orders a state conducted reassessment in the county under this section, the contract:

(1) is as valid as if it had been entered into by the department; and

(2) shall be treated as the contract of the department.

(j) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (i), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment:

(1) is subject to appeal by the taxpayer under section 37 of this chapter; and

(2) must include a statement of the taxpayer's rights under section 37 of this chapter.

(k) The department shall forward a bill for services provided under a contract described in subsection (i) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (l).

(l) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (i), without appropriation, from the county's property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

(1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;

(2) obtains from the department:

(A) approval of the form and amount of the bill; and

(B) a certification that the billed goods and services have been received and comply with the contract; and

(3) files with the county auditor:

(A) a duplicate copy of the bill submitted to the department;

(B) proof of the department's approval of the form and amount of the bill; and

(C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(m) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

(1) The commissioner of the Indiana department of administration.

(2) The director of the budget agency.

(3) The attorney general.

(n) If the money in a county's property reassessment fund is insufficient to pay for a reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the reassessment.

(o) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's reassessment officials of the land values determined under this subsection.

(p) A contractor of the department may notify the department if:

(1) a county auditor fails to:

(A) certify the contractor's bill;

(B) publish the contractor's claim;

(C) submit the contractor's claim to the county executive; or

(D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (l) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (l) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(q) The department, upon receiving notice under subsection (p) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (p)(1) or (p)(2); or

(B) a person or an entity acted or failed to act as described in subsection (p)(3); and

(2) provide to the treasurer of state the department's approval under subsection (l)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (p).

(r) Upon receipt of the department's approval of a contractor's bill under subsection (q), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions from the property tax replacement fund or distribution of admissions taxes or wagering taxes.

(s) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, ~~IC 6-1.1-21-4(b)~~ **IC 6-10,** or any other law to a county described in a notice provided under subsection (p) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (r). Money shall be withheld first from the money payable to the county under ~~IC 6-1.1-21-4(b)~~ **IC 6-10** and then from all other sources payable to the county.

(t) Compliance with subsections (p) through (s) constitutes compliance with IC 5-11-10.

(u) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (p) through (s). This subsection and subsections (p) through (s) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(v) The provisions of this section are severable as provided in IC 1-1-1-8(b).

(w) This section expires January 1, 2007.".

Page 45, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 62. IC 6-1.1-12-37 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 37. (a) Each year a person who is entitled to receive the homestead credit provided under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for property taxes payable in the following year is entitled to a standard deduction from the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that qualifies for the homestead credit. The auditor of the county shall record and make the deduction for the person qualifying for the deduction.

(b) Except as provided in section 40.5 of this chapter, the total

amount of the deduction that a person may receive under this section for a particular year is the lesser of:

(1) one-half (1/2) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or

(2) thirty-five thousand dollars ($35,000).

(c) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.".

Page 48, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 65. IC 6-1.1-12-43 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 43. (a) For purposes of this section:

(1) "benefit" refers to:

(A) a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29, 31, 33, or 34 of this chapter; or

(B) the homestead credit under ~~IC 6-1.1-20.9-2,~~ **IC 6-10-4;**

(2) "closing agent" means a person that closes a transaction;

(3) "customer" means an individual who obtains a loan in a transaction; and

(4) "transaction" means a single family residential:

(A) first lien purchase money mortgage transaction; or

(B) refinancing transaction.

(b) Before closing a transaction after December 31, 2004, a closing agent must provide to the customer the form referred to in subsection (c).

(c) Before June 1, 2004, the department of local government finance shall prescribe the form to be provided by closing agents to customers under subsection (b). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

(1) on one (1) side:

(A) list each benefit;

(B) list the eligibility criteria for each benefit; and

(C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real property is refinanced;

(2) on the other side indicate:

(A) each action by; and

(B) each type of documentation from;

the customer required to file for each benefit; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

(1) may reproduce the form referred to in subsection (c);

(2) in reproducing the form, must use a print color prescribed by the department of local government finance; and

(3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

(e) A closing agent to which this section applies shall document its compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

(f) A closing agent is subject to a civil penalty of twenty-five dollars ($25) for each instance in which the closing agent fails to comply with this section with respect to a customer. The penalty:

(1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and

(2) shall be paid into the property tax replacement fund.

A closing agent is not liable for any other damages claimed by a customer because of the closing agent's mere failure to provide the appropriate document to the customer.

(g) The state agency that has administrative jurisdiction over a closing agent shall:

(1) examine the closing agent to determine compliance with this section; and

(2) impose and collect penalties under subsection (f).".

Page 75, delete lines 27 through 33, begin a new line block indented and insert:

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

~~(7)~~ **(6)** To meet the requirements of the county hospital care for the indigent fund.".

Page 78, line 12, delete "(2)".

Page 78, line 12, strike "IC 12-19-7.".

Page 78, line 14, delete "(3)" and insert "**(2)**".

Page 90, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 98. IC 6-1.1-20.4-1, AS ADDED BY P.L.246-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1.~~ **IC 6-10-2-16.**

SECTION 99. IC 6-1.1-20.4-4, AS ADDED BY P.L.246-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) A political subdivision may adopt an ordinance or resolution each year to provide for the use of revenue for the purpose of providing a homestead credit the following year to homesteads. An ordinance must be adopted under this section before December 31 for credits to be provided in the following year. The ordinance applies only to the immediately following year.

(b) A homestead credit under this chapter is to be applied to the net property tax liability due on the homestead.

(c) A homestead credit under this chapter does not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the ~~state~~ homestead credit under ~~IC 6-1.1-20.9.~~ **IC 6-10-4**.

SECTION 100. IC 6-1.1-20.6-2, AS ADDED BY P.L.246-2005, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1.~~ **IC 6-10-2-16.**".

Page 91, delete lines 32 through 42.

Delete pages 92 through 98.

Page 99, delete lines 1 through 11, begin a new paragraph and insert:

"SECTION 103. IC 6-1.1-21.2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. (a) Not later than September 1 of a year in which a general reassessment does not become effective, the governing body shall estimate the tax increment replacement amount for each allocation area under the jurisdiction of the governing body for the next calendar year. In a year in which a general reassessment becomes effective, the department of local government finance may extend the deadline under this subsection by giving written notice to the governing body before the deadline.

(b) The tax increment replacement amount is the amount determined in STEP THREE of the following formula:

STEP ONE: The governing body shall estimate the amount of tax increment revenues it would receive in the next calendar year if the property tax replacement credits payable with respect to the general fund levies imposed by all school corporations with jurisdiction in the allocation area were determined under ~~IC 6-1.1-21~~ **IC 6-10-3** as in effect on January 1, 2001.

STEP TWO: The governing body shall estimate the amount of tax increment revenues it will receive in the next calendar year after implementation of the increase in the property tax credits payable under ~~IC 6-1.1-21,~~ **IC 6-10-3** as amended by the general assembly in 2002, with respect to general fund levies imposed by all school corporations with jurisdiction in the allocation area.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

SECTION 104. IC 6-1.1-21.2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 14. (a) The department of local government finance shall approve an appeal filed

under section 13 of this chapter if the department determines that:

(1) the governing body's estimate of the tax replacement amount under section 11 of this chapter is reasonable;

(2) a tax levy in excess of the amount determined under section 12(d) of this chapter would:

(A) create a significant financial hardship on taxpayers residing in the district in which the governing body exercises jurisdiction;

(B) significantly reduce the benefits from the increase in the property tax credits payable under ~~IC 6-1.1-21,~~ **IC 6-10-3** as amended by the general assembly in 2002, with respect to general fund levies imposed by all school corporations with jurisdiction in the district; or

(C) have a disproportionate impact on small businesses or low income families or individuals; and

(3) the governing body has made reasonable efforts to limit its use of the special fund for the allocation area to appropriations for payments of:

(A) the principal and interest on loans or bonds;

(B) lease rentals on leases;

(C) amounts due on other contractual obligations; and

(D) additional credits described in IC 8-22-3.5-10(a), IC 36-7-14-39.5(c), IC 36-7-14.5-12.5(d)(5), IC 36-7-15.1-26.5(e), IC 36-7-15.1-35(d), or IC 36-7-30-25(b)(2)(E).

(b) In a year in which a general reassessment does not become effective, the department of local government finance shall make a final determination on an appeal filed under this section by December 1 of the year. In a year in which a general reassessment becomes effective, the department may extend the deadline under this subsection by giving written notice to the appellant before the deadline.

(c) If the department approves an appeal filed under this section, it shall order a distribution from the property tax replacement fund in the amount determined under section 13(b) of this chapter in the same manner as distributions are made under ~~IC 6-1.1-21-4.~~ **IC 6-10-7**.

(d) If the department denies an appeal filed under section 13 of this chapter, or does not grant the maximum permissible distribution under section 13(b) of this chapter, the legislative body of the unit that established the district may increase the levy imposed under this chapter to an amount that, when combined with any distribution received under this chapter, does not exceed the tax increment replacement amount.

SECTION 105. IC 6-1.1-21.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) The receipt by the qualified taxing unit of the loan proceeds is not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by the qualified taxing unit of any payment of delinquent tax owed by a taxpayer in bankruptcy is considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7.

(b) The loan proceeds and any payment of delinquent tax may be expended by the qualified taxing unit only to pay debts of the qualified taxing unit that have been incurred pursuant to duly adopted appropriations approved by the department of local government finance for operating expenses.

(c) In the event the sum of the receipts of the qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and payable in 2001;

exceeds sixteen million dollars ($16,000,000), the excess as received during any calendar year or years shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. In calculating the payment of property taxes as provided in subdivision (2), the amount of property tax credit finally allowed under ~~IC 6-1.1-21-5~~ **IC 6-10-3** in respect to such taxes is deemed to be a payment of such property taxes.

(d) As used in this section, "delinquent tax" means any tax owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and that is not paid during the calendar year for which it was first due and payable.

SECTION 106. IC 6-1.1-21.7-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. Loan proceeds shall be distributed to a taxing unit either on the same schedule as **certified** property tax replacement ~~credits~~ **distributions** are distributed under ~~IC 6-1.1-21~~ **IC 6-10-7** or another schedule to which both the board and the taxing unit agree.

SECTION 107. IC 6-1.1-21.8-6, AS AMENDED BY P.L.4-2005, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) As used in this section, "delinquent tax" means any tax:

(1) owed by a taxpayer in a bankruptcy proceeding initially filed in 2001; and

(2) not paid during the calendar year in which it was first due and payable.

(b) Except as provided in subsection (d), the proceeds of a loan received by the qualified taxing unit under this chapter are not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by a qualified taxing unit of any payment of delinquent tax owed by a taxpayer in bankruptcy is considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7.

(c) The proceeds of a loan made under this chapter must first be used to retire any outstanding loans made by the department of commerce (including any loans made by the department of commerce that are transferred to the Indiana economic development corporation) to cover a qualified taxing unit's revenue shortfall resulting from the taxpayer's default on property tax payments. Any remaining proceeds of a loan made under this chapter and any payment of delinquent taxes by the taxpayer may be expended by the qualified taxing unit only to pay obligations of the qualified taxing unit that have been incurred under appropriations for operating expenses made by the qualified taxing unit and approved by the department of local government finance.

(d) If the sum of the receipts of a qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding and payable in November 2001, May 2002, or November 2002;

exceeds the sum of the taxpayer's property tax liability attributable to the qualified taxing unit for property taxes payable in November 2001, May 2002, and November 2002, the excess as received during any calendar year or years shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. In calculating the payment of property taxes as referred to in subdivision (2), the amount of property tax credit finally allowed under ~~IC 6-1.1-21-5~~ **IC 6-10-3** in respect to those taxes is considered to be a payment of those property taxes.".

Page 105, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 109. IC 6-1.1-22-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9.5. (a) This section applies only to property taxes first due and payable in a year that begins after December 31, 2003:

(1) with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2-16);** and

(2) that are not payable in one (1) installment under section 9(b) of this chapter.

(b) At any time before the mailing or transmission of tax statements for a year under section 8 of this chapter, a county may petition the department of local government finance to establish a schedule of installments for the payment of property taxes with

respect to:

(1) real property that are based on the assessment of the property in the immediately preceding year; or

(2) a mobile home or manufactured home that is not assessed as real property that are based on the assessment of the property in the current year.

The county fiscal body (as defined in IC 36-1-2-6), the county auditor, and the county treasurer must approve a petition under this subsection.

(c) The department of local government finance:

(1) may not establish a date for:

(A) an installment payment that is earlier than May 10 of the year in which the tax statement is mailed or transmitted;

(B) the first installment payment that is later than November 10 of the year in which the tax statement is mailed or transmitted; or

(C) the last installment payment that is later than May 10 of the year immediately following the year in which the tax statement is mailed or transmitted; and

(2) shall:

(A) prescribe the form of the petition under subsection (b);

(B) determine the information required on the form; and

(C) notify the county fiscal body, the county auditor, and the county treasurer of the department's determination on the petition not later than twenty (20) days after receiving the petition.

(d) Revenue from property taxes paid under this section in the year immediately following the year in which the tax statement is mailed or transmitted under section 8 of this chapter:

(1) is not considered in the determination of a levy excess under IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 for the year in which the property taxes are paid; and

(2) may be:

(A) used to repay temporary loans entered into by a political subdivision for; and

(B) expended for any other reason by a political subdivision in the year the revenue is received under an appropriation from;

the year in which the tax statement is mailed or transmitted under section 8 of this chapter.".

Page 129, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 18. IC 6-1.1-37-10.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10.5. (a) This section applies only to property taxes first due and payable in 2004 with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2)**.

(b) A county may petition the department of local government finance to waive all or part of the penalty imposed under section 10(a) of this chapter. The county fiscal body (as defined in IC 36-1-2-6), the county auditor, and the county treasurer must approve a petition under this subsection.

(c) The department of local government finance shall:

(1) prescribe the form of the petition under subsection (b);

(2) determine the information required on the form; and

(3) notify the county fiscal body, the county auditor, and the county treasurer of the department's determination on the petition not later than thirty (30) days after receipt of the petition.

SECTION 19. IC 6-1.1-39-5, AS AMENDED BY P.L.4-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

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

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

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

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

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

(2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

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

(2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

(1) taxes imposed under this article on real property; and

(2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 20. IC 6-1.1-39-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) An economic development district may be enlarged by the fiscal body by following the same procedure for the creation of an economic development district specified in this chapter. Property taxes that are attributable to the additional area and allocable to the economic development district are not eligible for the property tax replacement credit provided by ~~IC 6-1.1-21-5.~~ **IC 6-10-3**. However, subject to subsection (c) and except as provided in subsection (f), each taxpayer in an additional area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2)** that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (f), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2)**. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district in a county that contains all or part of the additional area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)~~ **IC 6-10-3** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2)** levied in the taxing district that would have been allocated to a special fund under section 5 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the economic development district and paid into a special fund under section 5(a) of this chapter.

(b) If the additional credit under subsection (a) is not reduced under subsection (c) or (d), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (a) shall be combined on the tax statements sent to each taxpayer.

(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):

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

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

(d) Whenever the county fiscal body determines that granting the full additional credit under subsection (a) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the county fiscal body must adopt an ordinance under subsection (c) to deny the additional credit or reduce the additional credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. An ordinance adopted under subsection (c) denies or reduces the additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2)** first due and payable in any year following the year in which the ordinance is adopted.

(e) An ordinance adopted under subsection (c) remains in effect until the ordinance is rescinded by the body that originally adopted the ordinance. However, an ordinance may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If an ordinance is rescinded and no other ordinance is adopted, the additional credit described in subsection (a) applies to taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2)** first due and payable in each year following the year in which the resolution is rescinded.

(f) This subsection applies to an additional area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an additional area is entitled to an additional credit under subsection (a) for the taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2)** due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2)**.".

Page 142, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 21. IC 6-2.5-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit those collections in the following manner:

~~(1) Fifty percent (50%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21.~~

~~(2)~~ **(1)** ~~Forty-nine~~ **Ninety-nine** and one hundred ninety-two thousandths percent ~~(49.192%)~~ **(99.192%)** of the collections shall be paid into the state general fund.

~~(3)~~ **(2)** Six hundred thirty-five thousandths of one percent (0.635%) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

~~(4)~~ **(3)** Thirty-three thousandths of one percent (0.033%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

~~(5)~~ **(4)** Fourteen-hundredths of one percent (0.14%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 22. IC 6-3-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) Each taxable year, a tax at the rate of ~~three and four-tenths~~ **two and thirty-seven hundredths** percent ~~(3.4%)~~ **(2.37%)** of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person.

(b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the rate of eight and five-tenths percent (8.5%) of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation.

SECTION 23. IC 6-3-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. ~~(a)~~ All revenues derived from collection of the adjusted gross income tax ~~imposed on corporations~~ shall be deposited in the state general fund.

~~(b) All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited as follows:~~

~~(1) Eighty-six percent (86%) in the state general fund.~~

~~(2) Fourteen percent (14%) in the property tax replacement fund.~~

SECTION 24. IC 6-3.1-20-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1.~~ **IC 6-10-2.**

SECTION 25. IC 6-3.5-6-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 13. (a) A county income tax council of a county in which the county option income tax is in effect may adopt an ordinance to increase the percentage credit allowed for homesteads in its county under IC 6-1.1-20.9-2.

(b) A county income tax council may not increase the percentage credit allowed for homesteads by an amount that exceeds the amount determined in the last STEP of the following formula:

STEP ONE: Determine the amount of the sum of all property tax levies for all taxing units in a county which are to be paid in the county in 2003 as reflected by the auditor's abstract for the 2002 assessment year, adjusted, however, for any postabstract adjustments which change the amount of the levies.

STEP TWO: Determine the amount of the county's estimated property tax replacement under IC 6-1.1-21-3(a) **(repealed)** for property taxes first due and payable in 2003.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the amount of the county's total county levy (as defined in ~~IC 6-1.1-21-2(g))~~ **IC 6-10-2)** for property taxes first due and payable in 2003.

STEP FIVE: Subtract the STEP FOUR amount from the STEP ONE amount.

STEP SIX: Subtract the STEP FIVE result from the STEP THREE result.

STEP SEVEN: Divide the STEP THREE result by the STEP SIX result.

STEP EIGHT: Multiply the STEP SEVEN result by eight-hundredths (0.08).

STEP NINE: Round the STEP EIGHT product to the nearest one-thousandth (0.001) and express the result as a percentage.

(c) The increase of the homestead credit percentage must be uniform for all homesteads in a county.

(d) In the ordinance that increases the homestead credit percentage, a county income tax council may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) An ordinance may be adopted under this section after January 1 but before June 1 of a calendar year.

(f) An ordinance adopted under this section takes effect on January 1 of the next succeeding calendar year.

(g) Any ordinance adopted under this section for a county is repealed for a year if on January 1 of that year the county option income tax is not in effect.".

Page 144, line 5, delete "and".

Page 144, line 5, strike "IC 12-19-7".

Page 144, line 11, delete "and".

Page 144, line 11, strike "IC 12-19-7".

Page 144, line 33, delete "and".

Page 144, line 33, strike "IC 12-19-7".

Page 144, line 40, delete "and".

Page 144, line 40, strike "IC 12-19-7".

Page 145, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 26. IC 6-3.5-7-5, AS AMENDED BY P.L.214-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) the county economic development income tax may be imposed at a rate of:

(1) one-tenth percent (0.1%);
(2) two-tenths percent (0.2%);
(3) twenty-five hundredths percent (0.25%);
(4) three-tenths percent (0.3%);
(5) thirty-five hundredths percent (0.35%);
(6) four-tenths percent (0.4%);
(7) forty-five hundredths percent (0.45%); or
(8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), or (s), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), or (t), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year.".

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:
  (A) fifteen-hundredths percent (0.15%);
  (B) two-tenths percent (0.2%); or
  (C) twenty-five hundredths percent (0.25%); and
(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic

development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2)** resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

SECTION 27. IC 6-3.5-7-13.1, AS AMENDED BY P.L.118-2005, SECTION 2, AND AS AMENDED BY P.L.214-2005, SECTION 21, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 25, 26, and 27 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) Except as provided in sections 15, 23, 25, 26, and 27 of this chapter, revenues from the county economic development income tax may be used as follows:

(1) By a county, city, or town for economic development projects, for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.

~~(3)~~ **(4)** *By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), the first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. In a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars ($3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under subdivision ~~(4).~~* **(5).**

~~(4)~~ **(5)** *This subdivision applies only in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~* **IC 6-10-2** *apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision ~~(3)~~ **(4)** that is in excess of the first three million five hundred thousand dollars ($3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under this subdivision. The following apply to additional homestead credits provided under this subdivision:*

(A) The additional homestead credits must be applied uniformly to increase the homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4** *for homesteads in the county, city, or town.*

(B) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3** *or the ~~state~~ homestead credit under ~~IC 6-1.1-20.9.~~* **IC 6-10-4**.

(C) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

~~(5)~~ **(6)** *This subdivision applies only in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000). Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~* **IC 6-10-2** *apply to this subdivision. A county or a city or town in the county may use county economic development income tax revenue to provide additional homestead credits in the county, city, or town. The following apply to additional homestead credits provided under this subdivision:*

(A) The county, city, or town fiscal body must adopt an ordinance authorizing the additional homestead credits. The ordinance must:

(i) be adopted before September 1 of a year to apply to property taxes first due and payable in the following year; and

(ii) specify the amount of county economic development income tax revenue that will be used to provide additional homestead credits in the following year.

(B) A county, city, or town fiscal body that adopts an ordinance under this subdivision must forward a copy of the ordinance to the county auditor and the department of local government finance not more than thirty (30) days after the ordinance is adopted.

(C) The additional homestead credits must be applied uniformly to increase the homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4** *for homesteads in the county, city, or town.*

(D) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3** *or the ~~state~~ homestead credit under ~~IC 6-1.1-20.9.~~* **IC 6-10-4.**

(E) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(F) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E); or

(N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

(d) If there are bonds outstanding that have been issued under section 14 of this chapter or leases in effect under section 21 of this chapter, a county, city, or town may not expend money from its economic development income tax fund for a purpose authorized under subsection (b)(3) in a manner that would adversely affect owners of the outstanding bonds or payment of any lease rentals due.

SECTION 28. IC 6-3.5-7-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 23. (a) This section applies only to a county having a population of more than fifty-five thousand (55,000) but less than sixty-five thousand

(65,000).

(b) The county council may by ordinance determine that, in order to promote the development of libraries in the county and thereby encourage economic development, it is necessary to use economic development income tax revenue to replace library property taxes in the county. However, a county council may adopt an ordinance under this subsection only if all territory in the county is included in a library district.

(c) If the county council makes a determination under subsection (b), the county council may designate the county economic development income tax revenue generated by the tax rate adopted under section 5 of this chapter, or revenue generated by a portion of the tax rate, as revenue that will be used to replace public library property taxes imposed by public libraries in the county. The county council may not designate for library property tax replacement purposes any county economic development income tax revenue that is generated by a tax rate of more than fifteen-hundredths percent (0.15%).

(d) The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the portion of the tax rate designated for property tax replacement credits under subsection (c) shall be deposited in the library property tax replacement fund before certified distributions are made under section 12 of this chapter. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund.

(e) The amount of county economic development income tax revenue dedicated to providing library property tax replacement credits shall, in the manner prescribed in this section, be allocated to public libraries operating in the county and shall be used by those public libraries as property tax replacement credits. The amount of property tax replacement credits that each public library in the county is entitled to receive during a calendar year under this section equals the lesser of:

(1) the product of:

(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by

(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of county economic development income tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess shall remain in the library property tax replacement fund and shall be used for library property tax replacement purposes in the following calendar year.

(f) Notwithstanding subsection (e), if a public library did not impose a property tax levy during the previous calendar year, that public library is entitled to receive a part of the property tax replacement credits to be distributed for the calendar year. The amount of property tax replacement credits the public library is entitled to receive during the calendar year equals the product of:

(1) the amount of revenue deposited in the library property tax replacement fund; multiplied by

(2) a fraction. The numerator of the fraction equals the budget of the public library for that calendar year. The denominator of the fraction equals the aggregate budgets of public libraries in the county for that calendar year.

If for a calendar year a public library is allocated a part of the property tax replacement credits under this subsection, then the amount of property tax credits distributed to other public libraries in the county for the calendar year shall be reduced by the amount to be distributed as property tax replacement credits under this subsection. The department of local government finance shall make any adjustments required by this subsection and provide the adjustments to the county auditor.

(g) The department of local government finance shall inform the county auditor of the amount of property tax replacement credits that each public library in the county is entitled to receive under this section. The county auditor shall certify to each public library the amount of property tax replacement credits that the public library is entitled to receive during that calendar year. The county auditor shall also certify these amounts to the county treasurer.

(h) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed. The amount that must be allocated to each fund equals:

(1) the amount of property tax replacement credits provided to the public library under this section; multiplied by

(2) the amount determined in STEP THREE of the following formula:

STEP ONE: Determine the property taxes that would have been collected for each fund by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP TWO: Determine the sum of the total property taxes that would have been collected for all funds by the public library during the previous calendar year if the property tax replacement under this section had not been in effect.

STEP THREE: Divide the STEP ONE amount by the STEP TWO amount.

However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(i) For each public library that receives property tax credits under this section, the department of local government finance shall certify to the county auditor the property tax rate applicable to each fund after the property tax replacement credits are allocated.

(j) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(k) The property tax replacement credits that are received under this section do not reduce the total county tax levy that is used to compute the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21.~~ **IC 6-10-3.** For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 29. IC 6-3.5-7-25, AS AMENDED BY P.L.199-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 25. (a) This section applies only to a county that has adopted an ordinance under IC 6-1.1-12-41(f).

(b) For purposes of this section, "imposing entity" means the entity that adopted the ordinance under IC 6-1.1-12-41(f).

(c) The imposing entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). A county income tax council that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. Except as provided in subsection (j), an ordinance must be adopted under this subsection after January 1 but before June 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted;

(2) must specify the calendar years to which the ordinance applies; and

(3) must specify that the certified distribution must be used to provide for:

(A) uniformly applied increased homestead credits as provided in subsection (f); or

(B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 26 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection (i); and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the imposing entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for a year to offset the effect on homesteads in the county resulting from a county deduction for inventory under IC 6-1.1-12-41.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(3)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

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

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) The increased percentage of homestead credit determined by the county auditor under subsection (f) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(h) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(3)(B), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

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

(2) an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-41 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-41 in the county for the immediately preceding year's assessment date.

(i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) An entity authorized to adopt:

(1) an ordinance under subsection (c); and

(2) an ordinance under IC 6-1.1-12-41(f);

may consolidate the two (2) ordinances. The limitation under subsection (c) that an ordinance must be adopted after January 1 of a calendar year does not apply if a consolidated ordinance is adopted under this subsection. However, notwithstanding subsection (c)(1), the ordinance must state that it first applies to certified distributions in the calendar year in which property taxes are initially affected by the deduction under IC 6-1.1-12-41.

SECTION 30. IC 6-3.5-7-26, AS AMENDED BY P.L.199-2005, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 26. (a) This section applies only to homestead credits for property taxes first due and payable after calendar year 2006.

(b) For purposes of this section, "adopting entity" means:

(1) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or

(2) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1 but before April 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and

(2) must specify that the certified distribution must be used to provide for:

(A) uniformly applied increased homestead credits as provided in subsection (f); or

(B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection (i); and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for a year to offset the effect on homesteads in the county resulting from the statewide deduction for inventory under IC 6-1.1-12-42.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(2)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

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

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under

subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) The increased percentage of homestead credit determined by the county auditor under subsection (f) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(h) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(2)(B), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

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

(2) except as provided in subsection (j), an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of homestead credit determined under subsection (h)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county.".

Page 146, strike lines 1 through 22.

Page 146, line 23, delete "child welfare".

Page 146, line 23, strike "fund of the qualifying county in which the".

Page 146, strike lines 24 through 25.

Page 146, line 26, strike "county's".

Page 146, line 26, delete "child welfare".

Page 146, line 26, strike "fund as described in".

Page 146, strike lines 27 through 28.

Page 146, line 29, delete "child welfare".

Page 146, line 29, strike "fund levy under".

Page 146, line 29, delete "IC 12-19-7".

Page 146, line 29, strike "for".

Page 146, strike lines 30 through 31.

Page 146, line 32, strike "(g)" and insert "**(d)**".

Page 146, line 42, strike "(h)" and insert "**(e)**".

Page 147, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 31. IC 6-3.5-8-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 20. (a) The department of local government finance shall each year reduce the general fund property tax levy of a municipality receiving a distribution under this chapter in that year. The municipality's general fund property tax levy shall be reduced by the amount of the distribution received or to be received by the municipality during the year. The department of local government finance shall certify to the auditor of the qualifying county the property tax rate applicable to the municipality's general fund after the property tax reduction under this section.

(b) A municipality shall treat a distribution that the municipality receives or is to receive during a particular calendar year as a part of the municipality's property tax levy for the general fund for that same calendar year for purposes of fixing the municipality's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5. However, the distributions shall not reduce the total county tax levy that is used to compute the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21.~~ **IC 6-10-3.** In addition, for purposes of computing and distributing any excise taxes or income taxes in which the distribution is based on property taxes, the distributions shall be treated as though they were property taxes that were due and payable during that same calendar year.

(c) A municipality may use distributions received under this chapter for any purpose for which the municipality may use property tax revenues.

SECTION 32. IC 6-5.5-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) On or before February 1, May 1, August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year.

(b) For purposes of determining distributions under subsection (c), the department of local government finance shall determine a state welfare allocation for each county calculated as follows:

(1) For 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(A) the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by

(B) the amounts appropriated by all the taxing units in the county in the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under subsection (b) without regard to this subdivision.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

(2) The state welfare allocation shall be deducted from the distributions otherwise payable under subsection (c) to the taxing unit that is a county and shall be deposited in a special account within the state general fund.

(c) **Except as provided in subsection (h),** a taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:

(1) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the department of local government finance, from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus

(3) in the case of a taxing unit that is a county, the amount that would have been received by the taxing unit in the year of the distribution, as determined by the department of local government finance from property taxes that:

(A) were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and

(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

(d) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between:

(A) one-half (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 (c)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in the county; divided by

(B) the sum of the amounts received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in all counties.

STEP THREE: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the amount determined in STEP TWO.

STEP FOUR: Determine the greater of zero (0) or the difference between:

(A) the amount of supplemental distribution determined in STEP THREE for the county; minus

(B) the amount of refunds granted under IC 6-5-10-7 (repealed) that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13 (repealed).

For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.

(e) Except as provided in ~~subsection~~ **subsections** (g) **and (h),** the amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

(A) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; divided by

(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

STEP TWO: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the supplemental distribution for the county, as determined in subsection (d), STEP FOUR.

(f) The county auditor shall distribute the guaranteed and supplemental distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

(g) The amount of a supplemental distribution paid to a taxing unit that is a county shall be reduced by an amount equal to:

(1) the amount the county would receive under subsection (e) without regard to this subsection; minus

(2) an amount equal to:

(A) the amount under subdivision (1); multiplied by

(B) the result of the following:

(i) Determine the amounts appropriated by the county in 1997, 1998, and 1999, from the county's county welfare fund and county welfare administration fund, divided by the total amounts appropriated by all the taxing units in the county in the year.

(ii) Divide the amount determined in item (i) by three (3).

(h) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2004, 2005, and 2006, determine the result of:

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the financial institutions tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 33. IC 6-6-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) **Except as provided in subsection (f),** the county auditor shall determine the total amount of excise taxes collected for each taxing unit in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed. However, for purposes of determining distributions under this section for 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following STEPS:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare administration fund; divided by

(ii) the total amounts appropriated by all the taxing units in the county in the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision.

STEP FIVE: Determine the result of:

(i) the STEP FOUR amount; multiplied by

(ii) the STEP THREE result.

The state welfare allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare allocation to the treasurer of state for deposit in a special account within the state general fund.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from the assessor's records, to the extent such verification can be so made. The assessor shall further identify and verify from the assessor's records the several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2004, 2005, and 2006, determine the result of:

(A) the amounts appropriated by the county in the year

for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the motor vehicle excise tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 34. IC 6-6-5.5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 20. (a) **Except as provided in subsection (f),** on or before May 1, the auditor of state shall distribute to each county auditor an amount equal to fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(b) On or before December 1, the auditor of state shall distribute to each county auditor an amount equal to the greater of the following:

(1) Fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(2) The product of the county's distribution percentage multiplied by the total commercial vehicle excise tax revenue deposited in the commercial vehicle excise tax fund.

(c) Upon receipt, the county auditor shall distribute to the taxing units an amount equal to the product of the taxing unit's distribution percentage multiplied by the total distributed to the county under this section. The amount determined shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

(d) In the event that sufficient funds are not available in the commercial vehicle excise tax fund for the distributions required by subsection (a) and subsection (b)(1), the auditor of state shall transfer funds from the commercial vehicle excise tax reserve fund.

(e) The auditor of state shall, not later than July 1 of each year, furnish to each county auditor an estimate of the amounts to be distributed to the counties under this section during the next calendar year. Before August 1, each county auditor shall furnish to the proper officer of each taxing unit of the county an estimate of the amounts to be distributed to the taxing units under this section during the next calendar year and the budget of each taxing unit shall show the estimated amounts to be received for each fund for which a property tax is proposed to be levied.

(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2004, 2005, and 2006, determine the result of:

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the commercial vehicle excise tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 35. IC 6-6-6.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 21. (a) The department shall allocate each aircraft excise tax payment collected by it to the county in which the aircraft is usually located when not in operation or to the aircraft owner's county of residence if based out of state. **Except as provided in subsection (f),** the department shall distribute to each county treasurer on a quarterly basis the aircraft excise taxes which were collected by the department during the preceding three (3) months and which the department has allocated to that county. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall be made in April.

(b) Concurrently with making a distribution of aircraft excise taxes, the department shall send an aircraft excise tax report to the county treasurer and the county auditor. The department shall prepare the report on the form prescribed by the state board of accounts. The aircraft excise tax report must include aircraft identification, owner information, and excise tax payment, and must indicate the county where the aircraft is normally kept when not in operation. The department shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by it.

(c) Except as provided in section 21.5 of this chapter, each county treasurer shall deposit money received by him under this chapter in a separate fund to be known as the "aircraft excise tax fund". The money in the aircraft excise tax fund shall be distributed to the taxing units of the county in the manner prescribed in subsection (d).

(d) In order to distribute the money in the county aircraft excise tax fund to the taxing units of the county, the county auditor shall first allocate the money in the fund among the taxing districts of the county. In making these allocations, the county auditor shall allocate to a taxing district the excise taxes collected with respect to aircraft usually located in the taxing district when not in operation. The money allocated to a taxing district shall be apportioned and distributed among the taxing units of that taxing district in the same manner and at the same time that the property taxes are apportioned and distributed.

(e) Within thirty (30) days following the receipt of excise taxes from the department, the county treasurer shall file a report with the county auditor concerning the aircraft excise taxes collected by the county treasurer. The county treasurer shall file the report on the form prescribed by the state board of accounts. The county treasurer shall, in the manner and at the times prescribed in IC 6-1.1-27, make a settlement with the county auditor for the aircraft excise taxes collected by the county treasurer. The county treasurer shall, in the manner prescribed by the state board of accounts, maintain records concerning the aircraft excise taxes received and distributed by him.

(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2004, 2005, and 2006, determine the result of:

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

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

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the aircraft excise tax that would otherwise be distributed to taxing units in the county under this section.
STEP FIVE: Determine the result of:
(A) the STEP FOUR amount; multiplied by
(B) the STEP THREE result.
STEP SIX: Determine the greater of:
(A) zero (0); or
(B) the STEP FIVE amount.
The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 36. IC 6-6-9-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. (a) All revenues collected from the auto rental excise tax shall be deposited in a special account of the state general fund called the auto rental excise tax account.

(b) On or before May 20 and November 20 of each year, all amounts held in the auto rental excise tax account shall be distributed to the county treasurers of Indiana.

(c) **Except as provided in subsection (h),** the amount to be distributed to a county treasurer equals that part of the total auto rental excise taxes being distributed that were initially imposed and collected from within that treasurer's county. The department shall notify each county auditor of the amount of taxes to be distributed to the county treasurer. At the same time each distribution is made to a county treasurer, the department shall certify to the county auditor each taxing district within the county where auto rental excise taxes were collected and the amount of the county distribution that was collected with respect to each taxing district.

(d) The county treasurer shall deposit auto rental excise tax collections into a separate account for settlement at the same time as property taxes are accounted for and settled in June and December of each year.

(e) The county auditor shall apportion and the county treasurer shall distribute the auto rental excise taxes among the taxing units of the county in the same manner that property taxes are apportioned and distributed with respect to property located in the taxing district where the auto rental excise tax was initially imposed and collected. The auto rental excise taxes distributed to a taxing unit shall be allocated among the taxing unit's funds in the same proportions that the taxing unit's property tax collections are allocated among those funds.

(f) Taxing units of a county may request and receive advances of auto rental excise tax revenues in the manner provided under IC 5-13-6-3.

(g) All distributions from the auto rental excise tax account shall be made by warrants issued by the auditor of state to the treasurer of state ordering those payments to the appropriate county treasurer.

(h) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:
STEP ONE: For 2004, 2005, and 2006, determine the result of:
(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by
(B) the amounts appropriated by all the taxing units in the county for the year.
STEP TWO: Determine the sum of the results determined under STEP ONE.
STEP THREE: Divide the STEP TWO result by three (3).
STEP FOUR: Determine the amount of the auto rental excise tax that would otherwise be distributed to taxing units in the county under this section.
STEP FIVE: Determine the result of:
(A) the STEP FOUR amount; multiplied by
(B) the STEP THREE result.
STEP SIX: Determine the greater of:
(A) zero (0); or
(B) the STEP FIVE amount.
The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 37. IC 6-6-11-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 31. (a) A boat excise tax fund is established in each county. Each county treasurer shall deposit in the fund the taxes received under this chapter.

(b) **Except as provided in subsection (c),** the excise tax money in the county boat excise tax fund shall be distributed to the taxing units of the county. The county auditor shall allocate the money in the fund among the taxing units of the county based on the tax situs of each boat. The money allocated to the taxing units shall be apportioned and distributed among the funds of the taxing units in the same manner and at the same time that property taxes are apportioned and distributed.

(c) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:
STEP ONE: For 2004, 2005, and 2006, determine the result of:
(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by
(B) the amounts appropriated by all the taxing units in the county for the year.
STEP TWO: Determine the sum of the results determined under STEP ONE.
STEP THREE: Divide the STEP TWO result by three (3).
STEP FOUR: Determine the amount of the boat excise tax that would otherwise be distributed to taxing units in the county under this section.
STEP FIVE: Determine the result of:
(A) the STEP FOUR amount; multiplied by
(B) the STEP THREE result.
STEP SIX: Determine the greater of:
(A) zero (0); or
(B) the STEP FIVE amount.
The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 38. IC 6-8.1-1-1, AS AMENDED BY P.L.214-2005, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the river boat admissions tax (IC 4-33-12); the river boat wagering tax (IC 4-33-13); the gross income tax (IC 6-2.1) (repealed); the utility receipts tax (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); **the supplemental local property tax replacement income tax (IC 6-10-5);** the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste

management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.".

Page 149, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 39. IC 6-10 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:

ARTICLE 10. SUPPLEMENTAL LOCAL PROPERTY TAX REPLACEMENT INCOME TAX

Chapter 1. Purpose

Sec. 1. The purpose of this article is to:

(1) provide property tax relief to property taxpayers from a dedicated source of supplemental income tax revenue;

(2) fairly allocate property tax relief back to the property taxpayers in a county in proportion to the supplemental income tax paid by supplemental income taxpayers in the county; and

(3) avoid imposing supplemental income tax rates on supplemental income taxpayers in counties with larger than average concentrations of taxable property or smaller than average household incomes that exceed the average supplemental income tax rate imposed in Indiana to provide property tax relief.

Sec. 2. This article shall be liberally constructed to carry out the purposes of this article.

Chapter 2. Definitions

Sec. 1. The definitions in IC 6-1.1-1 and IC 36-1-2 apply throughout this article.

Sec. 2. The definitions in this chapter apply throughout this article.

Sec. 3. "2005 certified homestead distribution" refers to the state distribution to a county in 2005 to replace revenue lost as the result of the granting of homestead credits in the county under IC 6-1.1-20.9-2, as certified under IC 6-10-7-1(1).

Sec. 4. "2005 certified property tax relief distribution" refers to the sum of a county's 2005 certified homestead distribution and 2005 certified property tax replacement distribution, as certified under IC 6-10-7-1(3).

Sec. 5. "2005 certified property tax replacement distribution" refers to the state distribution to a county in 2005 to replace revenue lost as the result of the granting of property tax replacement credits in the county under IC 6-1.1-21-5, as certified under IC 6-10-7-1(2).

Sec. 6. "Additional supplemental income revenue" refers to the amount by which the certified actual supplemental income tax revenue of all counties exceeds the 2005 certified property tax relief distribution amount for all counties, as determined under IC 6-10-7-9.

Sec. 7. "Adjusted gross income", for the purposes of determining the adjusted gross income of:

(1) a resident income taxpayer, means adjusted gross income (as defined in IC 6-3-1-3.5(a) but determined by adding back the deduction permitted under IC 6-3-1-3.5(a)(6)), regardless of where the adjusted gross income is earned; and

(2) a nonresident income taxpayer, includes only the individual's adjusted gross income (as defined in IC 6-3-1-3.5(a) but determined by adding back the deduction permitted under IC 6-3-1-3.5(a)(6)) derived from the nonresident income taxpayer's principal place of business or employment.

Sec. 8. "Auditor's abstract" means the annual report prepared by each county auditor 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.

Sec. 9. "Business personal property" means tangible personal property that is being:

(1) held for sale in the ordinary course of a trade or business; or

(2) held, used, or consumed in connection with the production of income.

Sec. 10. "Certified homestead distribution" refers to the amount distributed under IC 6-10-7-3 to a county in a year to replace revenue lost as a result of granting homestead credits in the county under IC 6-10-4.

Sec. 11. "Certified actual supplemental income tax revenue" refers to the amount of supplemental income tax revenue raised in a county for a particular year as certified under IC 6-10-7-5.

Sec. 12. "Certified property tax replacement distribution"refers to the amount distributed under IC 6-10-7-2 to a county in a year to replace revenue lost as a result of granting property tax replacement credits in the county under IC 6-10-3.

Sec. 13. "Dwelling" means any of the following:

(1) Residential real property improvements that an individual uses as his residence, including a house or garage.

(2) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(3) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

Sec. 14. "Eligible property tax replacement amount" is equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

Sec. 15. "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

Sec. 16. "Homestead" means an individual's principal place of residence that:

(1) is located in Indiana;

(2) the individual either:

(A) owns;

(B) is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; or

(C) has a beneficial interest in, as described in IC 6-10-3-4; and

(3) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Sec. 17. "Homestead credit" refers to a credit against property tax liability granted under IC 6-10-4.

Sec. 18. "Income tax determination date" means January 1 of the calendar year in which the individual's taxable year commences.

Sec. 19. "Mobile home" has the meaning set forth in IC 6-1.1-1-8.7.

Sec. 20. "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

Sec. 21. "Nonresident income taxpayer" means an individual who:

(1) maintains a principal place of business or employment in a county in Indiana on the income tax determination date for the individual's taxable year; and

(2) is not a resident income taxpayer of any county in Indiana on the income tax determination date for the individual's taxable year.

Sec. 22. "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract that change assessments or add assessments of omitted property affecting taxes for the assessment year.

Sec. 23. "Property tax" means property taxes payable in respect to property assessed under IC 6-1.1. The term does not include special assessments, penalties, or interest. The term include any special charges that a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

Sec. 24. "Property tax liability" refers to the amount of a property taxpayer's liability for property taxes computed under IC 6-10-3-4.

Sec. 25. "Property taxpayer" means a person who is liable for property taxes.

Sec. 26. "Property tax replacement credit" refers to a credit against a property taxpayer's property tax liability granted under IC 6-10-4.

Sec. 27. "Resident income taxpayer" means an individual who resides, as determined under IC 6-10-6-3, in a county in Indiana on the income tax determination date for the individual's taxable year.

Sec. 28. "Supplemental homestead distribution" refers to the additional supplemental income revenue that is available in a particular year to increase the amount of homestead credits granted in a county, as determined under IC 6-10-7-11.

Sec. 29. "Supplemental income tax" refers to a supplemental local property tax replacement income tax imposed under this article.

Sec. 30. "Supplemental income taxpayer" means the following:

(1) A resident income taxpayer.

(2) A nonresident income taxpayer.

Sec. 31. "Supplemental property tax replacement distribution" refers to the additional supplemental income revenue that is available in a particular year to increase the amount of property tax replacement credits granted in a county, as determined under IC 6-10-7-10.

Sec. 32. "Tax duplicate" means the roll of property taxes that each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

Sec. 33. "Taxing unit" has the meaning set forth in IC 6-1.1-1-21.

Sec. 34. "Taxpayer's property tax replacement credit amount"refers to the amount of a property taxpayer's property tax replacement credit determined under IC 6-10-3-6.

Sec. 35. "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 that change the amount of the aggregate levy; minus

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

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

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

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

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay 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 (repealed) 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 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

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

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

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

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

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

(iii) IC 36-12-12 for a library capital projects fund; plus

(iv) IC 36-10-13-7 for an art association fund; plus

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

(vi) IC 21-2-11.6 for a referendum tax levy fund; plus

(vii) 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

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

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus

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

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE (as effective January 1, 1990) or IC 6-1.1-18.5-19(b) STEP THREE (as effective January 1, 1990), whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) (as effective before January 1, 1989), filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

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

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

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

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

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

Chapter 3. Property Tax Replacement Credit

Sec. 1. (a) Each year the property taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for property taxes that:
(1) under IC 6-1.1-22-9 are due and payable in May and November of that year; or
(2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.

Sec. 2. The credit under this chapter shall be applied to each installment of property taxes.

Sec. 3. The dollar amount of the credit under this chapter for each property taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.

Sec. 4. (a) Subject to subsection (b), the property tax liability of a taxpayer for the purpose of computing the credit under this chapter for a particular year shall be based on:
(1) the taxpayer's property tax as evidenced by the tax duplicate for the taxes payable in that year; plus
(2) the amount by which the property tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year;
as adjusted for any change in assessed valuation that may have been made 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).

(b) The property tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under IC 6-10-2-35(1)(B), IC 6-10-2-35(1)(C), IC 6-10-2-35(1)(D), IC 6-10-2-35(1)(E), IC 6-10-2-35(1)(F), IC 6-10-2-35(1)(G), IC 6-10-2-35(1)(H), IC 6-10-2-35(1)(I), or IC 6-10-2-35(1)(J) in computing the total county tax levy.

Sec. 5. The credit under this chapter for property taxes payable in a particular year with respect to mobile homes that are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments described in section 4 of this chapter.

Sec. 6. A property taxpayer's property tax replacement credit amount is the amount determined under STEP SEVEN of the following formula:
STEP ONE: Determine the county's certified property tax replacement distribution for the year.
STEP TWO: Determine the county's "eligible property tax replacement amount" for the year.
STEP THREE: Determine the result of:
(A) the STEP ONE amount; divided by
(B) the STEP TWO amount;
rounded to the nearest ten thousandth (0.0001).
STEP FOUR: Determine the result of:
(A) sixty percent (60%) of a taxpayer's tax liability in a calendar year for property taxes imposed by a school corporation for its general fund for a stated assessment year; multiplied by
(B) the STEP THREE result.
STEP FIVE: Determine the result of:
(A) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property; multiplied by
(B) the STEP THREE result.
STEP SIX: Determine the result of:
(A) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property; multiplied by
(B) the STEP THREE result.
STEP SEVEN: Determine the sum of:
(A) the STEP FOUR result;
(B) the STEP FIVE result; and
(C) the STEP SIX result.

Chapter 4. Homestead Credit

Sec. 1. Except as otherwise provided in section 7 of this chapter, an individual who on March 1 of a particular year either:
(1) owns the individual's homestead;
(2) is buying the individual's homestead under a contract that:
(A) provides the individual is to pay the property taxes on the homestead; and
(B) is recorded in the office of the county recorder where the homestead is located; or
(3) has a beneficial interest in the individual's homestead, as determined under section 4 of this chapter;
is entitled each year to a credit against the individual's property tax liability that the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

Sec. 2. (a) The amount of the credit to which an individual is entitled to under this chapter equals the product of:
(1) the uniform homestead credit percentage determined under section 3 of this chapter; multiplied by
(2) the amount of the individual's property tax liability which is:
(A) attributable to the homestead during the particular calendar year; and
(B) determined after the application of the property tax replacement credit under IC 6-10-3.

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

Sec. 3. (a) The department of local government finance shall annually calculate for each county the county's uniform homestead credit percentage. A county's uniform homestead credit percentage is the percentage determined in STEP FOUR of the following formula:
STEP ONE: Determine the amount of the certified homestead distribution for the county in the current calendar year.
STEP TWO: Determine the total amount of the property tax liability first due and payable in the calendar year which is:
(1) attributable to each homestead located in the county during the particular calendar year; and
(2) determined after the application of the property tax replacement credit under IC 6-10-3.
STEP THREE: Determine the quotient of:
(1) the STEP ONE amount; divided by
(2) the STEP TWO amount.
STEP FOUR: Express the STEP THREE quotient as a percentage rounded to the nearest one hundredth percent (0.01%).

(b) The uniform county homestead percentage determined under this section must be used to calculate the amount of the homestead credit allowed to each individual that is entitled to a homestead credit under section 1 of this chapter.

Sec. 4. (a) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed

valuation of each homestead for which a homestead credit has been properly filed under this chapter.

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

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

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Sec. 5. (a) Subject to this section, an individual who desires to claim the credit provided by section 1 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement shall include the parcel number or key number of the real estate and the name of the city, town, or township in which the real estate is located. With respect to real property, the statement must be filed during the twelve (12) months before May 11 of the year prior to the first year for which the person wishes to obtain the credit for the homestead. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of the first year for which the individual wishes to obtain the credit. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the credit is allowed.

(b) The certified statement referred to in subsection (a) shall contain the name of any other county and township in which the individual owns or is buying real property.

(c) If an individual who is receiving the credit provided by this chapter changes the use of the individual's real property, so that part or all of that real property no longer qualifies for the homestead credit provided by this chapter, the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use within sixty (60) days after the date of that change. An individual who changes the use of the individual's real property and fails to file the statement required by this subsection is liable for the amount of the credit the individual was allowed under this chapter for that real property.

(d) An individual who receives the credit provided by section 1 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the credit in the following year is not required to file a statement to reapply for the credit following the removal of the joint owner if:

(1) the individual is the sole owner of the property following the death of the individual's spouse;

(2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or

(3) the individual is awarded sole ownership of property in a divorce decree.

(e) An individual or other taxpayer who filed for a homestead credit under IC 6-1.1-20.9 (repealed) and would have been entitled to a homestead credit against tax liability first due and payable in 2007, if IC 6-1.1-20.9 had not been repealed, shall be treated as if the individual or other taxpayer had filed for a homestead credit for the homestead under this section.

Sec. 6. (a) The auditor of a county (referred to in this section as the "first county") with whom a credit statement is filed under section 5 of this chapter shall immediately prepare and transmit a copy of the statement to the auditor of any other county (referred to in this section as the "second county") if the individual who claims the credit owns or is buying real property located in the second county.

(b) The county auditor of the second county shall note on the copy of the statement whether or not the individual has claimed a credit for the current year under section 1 of this chapter for a homestead located in the second county. The auditor shall then return the copy to the auditor of the first county.

Sec. 7. (a) Each year, the county auditor shall place the original copies of all credit statements filed under section 5 of this chapter in alphabetical order by townships. The county auditor shall, without regard to townships, place the duplicate copies for the entire county in alphabetical order.

(b) The auditor shall ascertain from the alphabetical files whether or not more than one (1) statement has been filed by the same individual.

(c) The county auditor may not grant an individual a credit under section 1 of this chapter if:

(1) the individual, for the same year, claims the credit on two (2) or more different statements; and

(2) the statements claim the credit for different property.

Sec. 8. Before April 1 of each year prior to the year in which the credit is allowed, the auditor of each county shall certify to the department of local government finance the amount of the assessed valuation that qualifies for the homestead credit. Before February 1 of each year, the auditor of each county shall certify to the department of local government finance the amount of homestead credits allowed in that county for that calendar year.

Chapter 5. Imposition of Tax

Sec. 1. Except as provided by this chapter, a supplemental local property tax replacement income tax is imposed on the adjusted gross income of supplemental income taxpayers in a county.

Sec. 2. The supplemental local property tax replacement income tax is imposed at the rate of one and three hundredths percent (1.03%).

Sec. 3. (a) For purposes of this chapter, an individual shall be treated as a resident income taxpayer of the county in which the individual:

(1) maintains a home, if the individual maintains only one (1) home in Indiana;

(2) if subdivision (1) does not apply, is registered to vote;

(3) if subdivision (1) or (2) does not apply, registers the individual's personal automobile; or

(4) if subdivision (1), (2), or (3) does not apply, spends the majority of the individual's time spent in Indiana during the taxable year in question.

(b) The residence or principal place of business or employment of an individual is to be determined on the income tax determination date for the individual's taxable year. If an individual changes the location of the individual's residence or principal place of employment or business to another county in Indiana during the individual's taxable year, the individual's liability for supplemental income tax is not affected.

Sec. 4. (a) The department of state revenue may enter into reciprocity agreements with the taxing authority of a city, town, municipality, county, or other similar local governmental entity of any other state. A reciprocity agreement must provide that the income of nonresident income taxpayers who reside in the other local governmental entity is exempt from the supplemental income tax in the Indiana county entering into the agreement to the extent that the income of Indiana resident income taxpayers is exempt from income taxation by the other local governmental entity.

(b) A reciprocity agreement entered into under this section may not become effective until it is also made effective in the other local governmental entity that is a party to the agreement.

(c) A certified copy of the reciprocity agreement must be filed with the following:

(1) The department of local government finance.

(2) The budget agency.

(d) The form and effective date of any reciprocity agreement described in this section must be approved by the budget agency.

Sec. 5. (a) If for a taxable year a supplemental income taxpayer is (or a supplemental income taxpayer and a supplemental income taxpayer's spouse who file a joint return are) allowed a credit for the elderly or the disabled under Section 22 of the Internal Revenue Code, the supplemental income taxpayer is (or a

supplemental income taxpayer and a supplemental income taxpayer's spouse who file a joint return are) entitled to a credit against the supplemental income taxpayer's (or the supplemental income taxpayer's and the supplemental income taxpayer's spouse's) supplemental income tax liability under this chapter for that same taxable year. The amount of the credit equals the lesser of:

(1) the product of:

(A) the supplemental income taxpayer's (or the supplemental income taxpayer's and the supplemental income taxpayer's spouse's) credit for the elderly or the totally disabled for that same taxable year; multiplied by

(B) a fraction for which the numerator of the fraction is the supplemental income tax rate and the denominator is fifteen hundredths (0.15); or

(2) the amount of supplemental income tax imposed on the supplemental income taxpayer (or the supplemental income taxpayer and the supplemental income taxpayer's spouse).

(b) If a supplemental income taxpayer and the local taxpayer's spouse file a joint return and are subject to different supplemental income tax rates under this chapter for the same taxable year, they shall compute the credit under this section using the formula provided by subsection (a), except that they shall use the average of the two (2) supplemental income tax rates as the numerator referred to in subsection (a)(1)(B).

Sec. 6. Revenue from a supplemental local property tax replacement income tax under this chapter shall be collected, deposited, and used as provided in this article.

Chapter 6. Collection

Sec. 1. Except as otherwise provided in this article, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

(1) definitions;

(2) declarations of estimated tax;

(3) filing of returns;

(4) remittances;

(5) incorporation of the provisions of the Internal Revenue Code;

(6) penalties and interest;

(7) exclusion of military pay credits for withholding; and

(8) exemptions and deductions;

apply to the imposition, collection, and administration of a supplemental income tax imposed by IC 6-10-6.

Sec. 2. The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the supplemental income tax imposed by IC 6-10-5.

Sec. 3. Each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted in the manner and on the schedule determined by the department of state revenue. The department of state revenue may provide for the information to be reported:

(1) annually along with the employer's annual withholding report; or

(2) on a more frequent schedule with annual reconciliation of the amounts reported during the year.

Sec. 4. Each supplemental income taxpayer that is required to file estimated tax returns under IC 6-3-4-4.1 shall report to the department the amount of estimated supplemental income tax attributable to a county. The report shall be submitted in the manner and on the schedule determined by the department of state revenue. The department of state revenue may provide for the information to be reported:

(1) annually along with the income taxpayer's annual return; or

(2) on a more frequent schedule with annual reconciliation of the amounts reported during the year.

Sec. 5. The department of state revenue shall separately account for the supplemental income taxes collected from supplemental income taxpayers in each county and refunds made to supplemental income taxpayers in each county.

Chapter 7. Distribution

Sec. 1. Before August 2, 2006, and before August 2 in any subsequent year in a later adjustment in the amount distributed is made as a result of the resolution of refunds and other tax appeals, the department of local government finance, after reviewing the recommendation of the budget agency, shall make the following certifications to the auditor of state for each county:

(1) The total amount of the state distribution made under IC 6-1.1-21 (repealed), as adjusted in any subsequent settlement under IC 6-1.1-21-9 (repealed), to the county to replace revenue lost as a result of the granting of a property tax replacement credit to taxpayers in the county under IC 6-1.1-21-5 (repealed) for property taxes first due and payable for the March 1, 2004, and January 15, 2005, assessment dates.

(2) The total amount of the state distribution made under IC 6-1.1-21 (repealed), as adjusted in any subsequent settlement under IC 6-1.1-21-9 (repealed), to the county to replace revenue lost as a result of the granting of a homestead credit to taxpayers in the county under IC 6-1.1-20.9-2 (repealed) for property taxes first due and payable for the March 1, 2004, and January 15, 2005, assessment dates.

(3) The sum of the county's 2005 certified property tax replacement distribution and the county's 2005 certified homestead distribution.

Sec. 2. Each year beginning after December 31, 2006, the auditor of state shall make a certified property tax replacement distribution to the county treasurer of each county equal to the sum of the following:

(1) The county's 2005 certified property tax replacement distribution.

(2) The county's supplemental property tax replacement distribution for the year determined under section 10 of this chapter.

Sec. 3. Each year beginning after December 31, 2006, the auditor of state shall make a certified homestead distribution to the county treasurer of each county equal to the sum of the following:

(1) The county's 2005 certified homestead distribution.

(2) The county's supplemental homestead distribution for the year determined under section 11 of this chapter.

Sec. 4. The distribution required under section 2 of this chapter and the distribution required under section 3 of this chapter shall be made in twelve (12) equal installments.

Sec. 5. Before August 2, 2008, and August 2 in each year thereafter, the department of state revenue, after reviewing the recommendation of the budget agency, shall certify the amount determined under section 6 of this chapter for a particular county (as adjusted under section 7 of this chapter) to the following:

(1) The auditor of state.

(2) The department of local government.

The amount certified for a county under this section shall be treated as the county's certified actual supplemental income tax revenue for the ensuing year.

Sec. 6. Subject to section 7 of this chapter, the amount to be certified under section 5 of this chapter for an ensuing year equals the amount of supplemental income tax revenue that the department of state revenue, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department of state revenue in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of supplemental income tax made in the state fiscal year.

Sec. 7. (a) The amount determined under section 6 of this chapter shall be adjusted as provided under this section.

(b) The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified amount for a county to an amount less than the amount determined under section 6 of this chapter if the department of state revenue, after reviewing the recommendation of the budget agency, determines that the reduced certified amount is necessary

to offset the effects of an overpayment to the county in a year before the year to which the certified amount applies. The department of state revenue, after reviewing the recommendation of the budget agency, may reduce the certified amount over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(c) The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified amount for a county to correct for any clerical or mathematical errors made in any previous certification under this chapter. The department of state revenue, after reviewing the recommendation of the budget agency, may reduce the certified amount over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

Sec. 8. Before December 2, 2008, and December 2 in each subsequent year, the department of local government finance, after reviewing the recommendation of the budget agency, shall certify the following to the auditor of state and the fiscal officer of each county:

(1) The total amount of supplemental income taxes imposed on supplemental income taxpayers in each county that are available to increase the certified property tax replacement distributions and certified homestead distributions to the county for an ensuing year.

(2) Each county's supplemental property tax replacement distribution for the ensuing year.

(3) Each county's supplemental homestead distribution for the ensuing year.

Sec. 9. The total amount of supplemental income taxes available to increase the certified property tax replacement distributions and certified homestead distributions for an ensuing year in a county is the greater of zero (0) or the result determined under STEP SIX of the following formula:

STEP ONE: Determine for all counties the sum of the certified actual supplemental income tax revenue determined for each county for the ensuing year.

STEP TWO: Determine for all counties the sum of the 2005 certified total property tax relief distribution to each county.

STEP THREE: Determine the greater of zero (0) or the result of:

(A) the STEP ONE result; minus

(B) the STEP TWO result.

STEP FOUR: Determine the greater of zero (0) or the result of:

(A) the county's certified actual supplemental income tax revenue for the ensuing year; minus

(B) the county's 2005 total property tax relief distribution.

STEP FIVE: Determine the sum of the STEP FOUR amounts for all counties.

STEP SIX: Determine the result of:

(A) the county's STEP FOUR amount; divided by

(B) the STEP FIVE result;

rounded to the nearest dollar ($1).

Sec. 10. A county's supplemental property tax replacement distribution for the ensuing year is equal to the total amount of supplemental income taxes available to increase the certified property tax replacement distributions and certified homestead distributions for an ensuing year in the county multiplied by a fraction. The numerator of the fraction is the county's 2005 certified property tax replacement distribution. The denominator is the county's 2005 certified total property tax relief distribution.

Sec. 11. A county's supplemental homestead distribution for the ensuing year is equal to the total amount of supplemental income taxes available to increase the certified property tax replacement distributions and certified homestead distributions for an ensuing year in the county multiplied by a fraction. The numerator of the fraction is the county's 2005 certified homestead distribution. The denominator is the county's 2005 certified total property tax relief distribution.

Sec. 12. A county treasurer receiving a certified property tax replacement distribution or certified homestead distribution under this chapter shall apportion the amount received among the taxing units that imposed any part of the county's total county tax levy. The amount received by the county as a:

(1) certified property tax replacement distribution shall be distributed to each taxing unit in proportion to the amount of revenue lost to the taxing unit as a result of the granting of property tax replacement credits in the county under IC 6-10-3; and

(2) certified homestead distribution shall be distributed to each taxing unit in proportion to the amount of revenue lost to the taxing unit as a result of the granting of homestead credits in the county under IC 6-10-4.

Sec. 13. Distributions under section 12 of this chapter shall be made in twelve (12) equal monthly installments with settlements of overpayments and underpayments in June and December at the same time property taxes are settled under IC 6-1.1-27-1.

Sec. 14. For the purposes of any law, rule, or other writing that refers to property taxes, money distributed to a taxing unit under this article shall be treated as property taxes and may be used for any purpose for which the property taxes replaced by the money could have been used.

SECTION 40. IC 8-6-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) Whenever the separation of grades at the intersection of a railroad or railroads (as defined in IC 8-3-1-2) and a public street or highway is constructed, the railroad or railroads shall pay five ~~(5)~~ percent **(5%)** of the cost of the grade separation as provided in this chapter.

(b) This chapter shall apply to an existing crossing, a new crossing, or the reconstruction of an existing grade separation.

(c) If more than one (1) railroad (as defined in IC 8-3-1-2) is involved in a separation, the railroads involved shall divide the amount to be paid by the railroads by agreement between the railroads. If the railroads fail to agree, the circuit court of the county in which the crossing is located shall have jurisdiction, upon the application of a party, to determine the division of the amount to be paid by the railroads. The decision of the court is final, unless one (1) or more parties deeming themselves aggrieved by the decision of the court shall appeal therefrom to the court of appeals of Indiana within thirty (30) days, or within additional time not exceeding ninety (90) days, as may be granted by the circuit court. The appeal shall be taken in substantially the same manner as an appeal in a civil case from the circuit court.

(d) If a grade separation shall involve a state highway that is a part of the state highway system of Indiana, or a street or highway selected by the Indiana department of transportation as a route of a highway in the state highway system, the state, out of the funds of the Indiana department of transportation or funds appropriated for the use of the Indiana department of transportation, shall pay ninety-five percent (95%) of the cost of the grade separation.

(e) Before the Indiana department of transportation shall proceed with a grade separation within a city or town, the Indiana department of transportation shall first obtain the consent of the city, by a resolution adopted by the board or officials of the city having jurisdiction over improvement of the streets of the city, and any material modification of the plans upon which the consent was granted shall first be approved by the city by a similar resolution.

(f) If such grade separation is on a highway or street not a part of the highways under the jurisdiction of the Indiana department of transportation, or a part of a route selected by it, but is within any city or town of the state, the city or town shall pay one-half (1/2) of ninety-five percent (95%) of the total of such cost and the county in which the crossing is located shall be liable for and pay one-half (1/2) of the ninety-five percent (95%).

(g) If a grade separation that involves a state highway that is a part of the state highway system of Indiana, or a street or highway selected by the Indiana department of transportation as a route of a highway in the state highway system, necessitates the grade separation on other highways or streets, not a part of the highways under the jurisdiction of the Indiana department of transportation but within any city of the state of Indiana, then of the total cost of the grade separation on a highway or street not under the jurisdiction of the Indiana department of transportation but necessitated by the grade separation involving a highway or street which is a part of the state highway system, the

city shall pay one-fourth (1/4) of ninety-five percent (95%) and the county in which the crossing is located shall be liable for and pay one-fourth (1/4) of the ninety-five percent (95%) of the total of the costs and the state out of the funds of the Indiana department of transportation or funds appropriated for the use of the Indiana department of transportation, shall be liable for and pay one-half (1/2) of the remaining portion.

(h) If a crossing is not within any city or town and does not involve a highway under the jurisdiction of the Indiana department of transportation, then the county in which the crossing is located shall pay the ninety-five percent (95%) of the total cost which is not paid by the railroad or railroads.

(i) The division of the cost of grade separation applies when the grade separation replaces and eliminates an existing grade crossing at which active warning devices are in place or ordered to be installed by a state regulatory agency, but when the grade separation does not replace nor eliminate an existing grade crossing the state, county, or municipality, as the case may be, shall bear and pay one hundred percent (100%) of the cost of the grade separation.

(j) In estimating and computing the cost of the grade separation, there shall be considered as a part of costs all expenses reasonably necessary for preliminary engineering, rights-of-way and all work required to comply with the plans and specifications for the work, including all changes in the highway and the grade thereof and the approaches to the grade separation, as well as all changes in the roadbed, grade, rails, ties, bridges, buildings, and other structural changes in a railroad as may be necessary to effect the grade separation and to restore the railroad facilities aforesaid to substantially the same condition as before the separation.

(k) The required railroad share of the cost shall be based on the costs for preliminary engineering, right-of-way, and construction within the limits described below:

(1) Where a grade crossing is eliminated by grade separation, the structure and approaches for the number of lanes on the existing highway and in accordance with the current design standards of the governmental entity having jurisdiction over the highway involved.

(2) Where another facility, such as a highway or waterway, requiring a bridge structure is located within the limits of a grade separation project, the estimated cost of a theoretical structure and approaches as described under subdivision (1) to eliminate the railroad-highway grade crossing without considering the presence of the waterway or other highway.

(3) Where a grade crossing is eliminated by railroad or highway relocation, the actual cost of the relocation project, or the estimated cost of a structure and approaches as described under subdivision (1), whichever is less.

(l) If the Indiana department of transportation or any city, town, or county is unable to reach an agreement with a railroad company after determining that construction or reconstruction of a grade separation, which replaces or eliminates the need for a grade crossing, is necessary to protect travelers on the roads and streets of the state, the appropriate unit or combination of units of government shall give a written notice of its intention to proceed with the construction or reconstruction of a grade separation to the superintendent or regional engineer of the railroad company. The notice of intention shall be made by the adoption of a resolution stating the need for the grade separation. If, after thirty (30) days, the railroad has not agreed to a division of inspections, plans and specifications, the number and type of jobs to be completed by each agency, a division of costs, and other necessary conditions, the Indiana department of transportation, city, town, or county may proceed with the grade separation exercising any and all of its powers to construct or reconstruct a bridge and, notwithstanding other provisions of this chapter, may pay for up to one hundred percent (100%) of the cost of the project. If the railroad is unable, for good cause, to pay the share of the cost required by this section, the city, town, or county may certify the amount owed by the railroad to the county auditor who shall prepare a special tax duplicate to be collected and settled for by the county treasurer in the same manner and at the same time as property taxes are collected except that such tax assessment shall not authorize a payment or credit from the ~~property tax replacement~~ **state general** fund. ~~created by IC 6-1.1-21.~~ However, before the Indiana department of transportation, city, town, or county undertakes to do the work themselves they shall notify an agent of the railroad as to the time and place of the work.".

Page 151, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 41. IC 8-22-3.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) Except in a county described in section 1(5) of this chapter and except as provided in subsection (d), if the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** that, under IC 6-1.1-22-9, are due and payable in May and November of that year. Except as provided in subsection (d), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2).** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the special funds under section 9 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in an airport development zone who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies shall be stated on the notice.

(d) This subsection applies to an airport development zone only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an airport development zone is entitled to an additional credit under subsection (a) for the taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2).**

SECTION 42. IC 8-22-3.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) Notwithstanding any other law, a taxpayer in an airport development zone is not entitled to a credit for property tax replacement under ~~IC 6-1.1-21-5.~~ **IC 6-10-3.**

(b) Notwithstanding subsection (a), in a county described in section 1(5) of this chapter, a taxpayer is entitled to a property tax replacement credit under ~~IC 6-1.1-21-5.~~ **IC 6-10-3** for the portion of property taxes for which an inventory tax credit under section 16 of this chapter is not allowed.

(c) An amount equal to the total of all inventory tax credit

available under section 16 of this chapter shall be excluded from the total county tax levy under ~~IC 6-1.1-21-2(g).~~ **IC 6-10-2.**".

Page 154, line 19, after "welfare" insert "**settlement**".

Page 158, line 12, after "(B)" insert "**either:**

(i)".

Page 158, line 17, after "2006" insert "**; or**

(ii) elimination of county levies related to the funding of courts and court personnel;".

Page 158, line 17, before "adversely" begin a new line double block indented.

Page 167, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 44. IC 12-20-25-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 45. (a) Notwithstanding IC 6-3.5-6, after the termination of the controlled status of all townships located in a county as provided in section 41 of this chapter and if the county option income tax is imposed under this chapter, the county fiscal body may adopt an ordinance to:

(1) increase the percentage credit allowed for homesteads in the county under ~~IC 6-1.1-20.9-2;~~ **IC 6-10-4**; or

(2) reduce the county option income tax rate for resident county taxpayers to a rate not less than the greater of:

(A) the minimum rate necessary to satisfy the requirements of section 43 of this chapter; or

(B) the minimum rate necessary to satisfy the requirements of sections 43 and 46(2) of this chapter if an ordinance is adopted under subdivision (1).

(b) A county fiscal body may not increase the percentage credit allowed for homesteads in such a manner that more than eight percent (8%) is added to the percentage established under ~~IC 6-1.1-20.9-2(d).~~ **IC 6-10-4.**

(c) The increase in the homestead credit percentage must be uniform for all homesteads in a county.

(d) In an ordinance that increases the homestead credit percentage, the county fiscal body may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) An ordinance may be adopted under this section after January 1 but before June 1 of a calendar year.

(f) An ordinance adopted under this section takes effect January 1 of the next calendar year.

(g) An ordinance adopted under this section for a county is not applicable for a year if on January 1 of that year the county option income tax is not in effect.".

Page 159, delete lines 38 through 42.

Delete pages 160 through 163.

Page 164, delete lines 1 through 41.

Page 165, line 2, after "(a)" insert "**The following definitions apply throughout this section:**

(1) "Settlement fund" refers to the child welfare settlement fund established by this section.

(2) "Terminated fund" refers to the following:

(A) Family and children's fund.

(B) County medical assistance to wards fund.

(C) Children's psychiatric residential treatment services fund.

(D) Children with special health care needs county fund.

(b) Each terminated fund is terminated on December 31, 2006.

(c) A child welfare settlement fund is established in each county for the purpose of settling the obligations of the county and the state with respect to the revenue and obligations of each terminated fund.

(d) The balance of each terminated fund and any obligations payable from a terminated fund on December 31, 2006, are transferred on January 1, 2007, to the settlement fund. Any money or claim received after December 31, 2006, that would have been deposited in or paid from a terminated fund if subsection (b) did not apply, shall be deposited in or paid from the settlement fund.

(e)".

Page 165, line 4, after "county's" insert "**settlement**".

Page 165, line 7, delete "(b)" and insert "**(f)**".

Page 165, line 7, after "the" insert "**settlement fund from the**".

Page 165, line 31, delete "(c)" and insert "**(g)**".

Page 165, line 34, delete (a), (b), and (e)." and insert "**(e), (f), and (i).**".

Page 165, line 37, delete "(d)" and insert "**(h)**".

Page 165, line 39, delete "(b)" and insert "**(f)**".

Page 166, line 8, delete "(e)" and insert "**(i)**".

Page 166, line 8, after "the" insert "**settlement fund from the**".

Page 166, line 35, delete "(f)" and insert "**(j)**".

Page 166, line 38, delete (e)" and insert "**(i)**".

Page 167, between lines 6 and 7, begin a new paragraph and insert:

"**(k) A county shall terminate the settlement fund when the purposes of the settlement fund have been fulfilled.**".

Page 168, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 45. IC 13-21-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 15. (a) A district located in a county having a population of more than thirty-two thousand (32,000) but less than thirty-three thousand (33,000) may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district establishes that all of the following conditions exist:

(1) The district is in the process of constructing a landfill.

(2) A higher property tax rate is necessary to pay the fees charged by out of county landfills to dispose of solid waste generated in the district during the design and construction phases of the landfill being established by the district.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section. Any additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in ~~IC 6-1.1-21-2);~~ **IC 6-10-2);** and

(2) may not exceed seven and thirty-three hundredths cents ($0.0733) on each one hundred dollars ($100) of assessed valuation of property in the district.

(c) The department of local government finance shall establish the tax rate if a higher tax rate is permitted.

(d) A property tax rate imposed under this section expires not later than December 31, 1997.

SECTION 46. IC 13-21-3-15.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 15.5. (a) A district may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district with respect to 2001 property taxes payable in 2002:

(1) imposed the maximum property tax rate established under section 12 of this chapter; and

(2) collected property tax revenue in an amount less than the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section.

(c) An additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in ~~IC 6-1.1-21-2);~~ **IC 6-10-2);** and

(2) may not exceed the rate calculated to result in a property tax levy equal to the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(d) The department of local government finance shall establish the tax rate if a higher tax rate is permitted.".

Page 185, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 47. IC 31-12-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) In each of the judicial circuits in which this chapter applies, judges of the superior and circuit courts may appoint one (1) or more professionally qualified domestic relations:

(1) referees;

(2) counselors;

(3) assistants; and

(4) clerks;

as are considered necessary to serve at the pleasure of the appointing judge.

(b) The appointing judge shall fix the compensation and expense of the personnel appointed under this chapter, which shall be paid out of the ~~county~~ **state** general fund.

SECTION 48. IC 31-12-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) The judges described in section 1(1) of this chapter and the judge described in section 1(2) of this chapter may appoint:

(1) one (1) or more professionally qualified domestic relations referees, counselors, and other necessary personnel, including a full-time director; and

(2) necessary assistants and clerks;

to serve during the pleasure of the appointing judge to staff the domestic relations counseling bureau.

(b) The appointing judge shall fix the compensation and expenses of the personnel appointed under this chapter, which shall be paid out of the ~~county~~ **state** general fund.

SECTION 49. IC 31-31-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. The ~~county~~ **state** shall pay the salary of a part-time juvenile court referee appointed under this chapter.

SECTION 50. IC 31-31-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) The salary of a probation officer shall be fixed by the county fiscal body in accordance with the salary schedule adopted by the county fiscal body under IC 36-2-16.5. ~~The salary of a probation officer shall be paid by the county.~~

(b) Subject to the approval of the ~~county fiscal body~~ **division of state court administration**, the judge shall fix and the county shall pay the salaries of juvenile court employees other than probation officers.

(c) In addition to their annual salary, probation officers shall be reimbursed for any necessary travel expenses incurred in the performance of their duties in accordance with the law governing state officers and employees.".

Page 185, line 41, delete ":".

Page 185, line 42, delete "(A)".

Page 185, line 42, after "services" delete ";" and insert ".".

Page 185, line 42, delete "and".

Page 185, run in lines 41 through 42.

Page 186, delete line 1.

Page 187, line 12, after "welfare" insert "**settlement**".

Page 187, line 12, delete ", including" and insert "**.**".

Page 187, delete lines 13 through 15.

Page 187, line 40, after "department" insert "**or the division of family resources**".

Page 189, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 51. IC 31-34-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) The probation department for the juvenile court shall:

(1) collect the informal adjustment program fee set by section 8 of this chapter; and

(2) transfer the collected informal adjustment program fees to the ~~county~~ auditor **of state** not later than thirty (30) days after the fees are collected.

(b) The ~~county~~ auditor **of state** shall deposit the fees in the ~~county user fee~~ **state general** fund. ~~established by IC 33-37-8-5.~~".

Page 209, line 21, delete "county or".

Page 209, line 24, delete "and the amount of" and insert ".".

Page 209, delete line 25.

Page 209, line 27, strike "(a)".

Page 209, line 30, after "probation" insert "**services.**".

Page 209, delete lines 31 through 39.

Page 209, line 40, delete "(c)" and insert "**(b)**".

Page 209, line 42, delete ":".

Page 210, line 1, strike "(1) any services ordered by the juvenile court".

Page 210, delete line 3.

Page 210, line 4, delete "county under subsection (b);".

Page 210, line 4, strike "and".

Page 210, line 5, strike "(2)".

Page 210, line 6, delete "(d)".

Page 210, line 6, strike "The county fiscal body shall provide sufficient money to".

Page 210, line 7, strike "meet the".

Page 210, line 7, delete "county's obligation to reimburse the".

Page 210, delete lines 8 through 9.

Page 210, delete lines 35 through 42.

Page 211, delete lines 1 through 20.

Page 213, line 21, delete "(or must be reimbursed by the county)".

Page 213, line 21, strike "from" and insert "**by**".

Page 213, line 21, after "county" insert ";".

Page 213, line 22, delete "child welfare".

Page 213, line 22, strike "fund;".

Page 213, line 34, strike "division".

Page 213, line 34, delete "or the".

Page 213, line 37, strike "division".

Page 213, line 37, delete "or".

Page 214, line 7, delete "division or".

Page 214, line 9, delete "department of child services".

Page 214, line 9, strike "or the division.".

Page 214, line 9, after "division." insert "**department of child services.**".

Page 214, line 32, delete "Subject to section 3(e) of this chapter, all" and insert "All".

Page 214, line 35, after "welfare" insert "**settlement**".

Page 215, line 1, after "welfare" insert "**settlement**".

Page 215, line 6, delete "child welfare fund." and insert "**.**".

Page 215, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 52. IC 31-40-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. Subject to IC 31-40-1-3, juvenile court may order the parent or guardian of the estate of any child for whom a guardian ad litem or court appointed special advocate is appointed to pay to the ~~probation department~~ **clerk** a user fee of not more than one hundred dollars ($100) for deposit ~~by the probation department in:~~

~~(1) the guardian ad litem fund if a guardian ad litem has been appointed; or~~

~~(2) the court appointed special advocate fund if a court appointed special advocate has been appointed.~~ **in the state general fund.**

SECTION 53. IC 31-40-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. The ~~fiscal body of the county~~ **state** shall appropriate money from

~~(1) the guardian ad litem fund; or~~

~~(2) the court appointed special advocate fund;~~

the state general fund to the juvenile courts of the county for use by the courts in providing guardian ad litem or court appointed special advocate services and the costs of representation for the guardians ad litem or court appointed special advocates.".

Page 215, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 54. IC 33-23-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) Sitting in committee, the judges of the courts listed in section 3 of this chapter in each county shall determine the duties of the court administrator, and the court administrator shall perform the administrative duties the judges determine.

(b) The salary of the court administrator shall be determined by a majority of the judges listed in section 3 of this chapter in each county, sitting in committee. ~~The court administrator's salary shall be paid by the county upon the order of the majority of the committee of judges.~~

SECTION 55. IC 33-23-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) To implement this chapter, the judges of the courts, sitting in committee, may appoint additional personnel in sufficient number so that the courts are adequately served by the court administrator.

~~(b) The salaries of the additional personnel shall be paid by the county upon the order of the committee of judges.~~

SECTION 56. IC 33-23-14 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:

Chapter 14. Court Expenditures

Sec. 1. Notwithstanding any other law, this chapter governs the operations of the following courts:

(1) Circuit court.

(2) Superior court.

(3) Probate court.

(4) County court.

Sec. 2. As used in this chapter, "court" refers to a court described in section 1 of this chapter.

Sec. 3. (a) In addition to the authority provided to a court under IC 31 and this title to employ, manage, and fix the salary of a judicial officer, a bailiff, a court reporter, a probation officer, a court clerk, and other personnel (including an administrative officer) necessary to transact the business of the court, a court may, individually or jointly with another court, adopt rules to provide for the administration of the court, including rules governing the following:

(1) Legal representation for indigents.

(2) Budgetary matters of the court.

(3) Operation of the probation department.

(4) Employment and management of court administrative officers.

(5) Appointment and management of court appointed special advocates and guardians ad litem.

(6) Maintenance of an adequate law library.

(7) Cooperative efforts with other courts for establishing and administering shared programs and facilities.

(8) Operation of the office of the county clerk.

(b) The authority and rules of administration described in subsection (a) must be consistent with the rules adopted by the supreme court.

Sec. 4. A court shall submit a budget for the court to the division of state court administration in conformity with the rules adopted by the supreme court.

Sec. 5. The supreme court shall present a consolidated budget for the operation of all courts to the general assembly and the budget agency at the times and in the format the budget agency requests. The budget must cover all personnel and other operating expenses of courts except the expenditures described in sections 7 and 8 of this chapter.

Sec. 6. Except as provided in sections 7 and 8 of this chapter, the state shall pay the personnel and other operating expenses of all courts from the amounts appropriated for the operation of courts.

Sec. 7. (a) A county served by a court shall pay the following capital, personnel, and other operating expenses of a court that are not otherwise paid with federal, state, or private funds:

(1) Costs of providing and maintaining a suitable courtroom and other rooms and facilities, including furniture and equipment, as may be necessary for the judge and administrative officers of the court.

(2) Costs of providing and operating a juvenile detention facility (as defined in IC 31-9-2-71), except for the costs of employing probation officers who provide services in a juvenile detention facility in conformity with rules adopted by the supreme court.

(3) Costs of providing and operating a secure private facility (as defined in IC 31-9-2-115) operated by the court.

(4) Other costs for court operations as provided by law.

(b) The county shall provide a suitable place for each of the following courts sitting in the county to hold court:

(1) Circuit court.

(2) Superior court.

(3) Probate court.

(4) County court.

Sec. 8. Regardless of whether personnel from any of the following offices or programs are assigned to a court, a county shall pay the capital, personnel, and other operating expenses of the following offices and programs that are not otherwise paid by federal, state, or private funds:

(1) Sheriff.

(2) Prosecuting attorney.

(3) Community corrections program.

(4) Other programs as provided by law.

Sec. 9. The county executive shall provide and maintain a suitable courtroom and facilities, including furniture and equipment, as necessary, for the use of the judges and court administrative officers serving the county.

SECTION 57. IC 33-23-15 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:

Chapter 15. Court Administrative Officers

Sec. 1. Notwithstanding any other law, this chapter governs the operations of the following courts:

(1) Circuit court.

(2) Superior court.

(3) Probate court.

(4) County court.

Sec. 2. As used in this chapter, "administrative officer" means hearing judges, magistrates, commissioners, referees, bailiffs, court reporters, probation officers, or other permanent or temporary employees required to efficiently serve a court.

Sec. 3. As used in this chapter, "court" refers to a court described in section 1 of this chapter.

Sec. 4. A court may:

(1) employ an administrative officer necessary to transact the business of the court;

(2) fix the salary of an administrative officer;

(3) submit a budget; and

(4) adopt rules and procedures for the administration of the court.

Sec. 5. The supreme court may adopt rules to govern the employment and management of administrative officers. A court shall comply with the rules adopted under this section.

SECTION 58. IC 33-28-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) The jury commissioners shall immediately, from the names of legal voters and citizens of the United States on the latest tax duplicate and the tax schedules of the county, examine for the purpose of determining the sex, age, and identity of prospective jurors, and proceed to select and deposit, in a box furnished by the clerk for that purpose, the names, written on separate slips of paper of uniform shape, size, and color, of twice as many persons as will be required by law for grand and petit jurors in the courts of the county, for all the terms of the courts, to begin with the following calendar year.

(b) Each selection shall be made as nearly as possible in proportion to the population of each county commissioner's district. In making the selections, the jury commissioners shall in all things observe their oaths. The jury commissioners shall not select the name of any person who is to them known to be interested in or has case pending that may be tried by a jury to be drawn from the names so selected.

(c) The jury commissioners shall deliver the locked box to the clerk of the circuit court, after having deposited into the box the names as directed under this section. The key shall be retained by one (1) of the jury commissioners, who may not be an adherent of the same political party as the clerk.

(d) In a county containing a consolidated city, the jury commissioners may, upon an order made by the judge of the circuit court and entered in the records of the circuit court of the county, make the selections and deposits required under this section monthly instead of annually. The jury commissioners may omit the personal examination of prospective jurors, the examination of voters lists, and make selection without reference to county commissioners' districts. The judge of the circuit court in a county containing a consolidated city may do the following:

(1) Appoint a secretary for the jury commissioners, and sufficient stenographic aid and clerical help to properly perform the duties of the jury commissioners.

(2) Fix the salaries of the commissioners, the secretary, and stenographic and clerical employees.

(3) Provide office quarters and necessary supplies for the jury commissioners and their employees.

~~The expenses incurred under this subsection shall be paid for from the treasury of the county upon the order of the court.~~

(e) Subject to ~~appropriations made by the county fiscal body~~ **approval by the division of state court administration**, the jury commissioners may use a computerized jury selection system. However, the system used for the selection system must be fair and may not violate the rights of persons with respect to the impartial and random selection of prospective jurors. The jurors selected under the computerized jury selection system must be eligible for selection under this chapter. The commissioners shall deliver the names of the individuals selected to the clerk of the circuit court. The

commissioners shall observe their oath in all activities taken under this subsection.

(f) The jury commissioners may supplement voter registration lists and tax schedules under subsection (a) with names from lists of persons residing in the county that the jury commissioners may designate as necessary to obtain a cross-section of the population of each county commissioner's district. The lists designated by the jury commissioners under this subsection must be used for the selection of jurors throughout the entire county.

(g) The supplemental sources designated under subsection (f) may consist of such lists as those of utility customers, persons filing income tax returns, motor vehicle registrations, city directories, telephone directories, and driver's licenses. These supplemental lists may not be substituted for the voter registration list. The jury commissioners may not draw more names from supplemental sources than are drawn from the voter registration lists and tax schedules.

SECTION 59. IC 33-28-4-7, AS AMENDED BY P.L.2-2005, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 7. (a) The circuit court shall appoint a person to fill a vacancy, or to act for a jury commissioner, as the case may require, if:

(1) a vacancy occurs in the office of jury commissioner;
(2) a jury commissioner fails to act when required; or
(3) illness or any other cause renders a jury commissioner unable to act.

(b) A person appointed under subsection (a):

(1) must possess the qualifications required for jury commissioners;
(2) must be an adherent of the same political party as is the commissioner in whose stead the person is appointed to serve; and
(3) shall take the oath required by this chapter.

(c) For the time actually employed in the performance of jury commissioner's duties, each jury commissioner shall be allowed a per diem to be fixed by the court. ~~and paid out of the county treasury upon the warrant of the county auditor.~~

SECTION 60. IC 33-29-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) The judge of a standard superior court shall appoint a bailiff and an official court reporter for the court.

(b) The salaries of the bailiff and the official court reporter shall be

~~(1)~~ fixed in the same manner as the salaries of the bailiff and the official court reporter for the circuit court of the county in which the standard superior court is located. ~~and~~

~~(2) paid monthly~~

~~(A) out of the treasury of the county in which the standard superior court is located; and~~
~~(B) as provided by law.~~

SECTION 61. IC 33-30-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. Any judge transferred to a court in another county shall be paid travel and other necessary expenses by the ~~county to which the judge is transferred.~~ **state.** An allowance for expenses shall be certified by the chief justice in duplicate to the auditor of ~~the county.~~ **state.**

SECTION 62. IC 33-30-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) The county shall furnish all supplies, including the following:

(1) Blanks, forms, and papers of every kind required for use in all cases.
(2) Furniture.
(3) Books.
(4) Papers.
(5) Stationery.
(6) Recording devices.
(7) Other equipment and supplies of every character necessary for the keeping of the records of the proceedings and maintaining of the county court.

(b) The county shall provide a suitable place for the holding of court for the judge of the county court sitting in the county.

(c) The ~~county~~ **state** shall pay the salary of the:

(1) deputy clerk;
(2) county police officer;
(3) bailiff; and
(4) reporter;

assigned to the county court as prescribed by law.

SECTION 63. IC 33-30-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The salary of a county court judge who serves more than one (1) county shall be paid by the ~~respective counties~~ **state** in equal amounts.

(b) The salary of every county court judge, as set by IC 33-38-5, shall be paid in equal monthly installments.

SECTION 64. IC 33-31-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 13. (a) When a person is appointed judge pro tem under this chapter, the appointee is entitled to ten dollars ($10) for each day the appointee serves as the judge to be paid:

~~(1) out of the county treasury of the county where the probate court is held;~~
~~(2) upon the warrant of the county auditor; and~~
~~(3) based upon the filing of a claim approved by the judge of the court.~~ **by the state from the state general fund.**

(b) Any amount more than five hundred dollars ($500) allowed to a judge pro tem during any year shall be deducted ~~by the board of county commissioners~~ from the regular annual salary of the judge of the probate court making the appointment unless the judge pro tem is appointed on account of change of venue, relationship, interest as former counsel, or absence of judge in case of serious sickness of the judge or a family member of the judge.

SECTION 65. IC 33-31-1-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 20. (a) The same docket fees shall be taxed in the court as are provided by law to be taxed in the circuit court.

(b) The fees, when collected, shall be ~~paid by the clerk to the treasurer of the county to be applied in reimbursing the county for expenses of the court~~ **deposited in the state general fund.**

SECTION 66. IC 33-31-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 22. The probate court may appoint a chief clerk and other employees as the judge considers necessary whose salaries shall be fixed by the judge. ~~and be paid out of the county treasury.~~

SECTION 67. IC 33-33-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The Allen circuit court has concurrent jurisdiction with the Allen superior court concerning paternity actions.

(b) In addition to the magistrate appointed under section 3 of this chapter, the judge of the Allen circuit court may appoint a hearing officer with the powers of a magistrate under IC 33-23-5. The hearing officer continues in office until removed by the judge.

(c) The salary of a hearing officer appointed under subsection (b) is equal to that of a magistrate under IC 33-23-5. ~~The hearing officer's salary must be paid by the county.~~ The hearing officer is a county employee.

SECTION 68. IC 33-33-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 14. (a) The Allen superior court may appoint probate commissioners, juvenile referees, bailiffs, court reporters, probation officers, and other personnel, including an administrative officer, the court believes are necessary to facilitate and transact the business of the court.

(b) In addition to the personnel authorized under subsection (a) and IC 31-31-3, the following magistrates may be appointed:

(1) The judges of the Allen superior court-civil division may jointly appoint not more than four (4) full-time magistrates under IC 33-23-5 to serve the Allen superior court-civil division. The judges of the Allen superior court-civil division may jointly assign any magistrates the duties and powers of a probate commissioner.
(2) The judge of the Allen superior court-criminal division may jointly appoint not more than three (3) full-time magistrates under IC 33-23-5 to serve the Allen superior court-criminal division. Any magistrate serves at the pleasure of, and continues in office until jointly removed by, the judges of the division that appointed the magistrate.

(c) All appointments made under this section must be made without regard to the political affiliation of the appointees. The salaries of the personnel shall be fixed and paid as provided by law. If the salaries of any of the personnel are not provided by law, the amount and time

of payment of the salaries shall be fixed by the court. ~~to be paid out of the county treasury by the county auditor, upon the order of the court, and be entered of record~~ The officers and persons appointed shall perform duties as are prescribed by the court. Any administrative officer appointed by the court shall operate under the jurisdiction of the chief judge and serve at the pleasure of the chief judge. Any probate commissioners, magistrates, juvenile referees, bailiffs, court reporters, probation officers, and other personnel appointed by the court serve at the pleasure of the court.

(d) Any probate commissioner appointed by the court may be vested by the court with all suitable powers for the handling and management of the probate and guardianship matters of the court, including the fixing of all bonds, the auditing of accounts of estates and guardianships and trusts, acceptance of reports, accounts, and settlements filed in the court, the appointment of personal representatives, guardians, and trustees, the probating of wills, the taking and hearing of evidence on or concerning such matters, or any other probate, guardianship, or trust matters in litigation before the court, the enforcement of court rules and regulations, the making of reports to the court concerning the probate commissioner's actions under this subsection, including the taking and hearing of evidence together with the commissioner's findings and conclusions regarding the evidence. However, all matters under this subsection are under the final jurisdiction and decision of the judges of the court.

(e) A juvenile referee appointed by the court may be vested by the court with all suitable powers for the handling and management of the juvenile matters of the court, including the fixing of bonds, the taking and hearing of evidence on or concerning any juvenile matters in litigation before the court, the enforcement of court rules and regulations, and the making of reports to the court concerning the referee's actions under this subsection. The actions of a juvenile referee under this subsection are under final jurisdiction and decision of the judges of the court.

(f) A probate commissioner or juvenile referee may:

(1) summon witnesses to testify before the commissioner or juvenile referee; and

(2) administer oaths and take acknowledgments;

to carry out the commissioner's or juvenile referee's duties and powers.

(g) The powers of a magistrate appointed under this section include the powers provided in IC 33-23-5 and the power to enter a final order or judgment in any proceeding involving matters specified in IC 33-29-2-3 (jurisdiction of small claims docket) or IC 34-26-5 (protective orders to prevent domestic or family violence).

SECTION 69. IC 33-33-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) In addition to a bailiff and an official court reporter for the court appointed under IC 33-29-1-5, the judge of the Blackford superior court may appoint a referee, commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. The salary of a referee, commissioner, or other person

~~(1)~~ shall be fixed in the same manner as the salaries of the personnel for the Blackford circuit court. ~~and~~

~~(2) shall be paid monthly out of the treasury of Blackford County as provided by law.~~

(b) Personnel appointed under this section and IC 33-29-1-5 continue in office until removed by the judge of the court.

SECTION 70. IC 33-33-15-4, AS AMENDED BY P.L.237-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. In addition to a bailiff and an official court reporter for the court appointed under IC 33-29-1-5, each judge may appoint a referee, a commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. The salary of a referee, a commissioner, or other person

~~(1)~~ shall be fixed in the same manner as the salaries of the personnel for the Dearborn circuit court. ~~and~~

~~(2) shall be paid monthly out of the treasury of Dearborn County as provided by law.~~

Personnel appointed under this section or IC 33-29-1-5 continue in office until removed by the judge of the court for which the personnel were appointed.

SECTION 71. IC 33-33-27.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. The judge of the Grant superior court No. 2 shall appoint a bailiff and an official court reporter for the court, to serve at the pleasure of the court. The judge shall fix their compensation as provided by law concerning bailiffs and official court reporters. ~~The compensation shall be paid monthly out of the treasury of Grant County.~~

SECTION 72. IC 33-33-27.3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) The judge of the court shall appoint a bailiff and an official court reporter for the court.

(b) The salaries of the bailiff and the official court reporter shall be

~~(1)~~ fixed in the same manner as the salaries of the bailiff and official court reporter for the Grant circuit court, Grant superior court, and Grant superior court No. 2. ~~and~~

~~(2) paid monthly out of the treasury of Grant County as provided by law.~~

SECTION 73. IC 33-33-29-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. In addition to the personnel that may be appointed under IC 33-29-1-5, the judge of each Hamilton superior court may appoint other personnel necessary to facilitate and transact the business of the court. The other necessary personnel shall serve at the pleasure of the court, and the judge shall fix their compensation within the limits and in the manner provided by law concerning other personnel of the court. ~~The compensation shall be paid monthly out of the treasury of Hamilton County in the manner provided by law.~~

SECTION 74. IC 33-33-35-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) In addition to the personnel appointed under IC 33-29-1-5, the Huntington superior court may appoint a referee and other personnel as the court determines necessary to facilitate and transact the business of the court.

(b) Salaries of the personnel described in this section shall be fixed in the same manner as the salaries of the bailiff and official court reporter for the Huntington circuit court. ~~Their salaries shall be paid out of the treasury of Huntington County as provided by law.~~

SECTION 75. IC 33-33-45-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) The senior judge of each division may appoint the number of bailiffs, court reporters, probation officers, and other personnel as the senior judge believes is necessary to judicially and efficiently facilitate and transact the business of the division. All appointments shall be made without regard to the political affiliation of the appointees. The salaries of the court personnel shall be fixed and paid as provided by law. The officers and persons appointed shall:

(1) perform the duties prescribed by the senior judge of each respective division; and

(2) serve at the pleasure of the senior judge.

(b) The court shall appoint an administrative officer who has the duties the court determines are necessary to ensure the efficient operation of the court. The court may appoint the number of deputy administrative officers as the court considers necessary to facilitate and transact the business of the court. Any appointment of an administrative officer or deputy administrative officer shall be made without regard to the political affiliation of the appointees. The salaries of the administrative officer and any deputy administrative officer shall be fixed by the court. ~~to be paid out of the county treasury by the county auditor, upon the order of the court, and entered of record.~~ Any administrative officer or deputy administrative officer appointed by the court shall:

(1) operate under the jurisdiction of the chief judge; and

(2) serve at the pleasure of the chief judge.

(c) The court may appoint part-time juvenile referees and magistrates as provided by IC 31-31-3.

(d) The court may appoint the number of probate commissioners provided for by IC 29-2-2. The probate commissioners shall be vested with the powers and duties provided by IC 29.

SECTION 76. IC 33-33-48-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 7. In addition to the personnel appointed under IC 33-29-1-5, the Madison superior court may appoint probation officers and other personnel, including an administrative officer, necessary to transact the business of the court. The salaries of the personnel shall be fixed and paid as provided by law. However, if the salaries of any of the personnel are

not provided by law, the amount and time of payment of the salaries shall be fixed by the court. ~~to be paid out of the county treasury by the county auditor upon the order of the court, and be entered of record.~~ The officers and persons appointed shall perform duties as prescribed by the court. Personnel appointed by the court serve at the pleasure of the court.

SECTION 77. IC 33-33-59-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. In addition to the personnel that may be appointed under IC 33-29-1-5, the judge of the Orange superior may appoint a referee, commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. Their salaries must be fixed in the same manner as the salaries of the personnel for the Orange circuit court. ~~Their salaries must be paid monthly out of the treasury of Orange County as provided by law.~~ Personnel appointed under this section continue in office until removed by the judge of the court.

SECTION 78. IC 33-33-79.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The clerk of the Tippecanoe circuit court shall be the clerk of superior court No. 2 of Tippecanoe County, and the sheriff of Tippecanoe County shall be the sheriff of superior court No. 2 of Tippecanoe County. The clerk and sheriff shall attend court and discharge all the duties pertaining to their respective office as they are required to do by law with reference to the Tippecanoe circuit court.

(b) The judge of superior court No. 2 of Tippecanoe County shall appoint a bailiff and an official reporter for the court to serve during the court. The judge shall fix their compensation within the limits and in the manner provided by law concerning bailiffs and official court reporters. ~~The compensation shall be paid monthly out of the treasury of Tippecanoe County, in the manner provided by law.~~

SECTION 79. IC 33-33-79.2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. Superior court No. 2 of Tippecanoe County has the same original and appellate jurisdiction possessed by the Tippecanoe circuit court in civil and criminal cases, but not in matters of probate or juvenile jurisdiction.

SECTION 80. IC 33-33-79.4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. The judges of Tippecanoe superior court No. 4, No. 5, and No. 6:

(1) shall each appoint a bailiff and an official court reporter for the court; and

(2) may each appoint other court personnel necessary to facilitate and transact the business of the court.

A person appointed under this section serves at the pleasure of the judge appointing the person. Their salaries shall be fixed in the same manner as the salaries of the bailiff, official court reporter, and other personnel for the Tippecanoe circuit court. ~~Their salaries shall be paid monthly out of the treasury of Tippecanoe County as provided by law.~~

SECTION 81. IC 33-33-84-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) The superior court may appoint commissioners, probate commissioners, referees, juvenile referees, bailiffs, court reporters, probation officers, and other personnel, including an administrative officer, as the court believes are necessary to facilitate and transact the business of the court. The salaries of the personnel shall be fixed and paid as provided by law. However, if the salaries of any of the personnel are not provided by law, the amount and time of payment of the salaries shall be fixed by the court. ~~to be paid out of the county treasury by the county auditor upon the order of the court, and be entered on record~~ The officers and persons appointed shall perform the duties as are prescribed by the court. Any such commissioners, probate commissioners, referees, juvenile referees, probation officers, and other personnel appointed by the court serve at the pleasure of the court.

(b) Any probate commissioner appointed by the court may be vested by the court with all suitable powers for the handling and management of the probate and guardianship matters of the court, including the fixing of all bonds, the auditing of accounts of estates and guardianships and trusts, acceptance of reports, accounts, and settlements filed in the court, the appointment of personal representatives, guardians, and trustees, the probating of wills, the taking and hearing of evidence on or concerning such matters, or any other probate, guardianship, or trust matters in litigation before the court, the enforcement of court rules and regulations, and making of reports to the court, including the taking and hearing of evidence together with the commissioner's findings and conclusions, under the final jurisdiction and decision of the judges of the court.

(c) Any juvenile referee appointed by the court may be vested by the court with all suitable powers for the handling and management of the juvenile matters of the court, including the fixing of bonds, the taking and hearing of evidence on or concerning any juvenile matters in litigation before the court, the enforcement of court rules and regulations, the making of reports to the court concerning the referee's doings under final jurisdiction and decision of the judges of the court.

(d) A probate commissioner and juvenile referee may summon witnesses to testify before the commissioner and juvenile referee, administer oaths, and take acknowledgments in connection with and in furtherance of their duties and powers.

SECTION 82. IC 33-33-89-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. The judge of the superior court shall appoint a bailiff and an official court reporter for the court, to serve during the pleasure of the court. The judge shall fix their per diem or salary within the limits and in the manner as provided by law concerning bailiffs and official court reporters. ~~The bailiff and court reporter shall be paid monthly out of the treasury of Wayne County in the manner provided by law.~~

SECTION 83. IC 33-33-89.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. The judge of the Wayne superior court No. 2 shall appoint a bailiff and an official court reporter for the court, to serve at the pleasure of the court. The judge shall fix their compensation within the limits and in the manner as may be provided by law concerning bailiffs and official court reporters. ~~The compensation shall be paid monthly out of the treasury of Wayne County in the manner provided by law.~~

SECTION 84. IC 33-33-92-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) If the Whitley county executive establishes the position of small claims referee to serve the Whitley superior court, the judge of the Whitley superior court may appoint a part-time small claims referee under IC 33-29-3 to assist the court in the exercise of its small claims jurisdiction.

(b) The small claims referee is entitled to reasonable compensation not exceeding twenty thousand dollars ($20,000) as recommended by the judge of the Whitley superior court to be paid by the county after the compensation is approved by the county fiscal body. The state shall pay ~~fifty percent (50%) of~~ the salary set under this subsection. ~~and the county shall pay the remainder of the salary.~~

(c) The Whitley County executive shall provide and maintain a suitable courtroom and facilities for the use of the small claims referee, including furniture and equipment, as necessary.

(d) The Whitley superior court shall employ administrative staff necessary to support the functions of the small claims referee.

(e) The county fiscal body shall appropriate sufficient funds for the provision of staff and facilities required under this section.

SECTION 85. IC 33-37-5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 19. (a) The clerk shall collect a jury fee of two dollars ($2) in each action in which a defendant is found to have committed a crime, violated a statute defining an infraction, or violated an ordinance of a municipal corporation.

(b) The fee collected under this section shall be deposited into the ~~county user fee~~ **state general** fund. ~~established by IC 33-37-8-5.~~

SECTION 86. IC 33-37-7-2, AS AMENDED BY P.L.176-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) The clerk of a circuit court shall distribute semiannually to the auditor of state as the state share for deposit in the state general fund ~~seventy~~ **ninety-seven** percent ~~(70%)~~ **(97%)** of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-3(a) (juvenile costs fees).

(4) IC 33-37-4-4(a) (civil costs fees).

(5) IC 33-37-4-6(a)(1)(A) (small claims costs fees).

(6) IC 33-37-4-7(a) (probate costs fees).

~~(7) IC 33-37-5-17 (deferred prosecution fees).~~

(b) The clerk of a circuit court shall distribute semiannually to the auditor of state for deposit in the state user fee fund established in IC 33-37-9-2 the following:

(1) Twenty-five percent (25%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).

(2) Twenty-five percent (25%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

(3) Fifty percent (50%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7).

(4) One hundred percent (100%) of the domestic violence prevention and treatment fees collected under IC 33-37-4-1(b)(8).

(5) One hundred percent (100%) of the highway work zone fees collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).

(6) One hundred percent (100%) of the safe schools fee collected under IC 33-37-5-18.

(7) One hundred percent (100%) of the automated record keeping fee (IC 33-37-5-21).

(c) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) Seventy-five percent (75%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).

(2) Seventy-five percent (75%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

The county auditor shall deposit fees distributed by a clerk under this subsection into the county drug free community fund established under IC 5-2-11.

(d) The clerk of a circuit court shall distribute monthly to the county auditor fifty percent (50%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7). The county auditor shall deposit fees distributed by a clerk under this subsection into the county child advocacy fund established under IC 12-17-17.

(e) The clerk of a circuit court shall distribute monthly to the county auditor one hundred percent (100%) of the late payment fees collected under IC 33-37-5-22. The county auditor shall deposit fees distributed by a clerk under this subsection as follows:

(1) If directed to do so by an ordinance adopted by the county fiscal body, the county auditor shall deposit forty percent (40%) of the fees in the clerk's record perpetuation fund established under IC 33-37-5-2 and sixty percent (60%) of the fees in the county general fund.

(2) If the county fiscal body has not adopted an ordinance described in subdivision (1), the county auditor shall deposit all the fees in the county general fund.

(f) The clerk of the circuit court shall distribute semiannually to the auditor of state for deposit in the sexual assault victims assistance fund established by IC 16-19-13-6 one hundred percent (100%) of the sexual assault victims assistance fees collected under IC 33-37-5-23.

(g) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) One hundred percent (100%) of the support and maintenance fees for cases designated as non-Title IV-D child support cases in the Indiana support enforcement tracking system (ISETS) collected under IC 33-37-5-6.

(2) The percentage share of the support and maintenance fees for cases designated as IV-D child support cases in ISETS collected under IC 33-37-5-6 that is reimbursable to the county at the federal financial participation rate.

The county clerk shall distribute monthly to the office of the secretary of family and social services the percentage share of the support and maintenance fees for cases designated as Title IV-D child support cases in ISETS collected under IC 33-37-5-6 that is not reimbursable to the county at the applicable federal financial participation rate.

(h) The clerk of a circuit court shall distribute monthly to the county auditor one hundred percent (100%) of the small claims service fee under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2) for deposit in the county general fund.

(i) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the following:

(1) The public defense administration fee collected under IC 33-37-5-21.2.

(2) The judicial salaries fees collected under IC 33-37-5-26.

(3) The DNA sample processing fees collected under IC 33-37-5-26.2.

(4) The court administration fees collected under IC 33-37-5-27.

(j) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the judicial branch insurance adjustment account established by IC 33-38-5-8.2 one hundred percent (100%) of the judicial insurance adjustment fee collected under IC 33-37-5-25.

(k) The proceeds of the service fee collected under IC 33-37-5-28 shall be distributed as follows:

(1) The clerk shall distribute one hundred percent (100%) of the service fees collected in a circuit, superior, county, or probate court to the county auditor for deposit in the county general fund.

(2) The clerk shall distribute one hundred percent (100%) of the service fees collected in a city or town court to the city or town fiscal officer for deposit in the city or town general fund.

SECTION 87. IC 33-37-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The clerk of a circuit court shall forward the county share of fees collected to the county auditor in accordance with IC 33-37-7-12(a). The auditor shall retain as the county share twenty-seven percent (27%) of the amount of fees collected under ~~the following:~~

~~(1) IC 33-37-4-1(a) (criminal costs fees).~~

~~(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).~~

~~(3) IC 33-37-4-3(a) (juvenile costs fees).~~

~~(4) IC 33-37-4-4(a) (civil costs fees).~~

~~(5) IC 33-37-4-6(a)(1) (small claims costs fees).~~

~~(6) IC 33-37-4-7(a) (probate costs fees).~~

~~(7)~~ IC 33-37-5-17 (deferred prosecution fees).

(b) This section applies after June 30, 2005.

SECTION 88. IC 33-38-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. The judge of the circuit, superior, criminal, probate, and juvenile courts in each county having a population of at least thirty-five thousand (35,000) shall appoint a bailiff and may appoint a riding bailiff for the judge's court, whose per diem shall be fixed by the court. ~~to be paid from the county treasury.~~

SECTION 89. IC 33-38-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. The salary for the chief clerk:

(1) shall be fixed by the judge of the court; **and**

(2) may not be more than four thousand eight hundred dollars ($4,800) per year. ~~and~~

~~(3) shall be paid in monthly installments from the county treasury of the county in which the court is located.~~

SECTION 90. IC 33-38-11-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. A temporary judge is entitled to twenty-five dollars ($25) ~~paid by the county,~~ for each day of service as a temporary judge.

SECTION 91. IC 33-39-1-6, AS AMENDED BY P.L.222-2005, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) Special prosecutors may be appointed under this section or in accordance with IC 4-2-7-7.

(b) A circuit or superior court judge:

(1) shall appoint a special prosecutor if:

(A) any person other than the prosecuting attorney or the prosecuting attorney's deputy files a verified petition requesting the appointment of a special prosecutor; and

(B) the prosecuting attorney agrees that a special prosecutor is needed;

(2) may appoint a special prosecutor if:

(A) a person files a verified petition requesting the appointment of a special prosecutor; and

(B) the court, after:

(i) notice is given to the prosecuting attorney; and

(ii) an evidentiary hearing is conducted at which the

prosecuting attorney is given an opportunity to be heard; finds by clear and convincing evidence that the appointment is necessary to avoid an actual conflict of interest or there is probable cause to believe that the prosecutor has committed a crime;

(3) may appoint a special prosecutor if:

(A) the prosecuting attorney files a petition requesting the court to appoint a special prosecutor; and

(B) the court finds that the appointment is necessary to avoid the appearance of impropriety; and

(4) may appoint a special prosecutor if:

(A) an elected public official, who is a defendant in a criminal proceeding, files a verified petition requesting a special prosecutor within ten (10) days after the date of the initial hearing; and

(B) the court finds that the appointment of a special prosecutor is in the best interests of justice.

(c) Each person appointed to serve as a special prosecutor:

(1) must consent to the appointment; and

(2) must be:

(A) the prosecuting attorney or a deputy prosecuting attorney in a county other than the county in which the person is to serve as special prosecutor; or

(B) except as provided in subsection (d), a senior prosecuting attorney.

(d) A senior prosecuting attorney may be appointed in the county in which the senior prosecuting attorney previously served if the court finds that an appointment under this subsection would not create the appearance of impropriety.

(e) A person appointed to serve as a special prosecutor has the same powers as the prosecuting attorney of the county. However, the appointing judge shall limit scope of the special prosecutor's duties to include only the investigation or prosecution of a particular case or particular grand jury investigation.

(f) The court shall establish the length of the special prosecutor's term. If the target of an investigation by the special prosecutor is a public servant (as defined in IC 35-41-1-24), the court shall order the special prosecutor to file a report of the investigation with the court at the conclusion of the investigation. The report is a public record.

(g) If the special prosecutor is not regularly employed as a full-time prosecuting attorney or full-time deputy prosecuting attorney, the compensation for the special prosecutor's services

~~(1) shall be paid to the special prosecutor from the unappropriated funds of the appointing county; and~~

~~(2)~~ may not exceed:

~~(A)~~ **(1)** a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit; and

~~(B)~~ **(2)** travel expenses and reasonable accommodation expenses actually incurred.

(h) If the special prosecutor is regularly employed as a full-time prosecuting attorney or deputy prosecuting attorney, the compensation for the special prosecutor's services

~~(1) shall be paid out of the appointing county's unappropriated funds to the treasurer of the county in which the special prosecutor regularly serves; and~~

~~(2)~~ must include a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit, travel expenses, and reasonable accommodation expenses actually incurred.

(i) The combination of:

(1) the compensation paid to a senior prosecuting attorney under this chapter; and

(2) retirement benefits that the person appointed as a senior prosecuting attorney is receiving or entitled to receive;

may not exceed the minimum compensation to which a full-time prosecuting attorney is entitled under IC 33-39-6-5.

(j) A senior prosecuting attorney appointed under this chapter may not be compensated as senior prosecuting attorney for more than one hundred (100) calendar days in total during a calendar year.

SECTION 92. IC 33-39-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. Except as provided in section 2 of this chapter and upon the order of a judge trying a criminal case, ~~the county auditor shall pay to~~ a prosecuting attorney ~~from funds in the county treasury not otherwise appropriated and as a part of the costs of the trial,~~ **shall be paid** an amount equal to the expenses necessarily incurred by a prosecuting attorney in traveling to attend the taking of any deposition in connection with the criminal action.

SECTION 93. IC 33-39-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. (a) The compensation provided in this chapter for prosecuting attorneys and their deputies is in full for all services required by law. Prosecuting attorneys shall appear in all courts and in all cases where the law provides that they shall appear.

(b) Prosecuting attorneys, deputy prosecuting attorneys, and investigators are entitled to a sum for mileage for the miles necessarily traveled in the discharge of their duties. The sum for mileage provided by this subsection must:

(1) equal the sum per mile paid to state officers and employees, with the rate changing each time the state government changes its rate per mile; **and**

(2) be allowed by the board of county commissioners on a claim duly filed monthly by the prosecutor, deputy prosecuting attorneys, and investigators itemizing the specific mileage traveled. ~~and~~

~~(3) be paid by the county in which the duty arose that necessitated the travel.~~

(c) This chapter does not prohibit the payment of other expenses as may be allowed by law.

(d) If a board of county commissioners does not furnish the prosecuting attorney with office space, the county council shall appropriate a reasonable amount of money per year to the prosecuting attorney for office space.

SECTION 94. IC 33-40-7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) This chapter does not prevent a court from appointing counsel other than counsel provided for under the board's plan for providing defense services to an indigent person when the interests of justice require. A court may also appoint counsel to assist counsel provided for under the board's plan as co-counsel when the interests of justice require. Expenditures by a county for defense services not provided under the county public defender board's plan are not subject to reimbursement from the public defense fund under IC 33-40-6.

(b) A judge of a court having criminal jurisdiction may make a written request to the state public defender to provide a qualified attorney for the defense of a person charged in the court with a criminal offense and eligible for representation at public expense if the judge determines:

(1) that an attorney provided under the county public defender board's plan is not qualified or available to represent the person; or

(2) that in the interests of justice an attorney other than the attorney provided for by the county defender board's plan should be appointed.

The judge shall attach to the request a copy of the information or indictment. ~~Expenditures for representation under this subsection shall be paid by the county according to a fee schedule approved by the commission. These expenditures are eligible for reimbursement from the public defense fund.~~

SECTION 95. IC 33-40-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) Subject to subsection (b), if an indigent person:

(1) desires to appeal to the supreme court or the court of appeals the decision of a trial court in a criminal case; and

(2) does not have sufficient means to procure the typed or printed manuscript or transcript of the evidence taken by the court reporter;

the court shall direct the court reporter to transcribe the notes of evidence into a typed or printed manuscript or transcript as soon as practicable and deliver the manuscript or transcript to the indigent person.

(b) Notwithstanding subsection (a):

(1) the court must be satisfied that the indigent person lacks sufficient means to pay the court reporter for making the manuscript or transcript of evidence; and

(2) the court reporter may charge the compensation allowed by

law in cases for making and furnishing a manuscript or transcript. ~~The reporter shall be paid by the court from the proper county treasury.~~

SECTION 96. IC 33-41-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. The annual salary of each court reporter shall be fixed as provided in this chapter according to the county or counties in which the court reporter holds office. A county or counties may add additional increments to the minimum annual salary according to the usual budget procedures. ~~The salaries shall be paid in equal monthly installments.~~

SECTION 97. IC 35-33-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) Prior to the completion of the initial hearing, the judicial officer shall determine whether a person who requests assigned counsel is indigent. If the person is found to be indigent, the judicial officer shall assign counsel to the person.

(b) If jurisdiction over an indigent defendant is transferred to another court, the receiving court shall assign counsel immediately upon acquiring jurisdiction over the defendant.

(c) If the court finds that the person is able to pay part of the cost of representation by the assigned counsel, the court shall order the person to pay the following:

(1) For a felony action, a fee of one hundred dollars ($100).

(2) For a misdemeanor action, a fee of fifty dollars ($50).

The clerk of the court shall deposit fees collected under this subsection in the ~~county's supplemental public defender services fund established under IC 33-40-3-1~~ **state general fund.**

(d) The court may review the finding of indigency at any time during the proceedings.

SECTION 98. IC 35-38-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) Whenever it places a person on probation, the court shall:

(1) specify in the record the conditions of the probation; and

(2) advise the person that if the person violates a condition of probation during the probationary period, a petition to revoke probation may be filed before the earlier of the following:

(A) One (1) year after the termination of probation.

(B) Forty-five (45) days after the state receives notice of the violation.

(b) In addition, if the person was convicted of a felony and is placed on probation, the court shall order the person to pay to the probation department the user's fee prescribed under subsection ~~(c).~~ **(d).** If the person was convicted of a misdemeanor, the court may order the person to pay the user's fee prescribed under subsection ~~(d).~~ **(e).** The court may:

(1) modify the conditions (except a fee payment may only be modified as provided in section 1.7(b) of this chapter); or

(2) terminate the probation;

at any time. If the person commits an additional crime, the court may revoke the probation.

(c) If a clerk of a court collects a probation user's fee, the clerk:

(1) may keep not more than three percent (3%) of the fee to defray the administrative costs of collecting the fee and shall deposit any fee kept under this subsection in the clerk's record perpetuation fund established under IC 33-37-5-2; and

(2) if requested to do so by the county auditor, city fiscal officer, or town fiscal officer under clause (A), (B), or (C), transfer not more than three percent (3%) of the fee to the:

(A) county auditor, who shall deposit the money transferred under this subdivision into the county general fund;

(B) city general fund when requested by the city fiscal officer; or

(C) town general fund when requested by the town fiscal officer.

(d) In addition to any other conditions of probation, the court shall order each person convicted of a felony to pay:

(1) not less than twenty-five dollars ($25) nor more than one hundred dollars ($100) as an initial probation user's fee;

(2) a monthly probation user's fee of not less than fifteen dollars ($15) nor more than thirty dollars ($30) for each month that the person remains on probation;

(3) the costs of the laboratory test or series of tests to detect and confirm the presence of the human immunodeficiency virus (HIV) antigen or antibodies to the human immunodeficiency virus (HIV) if such tests are required by the court under section 2.3 of this chapter;

(4) an alcohol abuse deterrent fee and a medical fee set by the court under IC 9-30-9-8, if the court has referred the defendant to an alcohol abuse deterrent program; and

(5) an administrative fee of one hundred dollars ($100);

to either the probation department or the clerk.

(e) In addition to any other conditions of probation, the court may order each person convicted of a misdemeanor to pay:

(1) not more than a fifty dollar ($50) initial probation user's fee;

(2) a monthly probation user's fee of not less than ten dollars ($10) nor more than twenty dollars ($20) for each month that the person remains on probation;

(3) the costs of the laboratory test or series of tests to detect and confirm the presence of the human immunodeficiency virus (HIV) antigen or antibodies to the human immunodeficiency virus (HIV) if such tests are required by the court under section 2.3 of this chapter; and

(4) an administrative fee of fifty dollars ($50);

to either the probation department or the clerk.

(f) The probation department or clerk shall collect the administrative fees under subsections (d)(5) and (e)(4) before collecting any other fee under subsection (d) or (e). All money collected by the probation department or the clerk under this section shall be transferred to the ~~county~~ treasurer **of state,** who shall deposit the money into the ~~county supplemental adult probation services fund~~ **state general fund.** ~~The fiscal body of the county shall appropriate money from the county supplemental adult probation services fund:~~

~~(1) to the county, superior, circuit, or municipal court of the county that provides probation services to adults to supplement adult probation services; and~~

~~(2) to supplement the salaries of probation officers in accordance with the schedule adopted by the county fiscal body under IC 36-2-16.5.~~

(g) The probation department or clerk shall collect the administrative fee under subsection (e)(4) before collecting any other fee under subsection (e). All money collected by the probation department or the clerk of a city or town court under this section shall be transferred to the ~~fiscal officer of the city or town for deposit into the local supplemental adult probation services fund. The fiscal body of the city or town shall appropriate money from the local supplemental adult probation services fund to the city or town court of the city or town for the court's use in providing probation services to adults or for the court's use for other purposes as may be appropriated by the fiscal body. Money may be appropriated under this subsection only to those city or town courts that have an adult probation services program. If a city or town court does not have such a program, the money collected by the probation department must be transferred and appropriated as provided under subsection (f).~~ **state general fund.**

(h) Except as provided in subsection (j), the county or local supplemental adult probation services fund may be used only to supplement probation services and to supplement salaries for probation officers. A supplemental probation services fund may not be used to replace other funding of probation services. Any money remaining in the fund at the end of the year does not revert to any other fund but continues in the county or local supplemental adult probation services fund.

(i) A person placed on probation for more than one (1) crime:

(1) may be required to pay more than one (1) initial probation user's fee; and

(2) may not be required to pay more than one (1) monthly probation user's fee per month;

to the probation department or the clerk.

(j) This subsection applies to a city or town located in a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000). Any money remaining in the local supplemental adult probation services fund at the end of the local fiscal year may be appropriated by the city or town fiscal body to the city or town court for use by the court for purposes determined by the fiscal body.

(k) In addition to other methods of payment allowed by law, a

probation department may accept payment of fees required under this section and section 1.5 of this chapter by credit card (as defined in IC 14-11-1-7). The liability for payment is not discharged until the probation department receives payment or credit from the institution responsible for making the payment or credit.

(l) The probation department may contract with a bank or credit card vendor for acceptance of bank or credit cards. However, if there is a vendor transaction charge or discount fee, whether billed to the probation department or charged directly to the probation department's account, the probation department may collect a credit card service fee from the person using the bank or credit card. The fee collected under this subsection is a permitted additional charge to the money the probation department is required to collect under subsection (d) or (e).

(m) The probation department shall forward the credit card service fees collected under subsection (l) to the ~~county treasurer or city or town fiscal officer~~ **treasurer of state** in accordance with subsection (f) or (g). These funds may be used without appropriation to pay the transaction charge or discount fee charged by the bank or credit card vendor.".

Page 218, line 8, strike "IC 6-1.1-21-2(b)" and insert "**IC 6-10-2**".

Page 218, line 9, strike "IC 6-1.1-21-2(g)" and insert "**IC 6-10-2**".

Page 218, line 10, strike "IC 6-1.1-21-5" and insert "**IC 6-10-2**".

Page 218, line 11, strike "IC 6-1.1-21-4 and IC 6-1.1-21-5" and insert "**IC 6-10-3**".

Page 229, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 100. IC 36-7-14-39, AS AMENDED BY P.L.216-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

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

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

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

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

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.
(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.
(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.
(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.
(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.
(I) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in ~~IC 6-1.1-1-20)~~ **IC 6-10-2)** that contains all or part of the allocation area:
STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.
STEP TWO: Divide:
(i) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by
(ii) the STEP ONE sum.
STEP THREE: Multiply:
(i) the STEP TWO quotient; times
(ii) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district that have been allocated during that year to an allocation fund under this section.
If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.
(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.
(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:
(i) in the allocation area; and
(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.
However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.
The allocation fund may not be used for operating expenses of the commission.
(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:
(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).
(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.
(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:
(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
(2) the base assessed value.
(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).
(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.
(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:
(1) the assessed value of the property as valued without regard to this section; or
(2) the base assessed value.
(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.
(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment

on the property tax proceeds allocated to the redevelopment district under this section. 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 department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 101. IC 36-7-14-39.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 39.5. (a) As used in this section, "allocation area" has the meaning set forth in section 39 of this chapter.

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

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2)**. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district that would have been allocated to an allocation fund under section 39 of this chapter had the additional credit described in this section not been given.

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

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

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

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

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

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

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

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2)**.".

Page 233, line 2, strike "IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),".

Page 233, strike line 3.

Page 233, line 4, strike "IC 6-1.1-21-2(g)(5)" and insert "**IC 6-10-2-35(1)(A), IC 6-10-2-35(2), IC 6-10-2-35(3), IC 6-10-2-35(4), and IC 6-10-2-35(5)**".

Page 233, line 7, strike "IC 6-1.1-21-2)" and insert "**IC 6-10-2-14**)".

Page 233, line 8, strike "IC 6-1.1-21-4" and insert "**IC 6-10-3**".

Page 233, line 14, strike "IC 6-1.1.-21-2)" and insert "**IC 6-10-3)**".

Page 238, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 103. IC 36-7-15.1-26.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

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

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

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

(e) Except as provided in subsections (g), (h), (i), and (j), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** that, under IC 6-1.1-22-9, are due and payable in May and November of that year. Except as provided in subsection (j), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2)**. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that

contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined ~~in IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district that would have been allocated to an allocation fund under section 26 of this chapter had the additional credit described in this section not been given.

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

(f) The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credits under subsections (e), (g), (h), and (i), unless the credits under subsections (g) and (h) are partial credits, shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. Except as provided in subsections (h) and (i), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credits under subsections (e), (g), (h), and (i) shall be combined on the tax statements sent to each taxpayer.

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

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

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

(B) All amounts that are:

(i) required under contracts with bond holders; and

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

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

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

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

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

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

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

(4) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (2), the fiscal officer of the consolidated city shall determine whether there is an amount of partial credits that, if granted in the following year, would not result in the impairment or adverse effect. If the fiscal officer determines that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall do the following:

(A) Determine the amount of the partial credits.

(B) Certify that determination.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (4), the fiscal officer shall determine whether there is an amount of partial credits for 1990 taxes payable in 1991 that, if granted against 1991 taxes payable in 1992 in addition to granting of the credits under subsection (g), would not result in the impairment or adverse effect.

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

(8) If the fiscal officer of the consolidated city certifies under subdivision (7) that partial credits may be paid, the partial

credits shall be applied pro rata among all affected taxpayers against 1991 taxes payable in 1992.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A report of the determination by parcel shall be sent by the county auditor to the department of local government finance and the budget agency within five (5) days of such determination.

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

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

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

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

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

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

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

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

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

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

(11) All payments received from the state under subdivision (10) shall be deposited into a special fund to be known as the

prior year credit fund. The prior year credit fund shall be used to make:

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

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

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

(13) By January 15, 1993, and by January 15 of each year thereafter, the county auditor shall send to the department of local government finance and the budget agency a report of the receipts, earnings, and disbursements of the prior year credit fund for the prior calendar year. If in the final year that credits under subsection (i) 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.

(j) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (e) for the taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2)**.".

Page 239, line 4, strike "IC 6-1.1-21-2(g)" and insert "**IC 6-10-2**".

Page 239, line 26, strike IC 6-1.1-21-2(g)(1)(D)" and insert "**IC 6-10-2-35(1)(D)**".

Page 240, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 260. IC 36-7-15.1-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(g) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) To provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4(a)(1)~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) Except as provided in subsection (g), the commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (1/2) of the credit to each installment of taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** that under IC 6-1.1-22-9 are due and payable in May and November of a year. Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2).** The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 17.1 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

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

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on

bonds described in section 26(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 26(b)(2) of this chapter; and

(C) to reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2).**".

Page 242, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 106. IC 36-7-15.1-56 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 56. (a) As used in this section, "allocation area" has the meaning set forth in section 53 of this chapter.

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

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district that would have been allocated to an allocation fund under section 53 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the development district and paid into an allocation fund under section 53(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the commission, the excluded city legislative body may, by resolution, provide that the additional credit described in subsection (c):

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

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

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

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

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2).**".

Page 243, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 267. IC 36-7-30-25, AS AMENDED BY P.L.4-2005, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

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

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

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

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

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

(B) the base assessed value;

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

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

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

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

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

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

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

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district that have been allocated during that year to an allocation fund under this section.

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

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

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

(i) in the allocation area; and

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

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

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

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

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

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under ~~IC 6-1.1-21.~~ **IC 6-10-3.**

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

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

(2) the base assessed value.

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

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

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

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

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds

in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. 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 department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 108. IC 36-7-30-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 27. (a) As used in this section, "allocation area" has the meaning set forth in section 25 of this chapter.

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

(c) Subject to subsection (e) and except a provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2).** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district that would have been allocated to an allocation fund under section 25 of this chapter had the additional credit described in this section not been given.

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

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

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

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

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

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

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

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2).**".

Page 245, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 268. IC 36-7-30.5-30, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 30. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

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

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A

declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

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

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

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

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

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

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

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

(ii) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter in the same year.

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

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

(i) in the allocation area; and

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

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

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

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

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

(B) Notify the appropriate county auditor of the amount, if any, of the amount of excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under ~~IC 6-1.1-21.~~ **IC 6-10-3.**

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

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

(2) the base assessed value.

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

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

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

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

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds

derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base development district under this section. 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 development district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 269. IC 36-7-30.5-32, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 32. (a) As used in this section, "allocation area" has the meaning set forth in section 30 of this chapter.

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

(c) Subject to subsection (e) and except a provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2).** This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district that would have been allocated to an allocation fund under section 30 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the military base development district and paid into an allocation fund under section 30(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

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

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

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

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

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

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1)~~ **IC 6-10-2)** are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2).~~ **IC 6-10-2).**

SECTION 270. IC 36-7-32-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 18. (a) A redevelopment commission may, by resolution, provide that each taxpayer in a certified technology park that has been designated as an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** 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 certified technology park:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's total eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2)~~ **IC 6-10-2)** levied in the taxing district that would have been allocated to the certified technology park fund under section 17 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and

paid into the certified technology park fund under section 17 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of a certified technology park; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in a certified technology park who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies must be stated on the notice.

(d) Notwithstanding any other law, a taxpayer in a certified technology park is not entitled to a credit for property tax replacement under ~~IC 6-1.1-21-5.~~ **IC 6-10-3.**".

Page 255, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 271. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2007]: IC 6-1.1-20.9; IC 6-1.1-21; IC 12-19-7-2; IC 12-19-7-4; IC 12-19-7-3; IC 33-38-4-5; IC 33-38-5-2; IC 33-38-5-3; IC 33-41-2-7; IC 33-41-2-8.".

Page 257, delete line 42, begin a new paragraph and insert:

"**(f) The power of a county to impose an ad valorem property tax for the following funds is terminated on December 31, 2006:**

(1) Family and children's fund.

(2) County medical assistance to wards fund.

(3) Children's psychiatric residential treatment services fund.

(4) Children with special health care needs county fund.

(g) Notwithstanding P.L.246-2005, the amount appropriated to the department of education from the property tax replacement fund for distributions for tuition support shall be paid after December 31, 2006, and before July 1, 2007, from the state general fund.".

Page 258, delete lines 1 through 10.

Page 261, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 290. [EFFECTIVE JULY 1, 2006] **(a) The department of local government finance shall reduce the property tax levy limits and property tax rate limits that apply to a county to reflect the elimination of a county's responsibility for court related expenditures and the transfer of these responsibilities to the state.**

(b) The responsibility for the payment of court related expenditures, as described in the 2004 Indiana Judicial Services Report, Volume III, prepared by the division of state court administration of the supreme court, are transferred to the division of state court administration of the supreme court, beginning January 1, 2007. If a county increased the salary of a judge under IC 36-2-5-14 above the minimum salary established by statute, the state shall assume the responsibility for continuing the payment of that component of the judge's salary through the end of the judge's current term as a judge. The additional compensation terminates on the earlier of the date that:

(1) the judge's term expires; or

(2) there is a vacancy in the judicial office held by the judge. The supreme court shall submit the initial consolidated budget for court expenditures under IC 33-23-14, as added by this act, for the period beginning January 1, 2007, and ending June 30, 2007, in the manner and on the schedule determined by the budget agency. The consolidated budget shall be the basis for court related expenditures under IC 33-23-14, as added by this act, for the period beginning January 1, 2007, and ending June 30, 2007. The supreme court shall submit the initial consolidated budget for court expenditures under IC 33-23-14, as added by this act, for the period beginning July 1, 2007, and ending June 30, 2009, in the same manner and on the same schedule as the supreme court submits the remainder of its budget. The state board of accounts and the department of local government finance shall assist counties and the supreme court in transferring responsibility for the payment of court expenditures under IC 33-23-14, as added by this act, to the supreme court, division of state court administration. The supreme court, with the approval of the budget agency, may enter into agreements with a county auditor or county treasurer, or both, of any county to provide for an orderly transition of payment responsibilities from the county to the state.

(c) Notwithstanding the January 1, 2007, effective date of IC 6-10 and IC 33-23-14, as added by this act, county tax levies, tax rates, and budgets adopted in 2006 for 2007 shall reflect the changes made by this act.

(d) Money appropriated by P.L.246-2005 for the period beginning July 1, 2006, and ending June 30, 2007, to the property tax replacement fund board for distributions to counties to replace revenue lost as a result of the granting of homestead credits and property tax replacement credits may be used to:

(1) make distributions to counties under IC 6-10-7, as added by this act; and

(2) pay court expenditures under IC 33-23-14, as added by this act;

beginning July 1, 2006, and ending June 30, 2007. The amount of the appropriation for tuition support that is authorized in P.L.246-2005 from the property tax replacement fund shall be paid, after December 31, 2006, from the state general fund. There is appropriated any additional amounts necessary to the auditor of state from the state general fund to make the distributions to counties required under IC 6-10-7, as added by this act. There is appropriated any additional amounts necessary to the supreme court from the state general fund for court expenditures under IC 33-23-14, as added by this act.

(e) The legislative council shall provide for introduction of legislation in the 2007 session of the general assembly to bring the statutes into conformity with this act.

(f) IC 6-10 applies to taxable years beginning after December 31, 2006.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

TURNER

On the motion of Representative Grubb, the previous question was called. Representative Turner withdrew the motion.

HOUSE MOTION
(Amendment 1001–5)

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

Page 7, between lines 36 and 37, begin a new paragraph and insert;

"SECTION 9. IC 6-1.1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. **(a) Before January 1, 2009,** except as otherwise provided by law, all tangible property which is within the jurisdiction of this state on the assessment date of a year is subject to assessment and taxation for that year.

(b) Except as provided in subsection (c), a taxing unit may not impose an ad valorem:

(1) property tax levy; or

(2) property tax rate;

for property taxes first due and payable after December 31, 2008.

(c) To avoid a default on a requirement:

(1) in a lease, bond, note, warrant, evidence of indebtedness, or other written obligation that restricts the source of revenue from which a payment may be made to ad valorem property taxes; and

(2) that became legally binding on a:

(A) taxing unit; or

(B) governing body (as defined in IC 6-1.1-21.2-6) of an allocation area (as defined in IC 6-1.1-21.2-3);

before April 1, 2006, the department of local government finance, in an appeal conducted under IC 6-1.1-18.5 or IC 6-1.1-19, as appropriate, shall authorize a taxing unit to impose an ad valorem property tax. The property tax levy and tax rate imposed in any year under this subsection may not exceed the amount necessary to avoid a default on the pledge to make payments solely from ad valorem property taxes.

(d) The legislative council shall provide for the introduction of corrective legislation to bring Indiana laws into conformity with

this section.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

DOBIS

Upon request of Representatives Dobis and Kuzman, the Speaker ordered the roll of the House to be called. Roll Call 44: yeas 98, nays 0. Motion prevailed.

HOUSE MOTION
(Amendment 1001–9)

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

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning local government and to make an appropriation.

Page 74, delete lines 35 through 42.

Delete page 75.

Page 78, line 13, after "(4)" insert "**(3)**".

Page 78, line 13, reset in roman "IC 12-19-7.5.".

Page 78, line 14, delete "(3)" and insert "**(4)**".

Page 146, line 22, reset in roman "county family and".

Page 146, line 23, reset in roman "children's".

Page 146, line 23, delete "child welfare".

Page 146, line 26, reset in roman "family and children's".

Page 146, line 26, delete "child welfare".

Page 146, line 28, reset in roman "family and".

Page 146, line 29, reset in roman "children's".

Page 146, line 29, delete "child welfare".

Page 153, delete lines 28 through 42.

Page 154, delete lines 1 through 24.

Page 154, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 148. IC 12-13-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. Each county shall establish a county medical assistance to wards fund. The fund ~~shall be funded by~~ **consists of** the following:

(1) A tax levy on the property located in each county.

(2) The financial institutions tax (IC 6-5.5), motor vehicle excise taxes (IC 6-6-5), and commercial vehicle excise taxes (IC 6-6-5.5) that are allocated to the fund.

SECTION 149. IC 12-13-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. **(a) Except as provided in subsection (b),** the tax shall be imposed annually by the county fiscal body on all of the taxable property of the county. The tax shall be collected as other state and county ad valorem property taxes are collected.

(b) A county may not levy an ad valorem property tax under this chapter after December 31, 2008.

SECTION 150. IC 12-13-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. **(a)** For taxes first due and payable in each year ~~after 2003,~~ **ending before January 1, 2007,** each county shall impose a medical assistance property tax levy equal to the product of:

(1) the medical assistance property tax levy imposed for taxes first due and payable in the preceding year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; multiplied by

(2) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this section will be first due and payable.

If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.

(b) For taxes first due and payable in 2007, each county shall impose a medical assistance property tax levy equal to the product of:

(1) the amount levied by the county under this chapter in 2006; multiplied by

(2) seventy-five percent (75%).

(c) For taxes first due and payable in 2008, each county shall impose a medical assistance property tax levy equal to the product of:

(1) the amount levied by the county under this chapter in 2006; multiplied by

(2) fifty percent (50%).

(d) For 2009 and each year thereafter, the amount that may be levied under this chapter is equal to zero (0).".

Page 157, line 33, after ";" insert "**and**".

Page 157, line 35, delete ";" and insert "**.**".

Page 157, delete lines 36 through 38.

Page 158, line 13, delete "levy," and insert "**levy or**".

Page 158, line 14, delete "levy, the county medical assistance" and insert "**levy**".

Page 158, delete line 15.

Page 158, line 16, delete "needs county fund levy".

Page 158, run in lines 14 through 16.

Page 159, delete lines 38 through 42, begin a new paragraph and insert:

"SECTION 157. IC 12-19-7-3, AS AMENDED BY P.L.234-2005, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) A family and children's fund is established in each county.

(b) Except as provided in subsection (g), the ~~fund~~ **county** shall ~~be raised by~~ **levy** a separate tax levy (the county family and children property tax levy) **for the fund** that:

(1) is in addition to all other tax levies authorized **for the county;** 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.~~

The total tax levy that a county may impose under this section equals the amount determined under section 4 of this chapter.

~~(b)~~ **(c)** The **property** tax **levy** imposed under this section shall be collected as other state and county ad valorem **property** taxes are collected.

~~(c)~~ **(d)** 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) All grants-in-aid, whether received from the federal government or state government.~~

(2) The:

(A) financial institutions tax (IC 6-5.5);

(B) motor vehicle excise taxes (IC 6-6-5);

(C) commercial vehicle excise tax (IC 6-6-5.5);

(D) boat excise tax (IC 6-6-11); and

(E) aircraft excise tax (IC 6-6-6.5);

that are distributed to the county as a result of the county's share of property taxes imposed for the fund.

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

~~(d)~~ **(e)** The fund is available for the purpose of ~~paying expenses and obligations set forth in the annual budget that is submitted and approved.~~ **making a distribution to the state required under section 35 of this chapter.**

~~(e)~~ **(f)** Money in the fund at the end of a budget year does not revert to the county general fund.

(g) A county may not levy an ad valorem property tax under this chapter after December 31, 2008.

SECTION 158. IC 12-19-7-4, AS AMENDED BY P.L.234-2005, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) For taxes first due and payable in ~~each year after 2005,~~ **2007,** each county shall impose a county family and children property tax levy equal to the ~~county family and children property tax levy necessary to pay the costs of the child services of the county for the next fiscal year.~~ **result determined in STEP THREE of the following formula:**

STEP ONE: Determine the sum of the following:

(1) The result of:

(A) the amounts paid by the county in 2002, as determined by the state board of accounts, for child

services or administration of the county office from the county family and children's fund, including amounts paid for psychiatric residential treatment services; minus

(B) the sum of:

(i) any grants-in-aid deposited in the county family and children's fund in 2002, whether received from the federal government or from the state;

(ii) any excise tax, income tax, or other revenue not derived from property taxes that was deposited in the county family and children's fund in 2002; plus

(iii) any other amounts received as reimbursements from the state (including reimbursements made with federal money) and deposited in the county family and children's fund in 2002;

as adjusted by the department of local government finance by using the GDP implicit price inflator, state and local subseries, to account for inflation between 2002 and 2006.

(2) The result of:

(A) the amounts paid by the county in 2003, as determined by the state board of accounts, for child services or administration of the county office from the county family and children's fund, including amounts paid for psychiatric residential treatment services; minus

(B) the sum of:

(i) any grants-in-aid deposited in the county family and children's fund in 2003, whether received from the federal government or from the state;

(ii) any excise tax, income tax, or other revenue not derived from property taxes that was deposited in the county family and children's fund in 2003; plus

(iii) any other amounts received as reimbursements from the state (including reimbursements made with federal money) and deposited in the county family and children's fund in 2003;

as adjusted by the department of local government finance by using the GDP implicit price inflator, state and local subseries, to account for inflation between 2003 and 2006.

(3) The result of:

(A) the amounts paid by the county in 2004, as determined by the state board of accounts, for child services or administration of the county office from the county family and children's fund, including amounts paid for psychiatric residential treatment services; minus

(B) the sum of:

(i) any grants-in-aid deposited in the county family and children's fund in 2004, whether received from the federal government or from the state;

(ii) any excise tax, income tax, or other revenue not derived from property taxes that was deposited in the county family and children's fund in 2004; plus

(iii) any other amounts received as reimbursements from the state (including reimbursements made with federal money) and deposited in the county family and children's fund in 2004;

as adjusted by the department of local government finance by using the GDP implicit price inflator, state and local subseries, to account for inflation between 2004 and 2006.

(4) The result of:

(A) the amounts paid by the county in 2005, as determined by the state board of accounts, for child services or administration of the county office from the county family and children's fund, including amounts paid for psychiatric residential treatment services; minus

(B) the sum of:

(i) any grants-in-aid deposited in the county family and children's fund in 2005, whether received from the federal government or from the state;

(ii) any excise tax, income tax, or other revenue not derived from property taxes that was deposited in the county family and children's fund in 2005; plus

(iii) any other amounts received as reimbursements from the state (including reimbursements made with federal money) and deposited in the county family and children's fund in 2005;

adjusted by the department of local government finance by using the GDP implicit price inflator, state and local subseries, to account for inflation between 2005 and 2006.

STEP TWO: Determine the result of the STEP ONE amount divided by four (4).

STEP THREE: Multiply the result determined under STEP TWO by seventy-five percent (75%).

(b) For taxes first due and payable in 2008, each county shall impose a county family and children property tax levy equal to the product of:

(1) the amount determined under STEP TWO of the formula set forth in subsection (a); multiplied by

(2) fifty percent (50%).

(c) For 2009 and each year thereafter, the amount that may be levied under this chapter is equal to zero (0).

~~(b)~~ **(d)** The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy. ~~and comply with IC 6-1.1-17-3.~~ **The department of local government finance may increase a county's levy in a year above the amount advertised for the fund to comply with this subsection.**

SECTION 159. IC 12-19-7-35 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: **Sec. 35. (a) Subject to this section, before the fifth day of each month, all money contained in a county's fund at the end of the preceding month shall be transferred to the state family and children's fund established by IC 31-33-1.5-13.**

(b) Money deposited in the fund from:

(1) property taxes imposed for an assessment date before January 16, 2006;

(2) the proceeds of bonds issued or loans taken out under IC 12-19-5 (repealed), IC 12-19-7.5, or a predecessor law to pay an obligation related to child services provided before January 1, 2007;

(3) the:

(A) financial institutions tax (IC 6-5.5);

(B) motor vehicle excise taxes (IC 6-6-5);

(C) commercial vehicle excise tax (IC 6-6-5.5);

(D) boat excise tax (IC 6-6-11); and

(E) aircraft excise tax (IC 6-6-6.5);

that are distributed to the county as a result of the county's share of property taxes imposed before January 1, 2007, for the fund; and

(4) grants-in-aid, fees collected from a parent, guardian, or custodian of a child, and other money attributable to child services provided before January 1, 2007;

shall be used by a county to reduce the obligation of the county to pay for expenditures for child services and any other obligations that were incurred before January 1, 2007, and payable from the fund at the time they were incurred.

(c) The department of child services, with the approval of the state board of accounts, shall prescribe procedures and standards for allocating money in the fund between the purposes described in subsections (a) and (b). A county shall use money in the fund in conformity with the procedures and standards prescribed in this subsection.

(d) The part of any outstanding obligation of the fund that was incurred before January 1, 2007, and exceeds the amount retained under subsection (b), including the amount needed to repay the principal and interest on bonds issued under IC 12-19-7-31 (repealed), shall be transferred, after December 31, 2006, from the fund to the county's debt service fund or another sinking fund. The county may issue bonds under IC 36-2-6-18 to pay or refund the obligation. The county shall add to the tax duplicate of the county an annual levy sufficient to pay:

(1) the outstanding obligation or bonds issued to pay the outstanding obligation; and

(2) any interest due on the outstanding obligation or bonds issued to pay the outstanding obligation.

SECTION 160. IC 12-19-7.5-5, AS AMENDED BY P.L.234-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) A children's psychiatric residential treatment services fund is established in each county.

(b) The ~~fund~~ **county** shall ~~be raised by~~ **levy** a separate tax levy (the county children's psychiatric residential treatment services property tax levy) **for the fund** that:

(1) is in addition to all other tax levies authorized **for the county;** ~~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 8 of this chapter.~~ **and**

(3) is in addition to any other money required by law to be deposited in the fund.

The total tax levy that a county may impose under this section equals the amount determined under section 6 of this chapter.

~~(b)~~ **(c)** The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.

~~(c)~~ **(d)** The following shall be paid into the county treasury and constitute the children's psychiatric residential treatment services fund:

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

~~(2) All grants-in-aid, whether received from the federal government or state government.~~

(2) The:

(A) financial institutions tax (IC 6-5.5);

(B) motor vehicle excise tax (IC 6-6-5);

(C) commercial vehicle excise taxes (IC 6-6-5.5);

(D) boat excise tax (IC 6-6-11); and

(E) aircraft excise tax (IC 6-6-6.5);

that are distributed to the county as a result of the county's share of property taxes imposed for the fund.

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

~~(d)~~ **(e)** The fund is available for the purpose of ~~paying expenses and obligations set forth in the annual budget that is submitted and approved.~~ **making a distribution to the state required under section 34 of this chapter.**

~~(e)~~ **(f)** Money in the fund at the end of a budget year does not revert to the county general fund.

SECTION 161. IC 12-19-7.5-6, AS AMENDED BY P.L.234-2005, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) For taxes first due and payable in each year after 2005, each county shall impose a county children's psychiatric residential treatment services property tax levy equal to the county children's psychiatric residential treatment services property tax levy ~~necessary to pay the costs of children's psychiatric residential treatment services of the county for the next fiscal year.~~ **imposed for the fund in 2006.**

(b) The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy. **The department of local government finance may increase a county's levy in a year above the amount advertised for the fund to comply with this subsection.**

SECTION 162. IC 12-19-7.5-34 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: **Sec. 34. (a) Subject to this section, before the fifth day of each month, all money contained in a county's fund at the end of the preceding month shall be transferred to the state family and children's fund established by IC 31-33-1.5-13.**

(b) Money deposited in the fund from:

(1) property taxes imposed for an assessment date before January 16, 2006;

(2) the proceeds of bonds issued or loans taken out under IC 12-19-5 (repealed), IC 12-19-7, IC 12-19-7.5, or a predecessor law to pay an obligation related to children's psychiatric residential treatment services provided before January 1, 2007;

(3) the:

(A) financial institutions tax (IC 6-5.5);

(B) motor vehicle excise taxes (IC 6-6-5);

(C) commercial vehicle excise tax (IC 6-6-5.5);

(D) boat excise tax (IC 6-6-11); and

(E) aircraft excise tax (IC 6-6-6.5);

that are distributed to the county as a result of the county's share of property taxes imposed before January 1, 2007, for the fund; and

(4) grants-in-aid, fees collected from a parent, guardian, or custodian of a child, and other money attributable to children's psychiatric residential treatment services provided before January 1, 2007;

shall be used by a county to reduce the obligation of the county to pay for expenditures for children's psychiatric residential treatment services and any other obligations that were incurred before January 1, 2007, and payable from the fund at the time they were incurred.

(c) The department of child services, with the approval of the state board of accounts, shall prescribe procedures and standards for allocating money in the fund between the purposes described in subsections (a) and (b). A county shall account for and use money in the fund in conformity with the procedures and standards prescribed in this subsection.

(d) The part of any outstanding obligation of the fund that was incurred before January 1, 2007, and exceeds the amount retained under subsection (b), including the amount needed to repay the principal and interest on bonds issued under IC 12-19-7.5-30 (repealed), shall be transferred, after December 31, 2006, from the fund to the county's debt service fund or another sinking fund. The county may issue bonds under IC 36-2-6-18 to pay or refund the obligation. The county shall add to the tax duplicate of the county an annual levy sufficient to pay:

(1) the outstanding obligation or bonds issued to pay the outstanding obligation; and

(2) any interest due on the outstanding obligation or bonds issued to pay the outstanding obligation.".

Delete pages 160 through 166.

Page 167, delete lines 1 through 6.

Page 175, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 176. IC 16-35-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. **(a)** A fund is established in each county to be known as the children with special health care needs county fund.

(b) Tthe fund ~~shall be funded by~~ **consists of:**

(1) a tax levy on the property located in the county; and

~~by~~ **(2)** the financial institutions tax (IC 6-5.5) that is allocated to the fund.

SECTION 177. IC 16-35-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) **Except as provided by subsection (d),** the tax shall be imposed annually by the county fiscal body on all of the taxable property of the county.

(b) The total tax levy that a county may impose under this section equals the amount determined under section 3 of this chapter.

(c) The tax must be collected as other state and county ad valorem property taxes are collected.

(d) A county may not levy an ad valorem property tax under this chapter after December 31, 2008.

SECTION 178. IC 16-35-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) For taxes first due and payable in each year ~~after 2003,~~ **ending before January 1, 2007,** each county shall impose a children with special health care needs property tax levy equal to the product of:

(1) the children with special health care needs property tax levy imposed for taxes first due and payable in the preceding year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals

and any other temporary adjustments made to the levy for the calendar year; multiplied by

(2) the greater of:

(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

(B) one (1).

When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section. If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.

(b) For taxes first due and payable in 2007, each county shall impose a children with special health care needs levy equal to the product of:

(1) the amount levied by the county under this chapter in 2006; multiplied by

(2) seventy-five percent (75%).

(c) For taxes first due and payable in 2008, each county shall impose a children with special health care needs levy equal to the product of:

(1) the amount levied by the county under this chapter in 2006; multiplied by

(2) fifty percent (50%).

(d) For 2009 and each year thereafter, the amount that may be levied under this chapter is equal to zero (0).

~~(b)~~ **(e)** The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.".

Page 185, delete lines 5 through 8, begin a new paragraph and insert:

"SECTION 188. IC 31-9-2-120.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: **Sec. 120.4. "State fund" refers to the state family and children's fund established by IC 31-33-1.5-13.**".

Page 187, delete lines 5 through 42, begin a new paragraph and insert:

"SECTION 193. IC 31-33-1.5-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: **Sec. 13. (a) The state family and children's fund is established. The department shall administer the fund.**

(b) The state fund consists of the following:

(1) The money transferred to the state fund from each of the county's family and children's funds under IC 12-19-7-35.

(2) The money transferred to the state fund from each of the county's children's psychiatric residential treatment services fund under IC 12-19-7.5-34.

(3) Any fees or costs paid to the state by a child's parent or guardian under a support order or reimbursement order under IC 31-40-1.

(4) Any contributions to the state fund from individuals, corporations, foundations, or others for the purpose of providing child services.

(5) Any appropriations made to the state fund by the general assembly. However, this section does not obligate the general assembly to appropriate money to the state fund.

(6) Any TANF program (as defined in IC 12-7-2-189.8), Medicaid program (as defined in IC 12-7-2-128), or other grants that are received from the federal government and deposited in the state fund.

(7) Any other money required by law to be deposited in the fund.

(c) The department of child services shall pay the following from the state fund:

(1) Expenses and obligations incurred by the department of child services in the payment of child services for children adjudicated to be:

(A) children in need of services; or

(B) delinquent children;

and other related services, but not including the payment of TANF.

(2) Expenses and obligations incurred by the department in the payment of children's psychiatric residential treatment services for children who are residents of Indiana.

(3) Any other expenditures for services described in section 7 of this chapter or a procurement contract described in section 10 of this chapter.

(4) Any expense of the type that was payable from a county family and children's fund or children's psychiatric residential treatment services fund before January 1, 2007.

(5) Any other expense or obligation that is required to be paid from the state fund by law.

(d) The department may use money in the fund to settle the relative obligations of a county and the department of child services for services provided before January 1, 2007. (e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(f) If an insufficient amount in the fund is available to pay the expenditures payable from the fund, the remainder of the expenditures payable from the fund shall be paid from the state general fund. The state may, as determined by the budget agency, carry out this subsection by a direct charge to the state general fund or by transferring an appropriate amount from the state general fund to the state fund for expenditure from the state fund.

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

Page 188, delete lines 1 through 24.

Page 209, line 41, reset in roman "family and children's".

Page 209, line 41, delete "child welfare".

Page 210, line 41, delete "child welfare" and insert "**family and children's**".

Page 211, line 14, delete "child welfare" and insert "**family and children's**".

Page 213, line 21, reset in roman "family".

Page 213, line 22, reset in roman "and children's".

Page 213, line 22, delete "child welfare".

Page 214, line 35, reset in roman "family and children's".

Page 214, line 35, delete "county child welfare".

Page 214, line 39, delete "child welfare" and insert "**family and children's**".

Page 214, line 42, reset in roman "family and children's".

Page 214, line 42, delete "child".

Page 215, line 1, delete "welfare".

Page 215, line 6, delete "child welfare" and insert "**family and children's**".

Page 254, line 32, delete "IC 12-13-8; IC 12-13-9;".

Page 254, line 39, delete "IC 12-19-7.5-2; IC 12-19-7.5-5;".

Page 254, line 40, delete "IC 12-19-7.5-6;".

Page 255, line 4, delete "IC 15-5-10; IC 16-35-3;" and insert "IC 15-5-10.".

Page 255, delete line 5.

Page 257, delete line 42, begin a new paragraph and insert:

"**(f) The balance of the state family and children's fund established by this act is appropriated to the department of child services for the purposes of the state family and children's fund beginning January 1, 2007, and ending June 30, 2007. There is appropriated the amount required under IC 31-33-1.5-13, as added by this act, to be transferred from the state general fund to the state family and children's fund from the state general fund for the purposes of the state family and children's fund beginning January 1, 2007, and ending June 30, 2007.**".

Page 258, delete lines 1 through 10.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

KUZMAN

Representative Whetstone rose to a point of order, citing Rule 118, stating that the motion was attempting to incorporate into House

Bill 1001 a bill pending before the House. The Speaker ruled the point was well taken and the motion was out of order.

APPEAL OF THE RULING OF THE CHAIR

Mr. Speaker: We hereby appeal the ruling of the Chair that Representative Kuzman's amendment (1001–9) is a bill pending before this House under Rule 118.

PELATH
KUZMAN

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

The question was, Shall the ruling of the Chair be sustained? Roll Call 45: yeas 49, nays 48. The ruling of the Chair was sustained.

The Speaker Pro Tempore yielded the gavel to the Speaker.

HOUSE MOTION
(Amendment 1001–19)

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

Page 27, line 39, after "IC 6-1.1-46" delete "." and insert "**or IC 6-1.1-47.**".

Page 28, line 13, after "IC 6-1.1-46" insert "**or IC 6-1.1-47**".

Page 32, line 11, after "IC 6-1.1-46" insert "**or IC 6-1.1-47**".

Page 32, line 12, delete "." and insert "**under IC 6-1.1-46.**".

Page 104, line 24, after "IC 6-1.1-46" delete "." and insert "**and IC 6-1.1-47.**".

Page 104, line 28, delete ";" and insert "**and IC 6-1.1-47;**".

Page 104, line 30, after "IC 6-1.1-46" insert "**and IC 6-1.1-47**".

Page 104, line 37, delete ";" and insert "**under IC 6-1.1-46;**".

Page 105, line 10, after "IC 6-1.1-46," insert "**IC 6-1.1-47,**".

Page 105, line 33, after "IC 6-1.1-46" insert "**or IC 6-1.1-47**".

Page 106, line 25, delete "," and insert "**or IC 6-1.1-47,**".

Page 106, line 25, after "which" insert "**deferred**".

Page 106, line 26, delete "are deferred" and insert "**become due**".

Page 106, line 26, after "IC 6-1.1-46" delete "." and insert "**or IC 6-1.1-47.**".

Page 108, line 2, after "IC 6-1.1-46" insert "**and IC 6-1.1-47**".

Page 108, line 6, delete "and" and insert ",".

Page 108, line 6, after "IC 6-1.1-46," insert "**and IC 6-1.1-47,**".

Page 109, line 24, after "IC 6-1.1-46" insert "**and IC 6-1.1-47**".

Page 109, line 31, delete "and" and insert ",".

Page 109, line 31, after "IC 6-1.1-46," insert "**and IC 6-1.1-47,**".

Page 133, line 24, after "Chapter 46." insert "**Senior, Blind, and Disabled**".

Page 141, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 138. IC 6-1.1-47 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 47. Reassessment Payment Deferral Program

Sec. 1. As used in this chapter, "base amount" means the amount of homestead property tax liability that is not subject to deferral, as determined under this chapter.

Sec. 2. As used in this chapter, "defer" means to delay the due date on which property taxes would otherwise be first due and payable.

Sec. 3. As used in this chapter, "homestead" has the meaning set forth in IC 6-1.1-20.9-1.

Sec. 4. As used in this chapter, "homestead property tax liability" refers to a liability for property taxes:

(1) that are assessed on tangible property that is a homestead; and

(2) that would be first due and payable in a certain year if the property taxes were not deferred under this chapter.

The term refers to a property tax liability after the application of all deductions and credits for which the homestead is eligible.

Sec. 5. (a) As used in this chapter, "property taxes" refers to ad valorem property taxes.

(b) The term does not include the following:

(1) Special assessments.

(2) Fees or charges that are included by law on a tax statement issued under IC 6-1.1-22-8 or IC 6-1.1-22.5.

Sec. 6. As used in this chapter, "qualified individual" means an individual who meets all the following criteria:

(1) Has a qualified interest in a homestead on the assessment date for which homestead property tax liability is imposed.

(2) Uses the homestead in which the individual has a qualified interest as the individual's principal place of residence.

(3) Either:

(A) is not delinquent in the payment of:

(i) any property taxes that are not deferred under this chapter, special assessments, or fees or charges that are included by law on a tax statement issued under IC 6-1.1-22-8 or IC 6-1.1-22.5 or a statement in another state; or

(ii) penalties or interest imposed for property taxes, special assessments, or fees or charges, including any deferred property taxes; or

(B) has been granted a waiver from the requirements of this subdivision by the county auditor in the county where the homestead is located.

Sec. 7. As used in this chapter, "qualified interest" means the following:

(1) An ownership interest in a homestead.

(2) A beneficial interest in an entity that has an ownership interest in a homestead or a contract interest described in subdivision (3).

(3) An interest in a contract for the purchase of a homestead that:

(A) is recorded in the county recorder's office; and

(B) provides that a person purchasing the homestead is to pay the property taxes on the homestead.

Sec. 8. As used in this chapter, "qualified taxpayer" means a qualified individual or an entity in which a qualified individual has a beneficial interest, or both, that was liable for the property taxes on a homestead:

(1) on both the current assessment date and the immediately preceding assessment date; and

(2) in a county that has a property tax deferral program in effect for a particular year in which property taxes are first due and payable.

Sec. 9. As used in this chapter, "property tax increase resulting from general reassessment or annual adjustment" refers to the amount determined under section 14 of this chapter.

Sec. 10. A county fiscal body may adopt an ordinance, in the form prescribed by the department of local government finance, to establish a property tax deferral program under this chapter. To apply to property taxes first due and payable in the immediately succeeding year, the ordinance must be adopted before September 1 of the year that immediately precedes the year to which the ordinance applies. The county fiscal body must certify an ordinance under this section, including any ordinance amending or repealing a previously adopted ordinance, to the following:

(1) The county auditor.

(2) The department of local government finance.

(3) The fiscal officer of each taxing unit in the county.

Sec. 11. A qualified taxpayer may defer a due date for a part, as determined under this chapter, of the qualified taxpayer's homestead property tax liability first due and payable in the:

(1) first year in which a general reassessment becomes the basis for determining property tax liability, if the qualified taxpayer's property tax increase resulting from general reassessment or annual adjustment was at least one hundred seventy-five percent (175%);

(2) second year in which a general reassessment becomes the basis for determining property tax liability, if the qualified taxpayer's property tax increase resulting from general reassessment or annual adjustment was at least two hundred fifty percent (250%); and

(3) third year in which a general reassessment becomes the basis for determining property tax liability, if the qualifiedtaxpayer's property tax increase resulting from

general reassessment or annual adjustment was at least three hundred twenty-five percent (325%).

Sec. 12. Property taxes deferred under this chapter are due and payable in equal installments on May 10 and November 10 of each year beginning in the fourth year in which a general reassessment becomes the basis for determining property tax liability year until the full amount deferred for the year is paid. An amount deferred in a year is payable in six (6) installments. However, if a deferral termination event occurs, the full amount deferred under this chapter becomes due thirty (30) days after a termination event for the homestead occurs.

Sec. 13. (a) Subject to subsections (b), (c), and (d), a deferral termination event occurs on the earliest of the following dates:

(1) The first date on which none of the qualified individuals who had a qualified interest in the homestead when the property taxes were deferred:

(A) use the homestead as their principal place of residence; or

(B) have a qualified interest in the homestead.

(2) The first date on which the mortgages and liens of record on the homestead exceed the assessed value of the homestead.

(3) The date on which a person with an ownership interest in the homestead files for bankruptcy or the homestead property is placed in receivership.

(b) For purposes of subsection (a), an individual shall be treated as using a homestead as the individual's principal place of residence if the individual:

(1) is absent from the homestead while in a health care facility (as defined in IC 16-18-2-161 or IC 16-28-13-0.5); and

(2) used the homestead as the individual's principal place of residence immediately before being admitted to a health care facility (as defined in IC 16-18-2-161 or IC 16-28-13-0.5).

(c) The estate of a deceased individual shall be treated as having the same rights the deceased individual had immediately before the individual died to do the following:

(1) Defer taxes that would otherwise be due and payable in the year the individual died.

(2) Continue to defer taxes that were deferred before the individual died.

(d) This subsection applies only to a surviving spouse who was not a qualified individual on the date on which property taxes were deferred. If a deceased individual was a qualified individual on the date on which property taxes were deferred, the deceased individual's surviving spouse shall be treated after the individual's death as if the surviving spouse had been a qualified individual on the date on which property taxes were deferred if:

(1) the homestead was the surviving spouse's principal place of residence when the individual died;

(2) the surviving spouse has a qualifying interest in the homestead not later than the later of:

(A) the date of the individual's death; or

(B) the date on which the estate of the deceased individual transfers any part of the ownership of the homestead from the estate; and

(3) the surviving spouse:

(A) is unmarried; or

(B) marries only after the surviving spouse becomes:

(i) at least sixty-five (65) years of age;

(ii) blind; or

(iii) a disabled person.

Sec. 14. The maximum amount that may be deferred in a year under this chapter is equal to the least of the following:

(1) Subject to section 15 of this chapter, the result of:

(A) the amount by which:

(i) the qualified taxpayer's homestead property tax liability in the first year in which a general reassessment or an annual adjustment under IC 6-1.1-4-4.5 became the basis for determining the qualified taxpayer's homestead property tax liability; exceeds

(ii) one hundred and seventy-five percent (175%) of the qualified taxpayer's homestead property tax liability for the year immediately preceding the year in which a general reassessment or an annual adjustment under IC 6-1.1-4-4.5 became the basis for determining the qualified taxpayer's homestead property tax liability;

multiplied by

(B) the deferral percentage permitted under this chapter.

(2) The qualified taxpayer's homestead property tax liability for the current year.

Sec. 15. In determining the maximum permissible deferral amount under section 14(1) of this chapter, the part of the qualified taxpayer's homestead property tax liability that is attributable to physical improvements in a homestead that were first assessed in the first year in which a general reassessment became the basis for determining the qualified taxpayer's homestead property tax liability shall not be considered.

Sec. 16. The qualified taxpayer's deferral percentage is:

(1) seventy-five percent (75%) in the first year in which a general reassessment becomes the basis for determining property tax liability;

(2) fifty percent (50%) in the second year in which a general reassessment becomes the basis for determining property tax liability;

(3) twenty-five percent (25%) in the third year in which a general reassessment becomes the basis for determining property tax liability; and

(4) zero percent (0%) in any other year.

Sec. 17. To qualify for a deferral of homestead property tax liability in any year under this chapter, a qualified taxpayer must apply for the deferral:

(1) on the form, in the manner, and with the information prescribed by the department of local government finance; and

(2) before the date on which the installment being deferred is first due and payable.

The department of local government finance may provide forms allowing a qualified taxpayer to elect to defer property taxes for more than one (1) year. If the department of local government permits a multiyear election, the department of local government finance shall provide for the filing of amended forms whenever any of the information in a previously filed form ceases to be accurate or complete.

Sec. 18. An application for a deferral under this chapter must be filed with the county auditor in the county where the homestead is located. Upon the filing of an application, the county auditor shall immediately:

(1) notify the county treasurer and transmit the information that the county treasurer needs to match the application with county treasurer's records related to the homestead; and

(2) review the application to determine:

(A) whether the applicant qualifies for a deferral; and

(B) the amount that may be deferred.

Sec. 19. The filing of an application waives any interest and penalties that would otherwise be imposed for the nonpayment of property taxes by the due date only to the extent that the county auditor approves the application for the amount of the unpaid property taxes.

Sec. 20. If the applicant is qualified under this chapter for a deferral, the county auditor shall:

(1) approve the deferral in the lesser of:

(A) the amount requested by the applicant; or

(B) the maximum amount that may be deferred in the year;

(2) provide for the recording of the deferral in the office of the county recorder on the form and in the manner prescribed by the department of local government finance; and

(3) notify the county treasurer and the department of local government finance of the amount deferred on the form and in the manner prescribed by the department of local government finance.

Sec. 21. Deferred property taxes may be paid at any time on or

before the delayed due date established by this chapter without interest and penalties. Payment of deferred property taxes after the delayed due date established by this chapter shall be collected in the same manner as delinquent property taxes. If a payment of deferred property taxes is made, the county treasurer shall notify the county auditor, the county recorder, and the department of local government finance on the form and in the manner prescribed by the department of local government finance. Notice to the county recorder must be in the form of a release of the lien on the homestead for the deferred property taxes.

Sec. 22. Whenever an individual who is a qualified individual on an assessment date for which property taxes were deferred:

(1) ceases to use the homestead as the individual's principal place of residence;

(2) ceases to have a qualified interest in the homestead; or

(3) changes the individual's qualified interest in the homestead;

or a surviving spouse becomes a qualified individual, a person responsible for paying the property taxes on the homestead shall notify the county auditor in the county where the homestead is located on the form and in the manner prescribed by the department of local government finance. The county auditor shall review the information filed under this section to determine whether a deferral termination event has occurred.

Sec. 23. If, as the result of the filing of information with the county auditor or on the county auditor's own motion, the county auditor determines that a deferral termination event has occurred, the county auditor shall notify the county treasurer, the county recorder, and the department of local government on the form and in the manner prescribed by the department of local government finance.

Sec. 24. A county auditor shall give written notice of each determination under this chapter to the qualified taxpayers and mortgage holders of record for the affected homestead. A qualified taxpayer may appeal an adverse determination under this chapter to the Indiana board not later than forty-five (45) days after notice of the determination.

Sec. 25. The county recorder shall record the following without charge in the miscellaneous records of the county recorder:

(1) A statement of the amount of property tax deferred under this chapter imposed on the deferred property taxes.

(2) A statement of payment of deferred property taxes.

(3) A notice of termination of a deferral.

Sec. 26. (a) Except:

(1) as required by federal law or regulation;

(2) if the loan from the lender:

(A) is made, guaranteed, or insured by a federal government lending or insuring agency; and

(B) requires the borrower to make payments to a lender with respect to an escrow or other type of account; or

(3) if the application of this section would impair the obligations of a borrower under an agreement executed before April 15, 2006;

a lender may not require a borrower to maintain an escrow or other type of account with regard to taxes for which the borrower has elected to defer taxes under this chapter.

(b) Notice of a tax deferral in the records of the county recorder shall be treated as notice of a tax deferral to a lender.

(c) Any payments that are made by the borrower to an escrow or other type of account with regard to property taxes and that:

(1) were submitted before the time of submission of evidence of tax deferral, for any period; and

(2) have not been used in payment or partial payment of taxes;

must be refunded to the borrower within thirty (30) days after the deferral is approved and filed with the county recorder.".

Page 261, line 18, after "IC 6-1.1-46" delete "," and insert "**and IC 6-1.1-47, both**".

Page 261, line 18, delete "applies" and insert "**apply**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

ORENTLICHER

Motion prevailed.

HOUSE MOTION

(Amendment 1001–15)

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

Page 68, line 13, after ";" begin a new line double block indented and insert:

"**(6) information concerning credits applicable under IC 6-1.1-21-5.8 to taxes first due and payable in the next calendar year;**".

Page 68, line 14, delete "(6)" and insert "**(7)**".

Page 68, between lines 25 and 26, begin a new a paragraph and insert:

"**(d) The officers of a political subdivision shall adjust the assessed value used in setting rates for the taxes first due and payable in a calendar year in which credits apply under IC 6-1.1-21-5.8 to eliminate or minimize levy reductions that would otherwise result from the application of those credits.**".

Page 99, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 103. IC 6-1.1-21-5.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.8. (a) The following definitions apply throughout this section:**

(1) "Adjusted gross income" has the meaning set forth in IC 6-3-1-3.5.

(2) "Assets":

(A) includes:

(i) real property, other than the homestead with respect to which a qualifying individual applies for a credit under this section;

(ii) cash;

(iii) savings accounts;

(iv) stocks;

(v) bonds; and

(vi) any other investment; and

(B) does not include:

(i) the cash value of life insurance policies on the life of the qualifying individual or the qualifying individual's spouse; and

(ii) tangible personal property.

(3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.

(4) "Homestead" has the meaning set forth in IC 6-1.1-20.9-1(2).

(5) "Household income" means the combined adjusted gross income of the qualifying individual and the qualifying individual's spouse.

(6) "Net property tax bill" means the amount of property taxes currently due and payable in a particular calendar year after the application of all deductions and credits, except for the credit provided by this section, as evidenced by the tax statement required in IC 6-1.1-22-8.

(7) "Net worth" means the remainder of:

(A) the sum of the current market value of all assets; minus

(B) all outstanding liabilities.

(8) "Qualifying homestead" means a homestead:

(A) that a qualifying individual owned; or

(B) on which a qualifying individual assumed liability for the payment of property taxes;

at least five (5) years before the assessment date for the homestead in the year for which the qualifying individual wishes to obtain the credit under this section and that has an assessed value of not more than one hundred eighty thousand dollars ($180,000) as of the assessment date for the homestead in the year that immediately precedes the year for which the qualifying individual wishes to obtain the credit under this section multiplied by a fraction determined by the department of local government finance for the county in which the homestead is located. The numerator of the fraction is the average homestead assessed value in the county in which the homestead is located in the year immediately preceding the year in which the qualifying individual wishes to obtain the credit under this section and

the denominator of the fraction is the average homestead assessed value in Marion County in the year immediately preceding the year in which the qualifying individual wishes to obtain the credit under this section.

(9) "Qualifying individual" means an individual:

(A) who is liable for the payment of property taxes on a qualifying homestead;

(B) whose adjusted gross income for the individual's most recent taxable year that ends before the date on which the claim is filed under subsection (e) is less than seventy-five thousand dollars ($75,000); and

(C) who is not married and has a net worth, or has a net worth in combination with the net worth of the individual's spouse, of less than two hundred thousand dollars ($200,000) as of December 31 of:

(i) with respect to real property, the year that precedes by two (2) years the year for which the individual wishes to obtain the credit under this section; and

(ii) with respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the year that immediately precedes the year for which the individual wishes to obtain the credit under this section.

(10) "Taxable year" has the meaning set forth in IC 6-3-1-16.

(b) The credit provided by this section applies in a county for property taxes first due and payable in a calendar year only if the county fiscal body of the county adopts an ordinance to apply the credit before July 1 of the immediately preceding calendar year. An ordinance adopted under this subsection may authorize the credit for more than one (1) year.

(c) Except as provided in subsection (d), each year a qualifying individual in a county in which the credit provided by this section is authorized under subsection (b) may receive a credit against the net property tax bill on the individual's qualifying homestead. The amount of the credit to which a qualifying individual is entitled equals the lesser of two thousand dollars ($2,000) or the remainder of:

(1) the amount of the net property tax bill without the application of the credit provided by this section; minus

(2) the following percentage of the qualifying individual's adjusted gross income for the qualifying individual's most recent taxable year that ends before the date on which the claim is filed under subsection (e):

(A) Five percent (5%) if the adjusted gross income is less than twenty thousand dollars ($20,000).

(B) Seven percent (7%) if the adjusted gross income is at least twenty thousand dollars ($20,000) but less than fifty thousand dollars ($50,000).

(C) Nine percent (9%) if the adjusted gross income is at least fifty thousand dollars ($50,000) but less than seventy-five thousand dollars ($75,000).

(d) If the qualifying individual resides in the qualifying homestead with the qualifying individual's spouse, those individuals are together entitled to one (1) credit under this section for the qualifying homestead. The amount of the credit is determined under subsection (c), except that the household income is substituted for the qualifying individual's adjusted gross income.

(e) A qualifying individual or a qualifying individual and the qualifying individual's spouse who desire to claim the credit provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the qualifying homestead is located. With respect to real property, the statement must be filed after January 1 and before May 11 of the year before the year for which the qualifying individual or the qualifying individual and the qualifying individual's spouse wish to obtain the credit under this section. For a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed after January 1 and before March 2 of the year for which the qualifying individual or the qualifying individual and the qualifying individual's spouse wish to obtain the credit under this section. The statement must contain the following information:

(1) The full name or names and complete address of the qualifying individual or the qualifying individual and the qualifying individual's spouse.

(2) A description of the qualifying homestead.

(3) The amount of:

(A) the qualifying individual's adjusted gross income referred to in subsection (c)(2); or

(B) if subsection (d) applies, the household income referred to in subsection (d) of the qualifying individual and the qualifying individual's spouse.

(4) The name of any other county and township in which the qualifying individual or the qualifying individual's spouse owns or is buying on contract:

(A) real property; or

(B) a:

(i) mobile home; or

(ii) manufactured home;

that is not assessed as real property.

(5) The record number and page where the contract or memorandum of the contract is recorded if the qualifying homestead is under contract purchase.

(6) Proof of net worth as of the date specified in subsection (a)(9)(C):

(A) in a form determined by the department of local government finance; and

(B) including:

(i) income tax returns or other evidence detailing gross income; and

(ii) other documentation as determined by the department of local government finance.

(7) Any other information required by the department of local government finance.

(f) The auditor of a county with whom a statement is filed under subsection (e) shall immediately prepare and transmit a copy of the statement to the auditor of any other county if the qualifying individual who claims the credit or the qualifying individual's spouse owns or is buying property located in the other county as described in subsection (e)(4). The auditor of the other county described in subsection (e)(4) shall note on the copy of the statement whether a credit has been claimed under this section for a qualifying homestead located in the auditor's county. The auditor shall then return the copy to the auditor of the first county.

(g) Subject to subsection (h), if a proper certified credit statement is filed under subsection (e), the county auditor shall allow the credit and shall apply the credit equally against each installment of property taxes. The county auditor shall include the amount of the credit applied against each installment of property taxes on the tax statement required under IC 6-1.1-22-8.

(h) If the qualifying homestead qualifies for the credit under IC 6-1.1-20.6 and a statement to claim the credit under this section is filed under subsection (e), the county auditor shall:

(1) determine from the individual who filed the statement whether the individual elects to have applied:

(A) the credit under this section; or

(B) the credit under IC 6-1.1-20.6; and

(2) apply only the credit elected by that individual as determined under subdivision (1).

(i) If an individual knowingly or intentionally files a false statement under this section, the individual must pay the amount of any credit the individual received because of the false statement, plus interest at the rate of ten percent (10%) per year, to the county auditor for distribution to the taxing units of the county in the same proportion that property taxes are distributed.

SECTION 114. IC 6-1.1-21-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) Notwithstanding IC 6-1.1-26, any taxpayer who is entitled to a credit under this chapter or who has properly filed for and is entitled to a credit under IC 6-1.1-20.9, and who, without taking the credit, pays in full the taxes to which the credit applies, is entitled to a refund, without interest, of an amount equal to the amount of the credit. However, if the taxpayer, at the time a refund is claimed, owes any

other taxes, interest, or penalties payable to the county treasurer to whom the taxes subject to the credit were paid, then the credit shall be first applied in full or partial payment of the other taxes, interest, and penalties and the balance, if any, remaining after that application is available as a refund to the taxpayer.

(b) Any taxpayer entitled to a refund under this section **other than a refund based on the credit under section 5.8 of this chapter** shall be paid that refund from proceeds of the property tax replacement fund. However, with respect to any refund attributable to a homestead credit, the refund shall be paid from that fund only to the extent that the percentage homestead credit the taxpayer was entitled to receive for a year does not exceed the percentage credit allowed in IC 6-1.1-20.9-2(d) for that same year. Any refund in excess of that amount shall be paid from the county's revenue distributions received under IC 6-3.5-6.

(c) The state board of accounts shall establish an appropriate procedure to simplify and expedite the method for claiming these refunds and for the payments thereof, as provided for in this section, which procedure is the exclusive procedure for the processing of the refunds. The procedure shall, however, require the filing of claims for the refunds by not later than June 1 of the year following the payment of the taxes to which the credit applied.".

Page 261, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 293. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-21-5.8, as added by this act, applies only to property taxes first due and payable after December 31, 2006.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

ORENTLICHER

Motion failed.

HOUSE MOTION
(Amendment 1001–25)

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

Page 6, delete lines 6 through 31.
Page 7, delete lines 7 through 31.
Page 7, delete lines 37 through 42.
Delete pages 8 through 26.
Page 27, delete lines 1 through 24.
Page 28, delete lines 25 through 42.
Delete pages 29 through 30.
Page 31, delete lines 1 through 17.
Page 32, delete lines 18 through 42.
Delete pages 33 through 56.
Page 57, delete lines 1 through 2.
Page 59, line 24, delete "The".
Page 59, delete lines 25 through 26.
Page 59, line 27, delete "determination by the county assessor.".
Page 59, line 31, reset in roman "assessor".
Page 59, line 31, delete "official referred to in".
Page 59, line 32, delete "subsection (a)".
Page 61, delete lines 5 through 42.
Delete page 62.
Page 63, delete lines 1 through 18.
Page 64, delete lines 12 through 42.
Delete page 65.
Page 66, delete lines 1 through 26.
Page 112, delete lines 24 through 42.
Delete pages 113 through 118.
Page 119, delete lines 1 through 17.
Page 119, delete lines 35 through 42.
Delete pages 120 through 132.
Page 133, delete lines 1 through 20.
Page 141, delete lines 10 through 42.
Page 142, delete lines 1 through 31.
Page 223, delete lines 19 through 42.
Page 226, line 12, delete "offices office" and insert "offices".
Page 226, line 13, delete "assessors assessor or the county assessor" and insert "assessors".
Page 247, delete lines 14 through 31.
Page 255, delete lines 6 through 8.
Page 258, delete lines 11 through 40.
Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

BORDERS

After discussion, Representative Borders withdrew the motion.

HOUSE MOTION
(Amendment 1001–2)

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

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

"SECTION 1. IC 4-31-9-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. No tax or fee, except as provided in this article, shall be assessed or collected from a permit holder by a political subdivision having the power to assess or collect a tax or fee. This section does not apply to **fees imposed under IC 36-13 or** real or personal property taxes imposed by a local taxing unit.".

Page 254, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 278. IC 36-13 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 13. PUBLIC SERVICES USER FEES

Chapter 1. Application

Sec. 1. This article applies in a county only if the county fiscal body adopts an ordinance to apply this article in the county.

Sec. 2. This article applies to the owner of each building or other real property improvement subject to assessment under IC 6-1.1-4.

Sec. 3. (a) Except as provided in subsection (b), a fee imposed under this article applies to all property referred to in section 2 of this chapter that is subject to assessment under IC 6-1.1-4, regardless of whether the property is exempt from ad valorem property taxes.

(b) A fee imposed under this article does not apply to property referred to in section 2 of this chapter that is:

(1) exempt from ad valorem property taxes; and
(2) owned by a church or religious society.

Chapter 2. Imposition and Distribution

Sec. 1. Fees imposed under this article are treated as ad valorem property taxes for the purpose of distributions under the following:

(1) IC 6-1.1-21.
(2) IC 6-3.5.
(3) IC 6-5.5.
(4) IC 6-6-5.
(5) Any other law that computes a distribution based on the assessed value of tangible property or on the property tax levy imposed.

Sec. 2. The department of local government finance shall provide the information necessary for the department of state revenue and county auditors to make the distributions described in section 1 of this chapter.

Sec. 3. Fees imposed under this article shall be billed and collected in the same manner and at the same time that property taxes are billed and collected.

Sec. 4. The county auditor shall distribute to a political subdivision in which a property subject to the fee imposed under this article is located the part of the fee collected with respect to the property that bears the same proportion to the total amount of the fee collected with respect to the property that the tax rate imposed by the political subdivision bears to the total property tax rate in the taxing district in which the property is located.

Sec. 5. The maximum property tax levy that a political subdivision may impose for a budget year under IC 6-1.1-18.5 or IC 6-1.1-19 is reduced by the amount of fees imposed by the political subdivision under this article for the budget year.

Sec. 6. A political subdivision may use revenue from fee collections in the same manner that the political subdivision uses revenue from property tax collections.

Chapter 3. Fees

Sec. 1. Fees imposed by a county under this article apply to the

owner of each building or other real property improvement in the county subject to assessment under IC 6-1.1-4.

Sec. 2. The fees imposed under this article may be determined based on the following:

(1) A flat charge for each building or other real property improvement.

(2) The amount of public services used.

(3) Whether the county is required to purchase or lease special facilities or equipment to deliver public services to the property.

(4) A combination of the factors set forth in subdivisions (1) through (3) or other factors that the county fiscal body determines is necessary to establish just and equitable fees.

Sec. 3. The fees imposed under this article do not have to be uniform throughout the county or for all users of public services. The county fiscal body may exercise reasonable discretion in:

(1) adopting different schedules of fees; or

(2) making classifications in schedules of fees:

(A) based on variations in the costs of furnishing the services, including capital expenditures required, to various classes of users of public services or to various locations in the county; or

(B) where there are variations in the number of users in various locations in the county.

Sec. 4. If public services will not be provided until after a capital improvement is completed, a county may bill and collect fees under this article for the services to be provided after the contract for construction of the capital improvement has been let and actual work commenced in an amount sufficient to meet the interest on the revenue bonds and other expenses payable before the completion of the capital improvement.

Sec. 5. Unless the county fiscal body finds and directs otherwise, public services are considered to benefit every building or other real property improvement in the county. The fees imposed under this article shall be billed and collected accordingly.

Sec. 6. (a) The county fiscal body may, by ordinance, establish just and equitable fees for the use of public services provided in the county.

(b) The county fiscal body may periodically change and readjust the fees as provided in this article.

Sec. 7. The initial fees may be established under section 6 of this chapter only after a public hearing at which all:

(1) the property owners in the county; and

(2) others interested;

have an opportunity to be heard concerning the proposed fees.

Sec. 8. After introduction of the ordinance initially establishing fees but before the ordinance is finally adopted under section 6 of this chapter, notice of the hearing setting forth the proposed schedule of fees must be given by publication one (1) time each week for two (2) weeks in a newspaper of general circulation in the county. The last publication must be at least seven (7) days before the date fixed in the notice for the hearing. The hearing may be adjourned as necessary.

Sec. 9. (a) The ordinance establishing the initial fees under section 6 of this chapter, either as:

(1) originally introduced; or

(2) modified and amended;

must be passed and put into effect after the hearing.

(b) A copy of the schedule of the fees established must be:

(1) kept on file in the office of the county auditor; and

(2) open to public inspection.

Sec. 10. (a) The fees established for a class of users of property served shall be extended after the fees are established to cover any additional users of property served that are in the same class without the necessity of hearing or notice.

(b) A change or readjustment of fees imposed under this article may be made in the same manner as the fees were originally established.

Chapter 4. Liens for Fees

Sec. 1. The fees made, assessed, or established under this article against a building or other real property improvement in the county is a lien against the building or other real property improvement.

Sec. 2. Except as provided in sections 5 and 6 of this chapter, a lien attaches under section 1 of this chapter at the time of the recording of the list prepared under IC 36-13-5-2 in the county recorder's office as provided in IC 36-13-5. The lien:

(1) is superior to and takes precedence over all other liens except the lien for taxes; and

(2) shall be enforced under this article.

Sec. 3. If fees are not paid by the due date, the fees become delinquent and a penalty of ten percent (10%) of the amount of the fees attaches to the fees. The county may recover:

(1) the amount due;

(2) the penalty; and

(3) reasonable attorney's fees;

in a civil action in the name of the county.

Sec. 4. Fees imposed under this article and not paid by the due date, together with the penalty, are collectible in the manner provided by this article.

Sec. 5. (a) A fee imposed under this article is not enforceable as a lien against a subsequent owner of property unless the lien for the fee was recorded with the county recorder before the conveyance to the subsequent owner.

(b) If the property is conveyed before the lien can be filed, the officer of the county who is charged with the collection of the fee shall notify the person who owned the property at the time the fee became payable. The notice must inform the person that payment, including penalty for delinquencies, is due not less than fifteen (15) days after the date of the notice. If payment is not received before one hundred eighty (180) days after the date of the notice have elapsed, the amount due may be expensed as a bad debt loss.

Sec. 6. (a) This section applies whenever a property owner has notified the county by certified mail with return receipt requested of the address to which the owner's notice is to be sent.

(b) A lien does not attach under this article against a building or other real property improvement occupied by someone other than the owner unless the officer of the county who is charged with the collection of fees notifies the owner of the property after the fees have become sixty (60) days delinquent.

Sec. 7. (a) The county shall release:

(1) liens filed with the county recorder after the recorded date of conveyance of the property; and

(2) delinquent fees incurred by the seller;

on receipt of a verified demand in writing from the purchaser.

(b) A demand referred to in subsection (a) must state the following:

(1) That the delinquent fees were not incurred by the purchaser as a user, lessee, or previous owner.

(2) That the purchaser has not been paid by the seller for the delinquent fees.

Chapter 5. Enforcement of Delinquencies

Sec. 1. This chapter applies only to fees or penalties under this article that have been due and unpaid for at least ninety (90) days.

Sec. 2. The county treasurer shall enforce the payment of fees and penalties imposed under this article. The officer shall, not more than two (2) times in a year, prepare a list of the delinquent fees, including the amount of the penalty, that are enforceable under this chapter. The list must include the following:

(1) The name of each owner of each building or other real property improvement on which the fees have become delinquent.

(2) The description of the property as shown by the records of the office of the county auditor.

(3) The amount of the fees, together with the amount of the penalty.

Sec. 3. (a) The county treasurer shall record a copy of the list prepared under section 2 of this chapter in the office of the county recorder.

(b) The county recorder shall charge a fee for recording the list in accordance with the fee schedule established in IC 36-2-7-10.

(c) After recording the list, the county treasurer shall mail to each property owner on the list a notice stating that a lien against the owner's property has been recorded.

(d) This subsection applies only to a county that does not

contain a consolidated city. A service charge of five dollars ($5), which is in addition to the recording fee charged under this section and section 6 of this chapter, shall be added to each delinquent fee that is recorded.

Sec. 4. (a) This section applies only to a county containing a consolidated city.

(b) Using the lists prepared and recorded under sections 2 and 3 of this chapter, the county treasurer shall certify to the county auditor a list of the liens that remain unpaid according to the following schedule:

(1) Liens recorded on or after August 1 of the preceding year and before February 1 of the current year shall be certified before March 1 of each year for collection in May of the same year.

(2) Liens recorded on or after February 1 of the current year and before August 1 of the current year shall be certified before September 1 of each year for collection in November of the same year.

(c) The county and the officers and employees of the county are not liable for any material error in the information on the list prepared under subsection (b).

Sec. 5. (a) This section applies only to a county that does not contain a consolidated city.

(b) Using the lists prepared and recorded under sections 2 and 3 of this chapter:

(1) after April 1 of the preceding year; and

(2) before April 1 of the current year;

the county treasurer shall before June 1 of each year certify to the county auditor a list of the liens that remain unpaid for collection in the next November.

(c) The county and the officers and employees of the county are not liable for any material error in the information on the list.

Sec. 6. (a) The county treasurer shall release a recorded lien when the:

(1) delinquent fees;

(2) penalties;

(3) service charges; and

(4) recording fees;

have been fully paid.

(b) The county recorder shall charge a fee for releasing the lien in accordance with IC 36-2-7-10.

Sec. 7. (a) This subsection applies to a county that does not contain a consolidated city. On receipt of the list under section 5 of this chapter, the county auditor shall add a fifteen dollar ($15) certification fee for each lot or parcel of real property on which fees are delinquent. The certification fee is in addition to all other applicable fees. The county auditor shall immediately enter on the tax duplicate for the municipality the:

(1) delinquent fees;

(2) penalties;

(3) service charges;

(4) recording fees; and

(5) certification fees;

that are due not later than the due date of the next November installment of property taxes.

(b) This subsection applies to a county having a consolidated city. On receipt of the list under section 4 of this chapter, the county auditor shall enter on the tax duplicate the:

(1) delinquent fees;

(2) penalties;

(3) service charges; and

(4) recording fees;

that are due not later than the due date of the next installment of property taxes.

(c) The county treasurer shall include any unpaid charges for the:

(1) delinquent fee;

(2) penalty;

(3) service charge;

(4) recording fee; and

(5) certification fee;

for each owner of each lot or parcel of property at the time the next cycle's property tax installment is billed.

Sec. 8. (a) This section does not apply to a county containing a consolidated city.

(b) After June 1 of each year, the county treasurer may not collect or accept:

(1) delinquent fees;

(2) penalties;

(3) service charges;

(4) recording fees; or

(5) certification fees;

from property owners whose property has been certified to the county auditor.

Sec. 9. If a:

(1) delinquent fee;

(2) penalty;

(3) service charge;

(4) recording fee; or

(5) certification fee;

is not paid, the county treasurer shall collect the unpaid money in the same way that delinquent property taxes are collected.

Sec. 10. (a) At the time of each semiannual tax settlement, the county treasurer shall certify to the county auditor all:

(1) fees;

(2) service charges; and

(3) penalties;

that have been collected.

(b) The county auditor shall:

(1) deduct the service charges and certification fees collected by the county treasurer; and

(2) pay to the county treasurer the remaining fees and penalties due the county.

(c) The county treasurer shall:

(1) retain the service charges and certification fees that have been collected; and

(2) deposit the charges and fees in the county general fund.

Sec. 11. (a) This section applies to a:

(1) fee;

(2) penalty; or

(3) service charge;

that was not recorded before a recorded conveyance.

(b) The:

(1) fee;

(2) penalty; or

(3) service charge;

shall be removed from the tax roll for a purchaser who, in the manner prescribed by IC 36-13-4-7, files a verified demand with the county auditor.

Chapter 6. Foreclosure of Liens

Sec. 1. A county may, as an additional or alternative remedy, foreclose a lien under this article as a means of collection of fees, including the penalty on the fees.

Sec. 2. (a) In all actions brought to foreclose liens under this article, the county is entitled to recover the following:

(1) The amount of the fees.

(2) The penalty on the fees.

(3) Reasonable attorney's fees.

(b) The court shall order that the sale be made without relief from valuation or appraisement statutes.

Sec. 3. Except as otherwise provided by this article, the following apply in all actions to foreclose liens under this article:

(1) The laws concerning municipal public improvement assessments.

(2) The rights, remedies, procedure, and relief granted the parties to the action.".

Page 261, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 291. [EFFECTIVE JULY 1, 2005] **IC 36-13, as added by this act, applies only to budget years beginning after December 31, 2005.**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

AGUILERA

After discussion, Representative Aguilera withdrew the motion.

HOUSE MOTION
(Amendment 1001–10)

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

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning local government and to make an appropriation.

Page 259, delete lines 4 through 42, begin a new paragraph and insert:

"SECTION 288. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **(a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9-1, and IC 6-1.1-21-2 apply throughout this SECTION.**

(b) The following definitions apply throughout this SECTION:

(1) "Family and children's fund" refers to a family and children's fund established under IC 12-19-7-3.

(2) "Family and children's fund levy" refers to the sum of the property tax levies first due and payable in a year for a county's family and children's fund.

(3) "Nonresidential property" means tangible property that is subject to property taxation other than residential property.

(4) "Residential property" refers to residential property, as determined under the rules of the department of local government finance that classify tangible property for property tax purposes.

(c) Not later than the later of three (3) regular business days after the effective date of this SECTION or February 1, 2006, the budget agency shall certify to the department of local government finance and the auditor of state the surplus state tax amnesty revenues attributable to the amnesty program established under IC 6-8.1-3-17. The amount of surplus state tax amnesty revenues is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the balance on January 30, 2006, of the sum of the following:

(A) The total of the tax liability collected in the amnesty program established under IC 6-8.1-3-17.

(B) The total of the tax liability that:

(i) a taxpayer has agreed to pay under a written payment plan entered into under IC 6-8.1-3-17; and

(ii) is due under the taxpayer's written payment plan after January 30, 2006, and before July 1, 2006.

STEP TWO: Subtract from the STEP ONE amount the part of the STEP ONE amount that is attributable to listed taxes collected for a political subdivision (as defined in IC 36-1-2-13), including the following:

(A) The county adjusted gross income tax (IC 6-3.5-1.1).

(B) The county option income tax (IC 6-3.5-6).

(C) The county economic development income tax (IC 6-3.5-7).

(D) The municipal option income tax (IC 6-3.5-8).

(E) The auto rental excise tax (IC 6-6-9).

(F) The financial institutions tax (IC 6-5.5).

(G) The gasoline tax (IC 6-6-1.1).

(H) The alternative fuel permit fee (IC 6-6-2.1).

(I) The special fuel tax (IC 6-6-2.5).

(J) The motor carrier fuel tax (IC 6-6-4.1).

(K) A motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3.

(L) The motor vehicle excise tax (IC 6-6-5).

(M) The commercial vehicle excise tax (IC 6-6-5.5).

STEP THREE: Subtract from the STEP TWO amount the estimated out of pocket costs that the budget agency determines will be incurred by the state to administer this SECTION in 2006 and 2007. The amount estimated under this STEP may be adjusted in 2007 to reflect actual expenditures. Any adjustments apply only to reduce or increase a distribution required under this SECTION in 2007.

(d) A taxpayer is entitled to an additional property tax replacement credit against property tax liability first due and payable:

(1) in 2006; and

(2) in 2007, if the amount remaining in the special account established under subsection (g) after making the distribution required under subsection (h) for 2006 is at least two percent (2%) of the increase in the levy resulting from the tax rates for 2007 described in subsection (e) STEP THREE.

The amount of the credit for property taxes first due and payable in a year is the credit determined under subsection (e).

(e) In 2006 not later than the later of six (6) regular business days after the effective date of this SECTION or February 15, 2006, and in 2007 at the time property tax rates, property tax levies, and budgets are certified under IC 6-1.1-17-16, the department of local government finance shall certify to counties the additional property tax credit percentage or other procedure or formula to use, as determined by the department of local government finance, to provide taxpayers in a particular county with property tax relief substantially equal to the amount determined under STEP THIRTEEN of the following formula:

STEP ONE: Determine the family and children's fund levy in the county for property taxes first due and payable in 2005.

STEP TWO: Determine the family and children's fund levy in the county for property taxes first due and payable in the current year.

STEP THREE: Determine the result of:

(A) the STEP ONE amount; divided by

(B) the STEP TWO amount;

rounded to the nearest ten thousandth (0.0001).

STEP FOUR: Determine the greater of zero (0) or the result of:

(A) One (1); minus

(B) the STEP THREE result.

STEP FIVE: Determine the taxpayer's property tax liability for the county's family and children's fund levy that:

(A) is first due and payable in the current year; and

(B) is imposed on all of the taxpayer's residential property in the county for the assessment date for property taxes first due and payable in the current year;

after applying the part of the credits granted under IC 6-1.1-20.9-2 and IC 6-1.1-21-5 that are attributable to the property taxes described in this STEP.

STEP SIX: Determine the result of:

(A) the STEP FOUR result; multiplied by

(B) the STEP FIVE amount.

STEP SEVEN: Determine the result of:

(A) the STEP SIX result; divided by

(B) the assessed value of all of the taxpayer's residential property in the county for the assessment date for property taxes first due and payable in the current year;

rounded to the nearest ten thousandth (0.0001).

STEP EIGHT: Determine the result of:

(A) the STEP SEVEN result; multiplied by

(B) the lesser of:

(i) the assessed value of all of the taxpayer's residential property in the county for the assessment date for property taxes first due and payable in the current year; or

(ii) three hundred fifty thousand dollars ($350,000).

STEP NINE: Determine the taxpayer's property tax liability for the county's family and children's fund levy that:

(A) is first due and payable in the current year; and

(B) is imposed on all of the taxpayer's nonresidential property in the county for the assessment date for property taxes first due and payable in the current year;

after applying the part of the credits granted under IC 6-1.1-21-5 that is attributable to the property taxes described in this STEP.

STEP TEN: Determine the result of:

(A) the STEP FOUR result; multiplied by

(B) the STEP NINE amount.

STEP ELEVEN: Determine the result of:

(A) the STEP TEN result; divided by

(B) the assessed value of all of the taxpayer's nonresidential property in the county for the assessment date for property taxes first due and payable in the current year;

rounded to the nearest ten thousandth (0.0001).

STEP TWELVE: Determine the result of:

(A) the STEP ELEVEN result; multiplied by

(B) the lesser of:

(i) the assessed value of all of the taxpayer's nonresidential property in the county for the assessment date for property taxes first due and payable in the current year; or

(ii) one million dollars ($1,000,000).

STEP THIRTEEN: Determine the result of:

(A) the STEP EIGHT result; plus

(B) the STEP TWELVE result.

If in 2006, the amount certified under subsection (c) and, in 2007, the amount remaining in the special account established under subsection (g) (after making the distribution required under subsection (h)) is less than the sum of the STEP THIRTEEN amounts for all taxpayers in Indiana, the credit shall be proportionally reduced, as determined by the department of local government finance, to eliminate the excess.

(f) A county auditor:

(1) may apply the entire amount of an additional property tax credit under this SECTION equally to all installments of property taxes first due from the taxpayer in the year; or

(2) if application of the credit to the first installment would delay the delivery of tax statements more than thirty (30) days after the date that the tax statements would otherwise be mailed or transmitted, may issue revised tax statements and apply the entire credit to the property tax due in a later installment.

IC 6-1.1-22.5-6 does not apply to a delay in the delivery of an abstract described in subdivision (2). The department of local government finance may prescribe procedures to apply an additional property tax replacement credit to tax statements. A county auditor shall comply with the procedures prescribed under this subsection.

(g) Not later than the later of:

(1) the end of the month in which the budget agency certifies the amount of the surplus state tax amnesty revenues; or

(2) March 31, 2006;

the auditor of state shall transfer to the property tax replacement fund from unrestricted revenues in the state general fund an amount equal to the surplus state tax amnesty revenues certified to the auditor of state under this SECTION. The amount transferred shall be accounted for separately from other money in the property tax replacement fund. Money in the special account may be used only to make distributions to taxing units to replace revenue lost to a county as the result of the application of the additional property tax credit established by this SECTION. Money remaining in the special account on June 30 of the state fiscal year that ends after the property tax replacement fund board makes the last distribution required under this SECTION reverts to the state general fund.

(h) The property tax replacement fund board shall provide for an additional distribution to taxing units from the special account in the property tax replacement fund established under subsection (g) to replace revenue lost to a county as the result of the application of the additional property tax credit established by this SECTION. The distribution shall be made on the schedule determined by the property tax replacement fund board. To the extent possible, the property tax replacement fund board shall make distributions under this subsection at the same time distributions of homestead credits and other property tax replacement credits are made. A distribution under this subsection is not subject to any law limiting the maximum amount that may be distributed under IC 6-1.1-21. The amount distributed under this subsection is not included in the amount used to determine the minimum amount that must be distributed or maximum distribution that may not be exceeded under IC 6-1.1-21.

(i) The amount necessary to make distributions under subsection (h) is annually appropriated as an additional appropriation to the property tax replacement fund board from the special account in the property tax replacement fund established under subsection (g).

(j) This subsection applies to a taxpayer in an allocation area that would be eligible for an additional credit under any of the following:

(1) IC 8-22-3.5-10.

(2) IC 36-7-14-39.5.

(3) IC 36-7-15.1-26.5.

(4) IC 36-7-15.1-35.

(5) IC 36-7-15.1-56.

(6) IC 36-7-30-27.

(7) IC 36-7-30.5-32.

(8) IC 36-7-32-18.

As used in this subsection, "designating body" refers to the governing body permitted to reduce an additional credit otherwise granted in an allocation area to which a provision described in subdivisions (1) through (8) applies. Subject to this subsection, a taxpayer in an allocation area is entitled to a supplemental credit. The amount of the supplemental credit is equal to the amount necessary to give the taxpayer the same total credit that the taxpayer would have received if the taxpayer's tangible property were not located in an allocation area. The supplemental credit reduces the amount of proceeds allocated to the district where the allocation area is located and paid into an allocation fund. A designating body may reduce the amount of the supplemental credits granted in an allocation area in the same manner and for the same reasons that the designating body is permitted to reduce an additional credit in the allocation area. The department of local government finance may prescribe procedures to use to apply a supplemental credit to tangible property in an allocation area. A county auditor shall comply with the procedures prescribed under this subsection.".

Page 260, delete lines 1 through 40.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

CRAWFORD

Representative Whetstone rose to a point of order, citing Rule 118, stating that the motion was attempting to incorporate into House Bill 1001 a bill pending before the House. The Speaker ruled the point was well taken and the motion was out of order.

HOUSE MOTION
(Amendment 1001–12)

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

Page 3, delete lines 10 through 42.

Delete pages 4 through 5.

Page 6, delete lines 1 through 5.

Page 68, delete lines 26 through 42.

Delete page 69.

Page 70, delete lines 1 through 35.

Page 238, delete lines 6 through 42.

Page 239, delete lines 1 through 26.

Page 254, delete lines 4 through 27.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

CRAWFORD

Upon request of Representatives Crawford and Bauer, the Speaker ordered the roll of the House to be called. Roll Call 46: yeas 45, nays 48. Motion failed.

HOUSE MOTION
(Amendment 1001–26)

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

Page 129, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 132. IC 6-1.1-37-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) As used in this section, "department" refers to the department of local**

government finance.

(b) The county treasurer of each county may establish an amnesty program for taxpayers liable for delinquent property taxes that were first due and payable before January 1, 2007. For purposes of this subsection, property taxes are considered delinquent if a penalty applies to the property taxes under section 10 of this chapter. The time in which a voluntary payment of tax liability may be made under the amnesty program is limited to the period determined by the county treasurer, not to exceed eight (8) regular business weeks:

(1) beginning after June 30, 2006; and

(2) ending before the earlier of:

(A) the date set by the county treasurer; or

(B) January 1, 2007.

(c) The amnesty program must provide that:

(1) a taxpayer liable for delinquent property taxes on real property is eligible for the abatement of penalties imposed under section 10 of this chapter, collection fees, and costs before the end of the period for redemption of the property from tax sale under IC 6-1.1-25-4; and

(2) upon payment by a taxpayer to the county treasurer of all delinquent property taxes due from the taxpayer with respect to all tangible property in the county on which the taxpayer is liable for property taxes, and compliance with all other amnesty conditions adopted under a rule or policy of the department in effect on the date the voluntary payment is made, the county treasurer:

(A) shall abate and not seek to collect any penalties imposed under section 10 of this chapter, collection fees, or costs that would otherwise apply to the collection of the delinquent property taxes;

(B) shall release any liens imposed on the property for which the taxpayer is liable for property taxes; and

(C) shall not seek civil or criminal prosecution against any individual or entity with respect to the delinquent property taxes.

(d) The county treasure shall publish under IC 5-3-1 a notice of the period determined by the county treasurer under subsection (b) for the application of this section.

(e)The county treasurer may abate delinquent property tax penalties imposed under section 10 of this chapter, collection fees, and costs to carry out the purposes of this section.

(f) Amnesty granted under this subsection is binding on the state, the county, and political subdivisions in the county. However, failure to pay to the county treasurer all delinquent property taxes due invalidates any amnesty granted under this subsection.

(g) The department shall conduct an assessment of the impact of the property tax amnesty program on tax collections and an analysis of the costs of administering the property tax amnesty program. As soon as practicable after December 31, 2006, the department shall submit a copy of the assessment and analysis to the legislative council in an electronic format under IC 5-14-6. County treasurers shall submit the information required by the department to conduct the assessment and analysis required under this subsection.

(h) The department may adopt emergency rules under IC 4-22-2-37.1 to implement this section. An emergency rule described in this subsection expires not later than one (1) year after it is adopted.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

DOBIS

The Speaker ordered a division of the House and appointed Representatives Stilwell and Friend to count the yeas and nays. Yeas 49, nays 42. Motion prevailed. The bill was ordered engrossed.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1381, 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, delete lines 41 through 42.

Page 4, delete lines 1 through 3.

Page 7, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 2. IC 21-3-1.7-8.2, AS AMENDED BY P.L.246-2005, SECTION 199, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 8.2. (a) Notwithstanding IC 21-3-1.6 and subject to section 9 of this chapter, the state distribution for a calendar year for tuition support for basic programs for each school corporation equals the result determined using the following formula:

STEP ONE: For a:

(A) school corporation not described in clause (B), determine the school corporation's result under STEP SEVEN of section 6.7(c) of this chapter for the calendar year; and

(B) school corporation that has target revenue per adjusted ADM for a calendar year that is equal to the amount under section 6.7(c) STEP ONE of this chapter, determine the sum of:

(i) the school corporation's result under section 6.7(c) STEP ONE of this chapter for the calendar year multiplied by the school corporation's adjusted ADM for the current year; plus

(ii) the amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years; plus

(iii) the part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility or reopening an existing facility during the preceding year.

STEP TWO: This STEP applies to a school corporation that is not a charter school. Determine the sum of:

(A) the school corporation's tuition support levy; plus

(B) the school corporation's excise tax revenue for the year that precedes the current year by one (1) year.

STEP THREE: This STEP applies to a charter school. Determine the product of:

(A) the amount determined under section 6.7(c) STEP SEVEN of this chapter for the charter school; multiplied by

(B) thirty-five hundredths (0.35).

STEP FOUR: Determine the difference between:

(A) the STEP ONE amount; minus

(B) the STEP TWO or STEP THREE amount, as applicable.

STEP FIVE: Determine the result of:

(A) the STEP FOUR result; minus

(B) the amount determined under subsection (c).

(b) If the state tuition support determined for a school corporation under this section is negative, the school corporation is not entitled to any state tuition support. In addition, the school corporation's maximum general fund levy under IC 6-1.1-19-1.5 shall be reduced by the amount of the negative result.

(c) The amount to be used under subsection (a) STEP FIVE (B) is the greater of:

(1) zero (0); or

(2) the amount by which the department of education determines the school corporation's state tuition support distribution would be reduced as a result of the enrollment of qualified dependents (as defined in IC 6-3.1-31-8) in a school of choice (as defined in IC 6-3.1-31-11) rather than the school corporation if section 6.6 of this chapter did not apply to the school corporation.

The department of education shall base a determination described in subdivision (2) on an analysis of the effects of IC 6-3.1-31 on the trend of enrollment of eligible pupils and qualified dependents (as defined in IC 6-3.1-31-8) in kindergarten in each attendance area of the school corporation. The department of education shall review the methodology used in the analysis with the budget committee.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1381 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 6, nays 5.

BEHNING, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, 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 6, line 23, after "Sec. 6." insert "**(a)**".

Page 6, line 23, delete "at the".

Page 6, line 24, delete "request of the department".

Page 6, line 25, after "incurred" insert "**or amounts owed**".

Page 6, line 25, after "authority" insert "**, the department, or an operator under IC 8-15-2, IC 8-15-3, IC 8-15.5, or IC 8-15.7 in connection with the execution and performance of a public-private agreement under IC 8-15.5 or IC 8-15.7, including establishing reserves.**".

Page 6, delete lines 26 through 27.

Page 6, line 29, delete "The" and insert "**To the treasurer of state for deposit in the state highway fund, for the**".

Page 6, between lines 33 and 34, begin a new paragraph and insert:

"**(b) In addition to the distributions permitted by subsection (a), the authority shall distribute from the fund fifty million dollars ($50,000,000) per year during 2006, 2007, and 2008 to the treasurer of state for deposit in the motor vehicle highway account established by IC 8-14-1. Notwithstanding IC 8-14-1, the auditor of state shall distribute the amounts deposited in the motor vehicle highway account under this subsection to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1. Money distributed under this subsection may be used only for purposes that money distributed from the motor vehicle highway account may be expended under IC 8-14-1.**".

Page 30, line 23, delete "selected offeror commences operations under the" and insert "**public-private agreement has been executed and the closing for each financing transaction required to provide funding to carry out the agreement has been conducted.**".

Page 30, delete line 24.

Page 40, line 34, delete "(c) or (d)," and insert "**(c), (d), or (e),**".

Page 40, line 39, delete "allocation" and insert "**allocations**".

Page 40, line 39, delete "subsection (d)," and insert "**subsections (d) and (e),**".

Page 41, line 3, delete "all" and insert "**thirty-four percent (34%) of the**".

Page 41, line 3, after "received" insert "**during each state fiscal year**".

Page 41, line 6, delete "5(a)(2) and".

Page 41, delete lines 7 through 9, begin a new paragraph and insert:

"**(e) After making the allocations required by subsections (b), (c), and (d), the authority shall transfer all remaining money received during each state fiscal year under a public-private agreement under this article to the major moves construction fund established by IC 8-14-14.**".

Page 41, line 10, delete "Thirty-four percent (34%) of the" and insert "**The**".

Page 41, line 11, after "distributions to" insert "**:**".

Page 41, delete lines 12 through 14, begin a new line block indented and insert:

"**(1) the department;**

(2) the northwest Indiana regional development authority; and

(3) eligible political subdivisions;

for eligible projects located in eligible political subdivisions.".

Page 42, between lines 35 and 36, begin a new paragraph and insert:

"**Chapter 13. Prohibited Political Contributions**

Sec. 1. The definitions in IC 3-5-2 apply to this chapter to the extent they do not conflict with the definitions in this article.

Sec. 2. As used in this chapter, "candidate" refers to any of the following:

(1) A candidate for a state office.

(2) A candidate for a legislative office.

(3) A candidate for a local office.

Sec. 3. As used in this chapter, "committee" refers to any of the following:

(1) A candidate's committee.

(2) A regular party committee.

(3) A committee organized by a legislative caucus of the house of representatives of the general assembly.

(4) A committee organized by a legislative caucus of the senate of the general assembly.

Sec. 4. As used in this chapter, "officer" refers only to either of the following:

(1) An individual listed as an officer of a corporation in the corporation's most recent annual report.

(2) An individual who is a successor to an individual described in subdivision (1).

Sec. 5. For purposes of this chapter, a person is considered to have an interest in an operator if the person satisfies any of the following:

(1) The person holds any interest in an operator.

(2) The person is an officer of an operator.

(3) The person is an officer of a person that holds any interest in an operator.

(4) The person is a political action committee of an operator.

Sec. 6. An operator is considered to have made a contribution if a contribution is made by a person who has an interest in the operator.

Sec. 7. An operator or a person who has an interest in an operator may not make a contribution to a candidate or a committee during the following periods:

(1) The term during which the operator is a party to a public-private agreement entered into under this article.

(2) The three (3) years following the final expiration or termination of the public-private agreement described in subdivision (1).

Sec. 8. A person who knowingly or intentionally violates this chapter commits a Class D felony.".

Page 45, line 26, delete "Intermodal facilities, roads, airports, transit facilities and" and insert "**Roads and bridges.**".

Page 45, delete lines 27 through 28.

Page 48, line 24, delete "or" and insert "**and**".

Page 48, line 25, delete "or both,".

Page 48, line 41, after "area" delete "or" and insert "**and**".

Page 48, line 41, delete "or both,".

Page 67, between lines 17 and 18, begin a new paragraph and insert:

"**Chapter 16. Prohibited Political Contributions**

Sec. 1. The definitions in IC 3-5-2 apply to this chapter to the extent they do not conflict with the definitions in this article.

Sec. 2. As used in this chapter, "candidate" refers to any of the following:

(1) A candidate for a state office.

(2) A candidate for a legislative office.

(3) A candidate for a local office.

Sec. 3. As used in this chapter, "committee" refers to any of the following:

(1) A candidate's committee.

(2) A regular party committee.

(3) A committee organized by a legislative caucus of the house of representatives of the general assembly.

(4) A committee organized by a legislative caucus of the senate of the general assembly.

Sec. 4. As used in this chapter, "officer" refers only to either of the following:

(1) An individual listed as an officer of a corporation in the corporation's most recent annual report.

(2) An individual who is a successor to an individual described in subdivision (1).

Sec. 5. For purposes of this chapter, a person is considered to have an interest in an operator if the person satisfies any of the

following:

(1) The person holds any interest in an operator.

(2) The person is an officer of an operator.

(3) The person is an officer of a person that holds any interest in an operator.

(4) The person is a political action committee of an operator.

Sec. 6. An operator is considered to have made a contribution if a contribution is made by a person who has an interest in the operator.

Sec. 7. An operator or a person who has an interest in an operator may not make a contribution to a candidate or a committee during the following periods:

(1) The term during which the operator is a party to a public-private agreement entered into under this article.

(2) The three (3) years following the final expiration or termination of the public-private agreement described in subdivision (1).

Sec. 8. A person who knowingly or intentionally violates this chapter commits a Class D felony.".

Page 68, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 36. IC 8-23-9-54 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 54. (a) To provide funds for carrying out the provisions of this chapter, there is created a state highway fund from the following sources:

(1) All money in the general fund to the credit of the state highway account.

(2) All money that is received from the Department of Transportation or other federal agency and known as federal aid.

(3) All money paid into the state treasury to reimburse the state for money paid out of the state highway fund.

(4) All money provided by Indiana law for the construction, maintenance, reconstruction, repair, and control of public highways, as provided under this chapter.

(5) All money that on May 22, 1933, was to be paid into the state highway fund under contemplation of any statute in force as of May 22, 1933.

(6) All money that may at any time be appropriated from the state treasury.

(7) Any part of the state highway fund unexpended at the expiration of any fiscal year, which shall remain in the fund and be available for the succeeding years.

(8) Any money credited to the state highway fund from the motor vehicle highway account under IC 8-14-1-3(4).

(9) Any money credited to the state highway fund from the highway road and street fund under IC 8-14-2-3.

(10) Any money credited to the state highway fund under IC 6-6-1.1-801.5, IC 6-6-4.1-5, or IC 8-16-1-17.1.

(11) Any money distributed to the state highway fund under IC 8-14-14, IC 8-15.5, or IC 8-15.7.

(b) All expenses incurred in carrying out this chapter shall be paid out of the state highway fund.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1008 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 14, nays 10.

ESPICH, Chair

On the motion of Representative Whetstone the previous question was called. Upon request of Representatives Bauer and Crawford, the Speaker ordered the roll of the House to be called. Representative Reske was excused from voting, pursuant to House Rule 46. Roll Call 47: yeas 50, nays 46. Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1355, 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 6, nays 5.

BEHNING, Chair

Upon request of Representatives Stilwell and Bauer, the Speaker ordered the roll of the House to be called. Roll Call 48: yeas 49, nays 47. Report adopted.

OTHER BUSINESS ON THE SPEAKER'S TABLE

Referrals to Ways and Means

The Speaker announced, pursuant to House Rule 127, that House Bills 1037, 1192, and 1381 had been referred to the Committee on Ways and Means.

Reassignments

The Speaker announced the reassignment of House Joint Resolution 3 from the Committee on Judiciary to the Committee on Ways and Means.

HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Thursday, January 26, 2006 at 1:30 p.m.

DUNCAN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Cherry and McClain be added as coauthors of House Bill 1029.

BUELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Reske be added as coauthor of House Bill 1089.

J. LUTZ

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Bischoff, Ulmer, and Goodin be added as coauthors of House Bill 1138.

BELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Turner and Bischoff be added as coauthors of House Bill 1172.

T. HARRIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Messer be added as coauthor of House Bill 1240.

BEHNING

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Porter, T. Harris, and Behning be added as coauthors of House Bill 1257.

BELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Goodin be added as coauthor of House Bill 1258.

YOUNT

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as coauthor of House Bill 1281.

MURPHY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Heim and Porter be added as coauthors of House Bill 1338.

T. HARRIS

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Heim and Porter be added as coauthors of House Bill 1347.

MESSER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Reske be added as coauthor of House Bill 1358.

BEHNING

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Welch be added as coauthor of House Bill 1368.

NEESE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Wolkins be added as coauthor of House Bill 1378.

LEHE

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Day be removed as author of House Joint Resolution 3, Representative Messer be substituted as author, and Representative Day be added as coauthor.

DAY

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Klinker, the House adjourned at 11:59 p.m., this twenty-fifth day of January, 2006, until Thursday, January 26, 2006, at 1:30 p.m.

BRIAN C. BOSMA
Speaker of the House of Representatives

M. CAROLINE SPOTTS
Principal Clerk of the House of Representatives