

Adopted	Rejected
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COMMITTEE REPORT

YES:	13
NO:	0

MR. SPEAKER:

*Your Committee on Local Government, to which was referred House Bill 1902, 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:*

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 6-1.1-4-32 IS ADDED TO THE INDIANA CODE
- 3 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2002]: **Sec. 32. (a) As used in this section, "qualifying**
- 5 **county" means a county having a population of more than four**
- 6 **hundred thousand (400,000) but less than seven hundred thousand**
- 7 **(700,000).**
- 8 **(b) Notwithstanding IC 6-1.1-4-15 and IC 6-1.1-4-17, a township**
- 9 **assessor in a qualifying county may not appraise property, or have**
- 10 **property appraised, for a general reassessment. Completion of a**
- 11 **general reassessment in a qualifying county is instead governed by**
- 12 **this section.**
- 13 **(c) The state board of tax commissioners shall select and**

1 **contract with a nationally recognized appraisal firm to appraise**
 2 **property for each general reassessment in a qualifying county. The**
 3 **contract must include:**

4 **(1) a fixed date by which the appraisal firm must complete all**
 5 **responsibilities under the contract;**

6 **(2) a provision requiring the appraisal firm to use the land**
 7 **values determined for the qualifying county under**
 8 **IC 6-1.1-4-13.6;**

9 **(3) a penalty clause under which the amount to be paid for**
 10 **appraisal services is decreased for failure to complete**
 11 **specified services within the specified time;**

12 **(4) a provision requiring the appraisal firm to make periodic**
 13 **reports to the state board of tax commissioners;**

14 **(5) a provision stipulating the manner in which, and the time**
 15 **intervals at which, the periodic reports referred to in**
 16 **subdivision (4) are to be made;**

17 **(6) a precise stipulation of what service or services are to be**
 18 **provided;**

19 **(7) a provision requiring the appraisal firm to deliver a report**
 20 **of the assessed value of each parcel in a township in the**
 21 **qualifying county to the state board of tax commissioners; and**

22 **(8) any other provisions required by the state board of tax**
 23 **commissioners.**

24 **(d) After receiving the report of assessed values from the**
 25 **appraisal firm, the state board of tax commissioners shall give**
 26 **notice to the taxpayer and the county assessor, by mail, of the**
 27 **amount of the reassessment. The notice of reassessment is subject**
 28 **to appeal by the taxpayer under IC 6-1.1-15.**

29 **(e) The state board of tax commissioners shall mail the notice**
 30 **required by subsection (d) within ninety (90) days after the board**
 31 **receives the report for a parcel from the professional appraisal**
 32 **firm.**

33 **(f) The cost of a contract under this section shall be paid from**
 34 **the property reassessment fund of the qualifying county**
 35 **established under IC 6-1.1-4-27.**

36 SECTION 2. IC 6-1.1-6.8 IS ADDED TO THE INDIANA CODE
 37 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 38 JANUARY 1, 2001 (RETROACTIVE)]:

1 **Chapter 6.8. Residential Assessments, Deductions, and**
 2 **Exemptions in Qualifying Counties**

3 **Sec. 1. As used in this chapter, "agreed to procedures report"**
 4 **means a report based on procedures agreed to by an independent**
 5 **nationally recognized certified public accounting firm and the state**
 6 **board of tax commissioners on the accuracy of the implementation:**

7 **(1) of minimum assessed values under sections 7 and 8 of this**
 8 **chapter in a qualifying county by:**

9 **(A) the township assessors of the townships in the**
 10 **qualifying county; and**

11 **(B) the county property tax assessment board of appeals of**
 12 **the qualifying county;**

13 **(2) by the county auditor of the qualifying county of**
 14 **maximum combined deductions under section 10 of this**
 15 **chapter;**

16 **(3) of the limitation on net assessed value under section 11 of**
 17 **this chapter by:**

18 **(A) the township assessors of the townships in the**
 19 **qualifying county;**

20 **(B) the county auditor of the qualifying county; and**

21 **(C) the county property tax assessment board of appeals of**
 22 **the qualifying county;**

23 **(4) by the county auditor of the qualifying county of the**
 24 **limitations under IC 6-1.1-12 on the application against the**
 25 **assessed values of multiple parcels of deductions under a**
 26 **section in an amount that exceeds the maximum deduction**
 27 **amount stated in the section; and**

28 **(5) by the county property tax assessment board of appeals of**
 29 **the qualifying county of the exemption limitation under**
 30 **IC 6-1.1-10-16(d)(3).**

31 **Sec. 2. As used in this chapter, "legislative body" has the**
 32 **meaning set forth in IC 36-1-2-9.**

33 **Sec. 3. As used in this chapter, "net assessed value" means the**
 34 **remainder of:**

35 **(1) the combined assessed value of a single family residence**
 36 **and the single family residence land upon which the residence**
 37 **is located; minus**

38 **(2) the combined deductions under IC 6-1.1-12 applicable to**

1 **the combined assessed value of the single family residence and**
2 **the single family residence land upon which the residence is**
3 **located.**

4 **Sec. 4. As used in this chapter, "qualifying county" means a**
5 **county having a population of more than four hundred thousand**
6 **(400,000) but less than seven hundred thousand (700,000).**

7 **Sec. 5. As used in this chapter, "single family residence" means**
8 **a building designed to house one (1) family.**

9 **Sec. 6. As used in this chapter, "single family residence land"**
10 **means the parcel of land on which a single family residence:**

11 **(1) is located; or**

12 **(2) has been located within the ten (10) years immediately**
13 **preceding the assessment date for which a minimum assessed**
14 **value is determined under this chapter.**

15 **Sec. 7. The minimum assessed value of a single family residence**
16 **located in a qualifying county is forty-two thousand dollars**
17 **(\$42,000).**

18 **Sec. 8. The minimum assessed value of single family residence**
19 **land located in a qualifying county is three thousand dollars**
20 **(\$3,000).**

21 **Sec. 9. A minimum assessed value under this chapter is**
22 **presumed to be accurate unless the inaccuracy of the minimum**
23 **assessment is established by clear and convincing evidence.**

24 **Sec. 10. The maximum combined deductions under IC 6-1.1-12**
25 **applicable to the combined assessed value of a single family**
26 **residence and the single family residence land upon which the**
27 **residence is located in a qualifying county is twelve thousand**
28 **dollars (\$12,000).**

29 **Sec. 11. The application of deductions under IC 6-1.1-12 may**
30 **not reduce the net assessed value of a single family residence and**
31 **the single family residence land upon which the residence is located**
32 **in a qualifying county to an amount less than thirty-three thousand**
33 **dollars (\$33,000).**

34 **Sec. 12. With respect to each year in which a general**
35 **reassessment of real property is completed as required under**
36 **section 4 of this chapter, the state board of tax commissioners shall**
37 **contract for an independent nationally recognized certified public**
38 **accounting firm to:**

- 1 **(1) conduct a review of the accuracy of the implementations**
 2 **referred to in section 1(1) through 1(5) of this chapter; and**
 3 **(2) prepare an agreed to procedures report.**

4 **Sec. 13. The state board of tax commissioners shall contract**
 5 **under section 12 of this chapter with the same firm that contracts**
 6 **with the board under IC 6-1.1-4-32(d).**

7 **Sec. 14. The firm that prepares the agreed to procedures report**
 8 **shall submit the report to:**

- 9 **(1) the legislative body of the qualifying county;**
 10 **(2) the prosecuting attorney of the qualifying county;**
 11 **(3) the state board of tax commissioners; and**
 12 **(4) the attorney general.**

13 **Sec. 15. If the state board of tax commissioners determines from**
 14 **the agreed to procedures report that the minimum assessed values**
 15 **established in this chapter were not accurately applied in the**
 16 **qualifying county, or in any part of the qualifying county, the state**
 17 **board shall implement the minimum assessed values using its**
 18 **authority to reassess property under IC 6-1.1-14-10.**

19 **Sec. 16. If the state board of tax commissioners determines from**
 20 **the agreed to procedures report that the implementations referred**
 21 **to in section 1(2) through 1(5) of this chapter were not accurate in**
 22 **the qualifying county, or in any part of the qualifying county, the**
 23 **state board shall correct the implementations. The state board of**
 24 **tax commissioners may correct the implementations subject to the**
 25 **same authority and limitations that apply to the reassessment of**
 26 **property by the state board under IC 6-1.1-14-10.**

27 **SECTION 3. IC 6-1.1-12-1 IS AMENDED TO READ AS**
 28 **FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) Each year a**
 29 **person who is a resident of this state may receive a deduction from the**
 30 **assessed value of:**

- 31 **(1) mortgaged real property that he owns; or**
 32 **(2) real property that he is buying under a contract, with the**
 33 **contract or a memorandum of the contract recorded in the county**
 34 **recorder's office, which provides that he is to pay the property**
 35 **taxes on the real property.**

36 **(b) The total amount of the deduction which the person may receive**
 37 **under this section for a particular year is:**

- 38 **(1) the balance of the mortgage or contract indebtedness on the**

- 1 assessment date of that year;
- 2 (2) one-half (1/2) of the assessed value of the real property; or
- 3 (3) three thousand dollars (\$3,000);
- 4 whichever is least.
- 5 (c) A person who has sold real property to another person under a
- 6 contract which provides that the contract buyer is to pay the property
- 7 taxes on the real property may not claim the deduction provided under
- 8 this section with respect to that real property.
- 9 **(d) The amount of a deduction to which a person is entitled**
- 10 **under this section is subject to the limitation established by**
- 11 **IC 6-1.1-6.8-10.**
- 12 SECTION 4. IC 6-1.1-12-9 IS AMENDED TO READ AS
- 13 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9.(a) An individual may
- 14 obtain a deduction from the assessed value of the individual's real
- 15 property, or mobile home which is not assessed as real property, if:
- 16 (1) the individual is at least sixty-five (65) years of age on or
- 17 before December 31 of the calendar year preceding the year in
- 18 which the deduction is claimed;
- 19 (2) the combined adjusted gross income (as defined in Section 62
- 20 of the Internal Revenue Code) of:
- 21 (A) the individual and the individual's spouse; or
- 22 (B) the individual and all other individuals with whom:
- 23 (i) the individual shares ownership; or
- 24 (ii) the individual is purchasing the property under a
- 25 contract;
- 26 as joint tenants or tenants in common;
- 27 for the calendar year preceding the year in which the deduction is
- 28 claimed did not exceed twenty thousand dollars (\$25,000);
- 29 (3) the individual has owned the real property or mobile home for
- 30 at least one (1) year before claiming the deduction; or the
- 31 individual has been buying the real property under a contract that
- 32 provides that the individual is to pay the property taxes on the real
- 33 property or mobile home for at least one (1) year before claiming
- 34 the deduction, and the contract or a memorandum of the contract
- 35 is recorded in the county recorder's office;
- 36 (4) the individual and any individuals covered by subdivision
- 37 (2)(B) reside on the real property or in the mobile home;
- 38 (5) the assessed value of the real property or mobile home does

- 1 not exceed sixty-three thousand dollars (\$69,000); and
2 (6) the individual receives no other property tax deduction for the
3 year in which the deduction is claimed, except the deductions
4 provided by sections 1, 37, and 38 of this chapter.
- 5 (b) Except as provided in subsection (h), in the case of real property,
6 an individual's deduction under this section equals the lesser of:
7 (1) one-half (1/2) of the assessed value of the real property; or
8 (2) six thousand dollars (\$6,000).
- 9 (c) Except as provided in subsection (h), in the case of a mobile
10 home which is not assessed as real property, an individual's deduction
11 under this section equals the lesser of:
12 (1) one-half (1/2) of the assessed value of the mobile home; or
13 (2) six thousand dollars (\$6,000).
- 14 (d) An individual may not be denied the deduction provided under
15 this section because the individual is absent from the real property or
16 a mobile home while in a nursing home or hospital.
- 17 (e) For purposes of this section, if real property or a mobile home is
18 owned by:
19 (1) tenants by the entirety;
20 (2) joint tenants; or
21 (3) tenants in common;
22 only one (1) deduction may be allowed. However, the age requirement
23 is satisfied if any one (1) of the tenants is at least sixty-five (65) years
24 of age.
- 25 (f) A surviving spouse is entitled to the deduction provided by this
26 section if:
27 (1) the surviving spouse is at least sixty (60) years of age on or
28 before December 31 of the calendar year preceding the year in
29 which the deduction is claimed;
30 (2) the surviving spouse's deceased husband or wife was at least
31 sixty-five (65) years of age at the time of a death;
32 (3) the surviving spouse has not remarried; and
33 (4) the surviving spouse satisfies the requirements prescribed in
34 subsection (a)(2) through (a)(6).
- 35 (g) An individual who has sold real property to another person
36 under a contract that provides that the contract buyer is to pay the
37 property taxes on the real property may not claim the deduction
38 provided under this section against that real property.

1 (h) In the case of tenants covered by subsection (a)(2)(B), if all of
 2 the tenants are not at least sixty-five (65) years of age, the deduction
 3 allowed under this section shall be reduced by an amount equal to the
 4 deduction multiplied by a fraction. The numerator of the fraction is the
 5 number of tenants who are not at least sixty-five (65) years of age, and
 6 the denominator is the total number of tenants.

7 **(i) The amount of a deduction to which an individual is entitled**
 8 **under this section is subject to the limitation established by**
 9 **IC 6-1.1-6.8-10.**

10 SECTION 5. IC 6-1.1-12-11 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 11. (a) An individual
 12 may have the sum of six thousand dollars (\$6,000) deducted from the
 13 assessed value of real property that the individual owns, or that the
 14 individual is buying under a contract that provides that the individual
 15 is to pay property taxes on the real property, if the contract or a
 16 memorandum of the contract is recorded in the county recorder's office,
 17 and if:

- 18 (1) the individual is blind or the individual is a disabled person;
- 19 (2) the real property is principally used and occupied by the
 20 individual as the individual's residence; and
- 21 (3) the individual's taxable gross income for the calendar year
 22 preceding the year in which the deduction is claimed did not
 23 exceed seventeen thousand dollars (\$17,000).

24 (b) For purposes of this section, taxable gross income does not
 25 include income which is not taxed under the federal income tax laws.

26 (c) For purposes of this section, "blind" has the same meaning as the
 27 definition contained in IC 12-7-2-21(1).

28 (d) For purposes of this section, "disabled person" means a person
 29 unable to engage in any substantial gainful activity by reason of a
 30 medically determinable physical or mental impairment which:

- 31 (1) can be expected to result in death; or
- 32 (2) has lasted or can be expected to last for a continuous period of
 33 not less than twelve (12) months.

34 (e) Disabled persons filing claims under this section shall submit
 35 proof of disability in such form and manner as the department shall by
 36 rule prescribe. Proof that a claimant is eligible to receive disability
 37 benefits under the federal Social Security Act (42 U.S.C. 301 et seq.)
 38 shall constitute proof of disability for purposes of this section.

1 (f) A disabled person not covered under the federal Social Security
 2 Act shall be examined by a physician and the individual's status as a
 3 disabled person determined by using the same standards as used by the
 4 Social Security Administration. The costs of this examination shall be
 5 borne by the claimant.

6 (g) An individual who has sold real property to another person
 7 under a contract that provides that the contract buyer is to pay the
 8 property taxes on the real property may not claim the deduction
 9 provided under this section against that real property.

10 **(h) The amount of a deduction to which an individual is entitled**
 11 **under this section is subject to the limitation established by**
 12 **IC 6-1.1-6.8-10.**

13 SECTION 6. IC 6-1.1-12-13, AS AMENDED BY P.L.123-1999,
 14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2001]: Sec. 13. (a) An individual may have twelve thousand
 16 dollars (\$12,000) deducted from the assessed value of the taxable
 17 tangible property that the individual owns, or real property that the
 18 individual is buying under a contract that provides that the individual
 19 is to pay property taxes on the real property, if the contract or a
 20 memorandum of the contract is recorded in the county recorder's office
 21 and if:

- 22 (1) the individual served in the military or naval forces of the
 23 United States during any of its wars;
 24 (2) the individual received an honorable discharge;
 25 (3) the individual is disabled with a service connected disability
 26 of ten percent (10%) or more; and
 27 (4) the individual's disability is evidenced by:
 28 (A) a pension certificate, an award of compensation, or a
 29 disability compensation check issued by the United States
 30 Department of Veterans Affairs; or
 31 (B) a certificate of eligibility issued to the individual by the
 32 Indiana department of veterans' affairs after the Indiana
 33 department of veterans' affairs has determined that the
 34 individual's disability qualifies the individual to receive a
 35 deduction under this section.

36 (b) The surviving spouse of an individual may receive the deduction
 37 provided by this section if the individual would qualify for the
 38 deduction if the individual were alive.

1 (c) One who receives the deduction provided by this section may not
 2 receive the deduction provided by section 16 of this chapter. However,
 3 the individual may receive any other property tax deduction which the
 4 individual is entitled to by law.

5 (d) An individual who has sold real property to another person
 6 under a contract that provides that the contract buyer is to pay the
 7 property taxes on the real property may not claim the deduction
 8 provided under this section against that real property.

9 **(e) The amount of a deduction to which an individual is entitled**
 10 **under this section is subject to the limitation established by**
 11 **IC 6-1.1-6.8-10.**

12 SECTION 7. IC 6-1.1-12-14, AS AMENDED BY P.L.123-1999,
 13 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2001]: Sec. 14. (a) Except as provided in subsection (c), an
 15 individual may have the sum of six thousand dollars (\$6,000) deducted
 16 from the assessed value of the tangible property that the individual
 17 owns (or the real property that the individual is buying under a contract
 18 that provides that the individual is to pay property taxes on the real
 19 property if the contract or a memorandum of the contract is recorded
 20 in the county recorder's office) if:

- 21 (1) the individual served in the military or naval forces of the
 22 United States for at least ninety (90) days;
 23 (2) the individual received an honorable discharge;
 24 (3) the individual either:
 25 (A) is totally disabled; or
 26 (B) is at least sixty-two (62) years old and has a disability of at
 27 least ten percent (10%); and
 28 (4) the individual's disability is evidenced by:
 29 (A) a pension certificate or an award of compensation issued
 30 by the United States Department of Veterans Affairs; or
 31 (B) a certificate of eligibility issued to the individual by the
 32 Indiana department of veterans' affairs after the Indiana
 33 department of veterans' affairs has determined that the
 34 individual's disability qualifies the individual to receive a
 35 deduction under this section.

36 (b) Except as provided in subsection (c), the surviving spouse of an
 37 individual may receive the deduction provided by this section if the
 38 individual would qualify for the deduction if the individual were alive.

1 (c) No one is entitled to the deduction provided by this section if the
2 assessed value of the individual's tangible property, as shown by the tax
3 duplicate, exceeds fifty-four thousand dollars (\$54,000).

4 (d) An individual who has sold real property to another person
5 under a contract that provides that the contract buyer is to pay the
6 property taxes on the real property may not claim the deduction
7 provided under this section against that real property.

8 (e) **The amount of a deduction to which an individual is entitled**
9 **under this section is subject to the limitation established by**
10 **IC 6-1.1-6.8-10.**

11 SECTION 8. IC 6-1.1-12-16 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 16. (a) A surviving
13 spouse may have the sum of nine thousand dollars (\$9,000) deducted
14 from the assessed value of his or her tangible property, or real property
15 that the surviving spouse is buying under a contract that provides that
16 he is to pay property taxes on the real property, if the contract or a
17 memorandum of the contract is recorded in the county recorder's office,
18 and if:

- 19 (1) the deceased spouse served in the military or naval forces of
20 the United States before November 12, 1918; and
- 21 (2) the deceased spouse received an honorable discharge.

22 (b) A surviving spouse who receives the deduction provided by this
23 section may not receive the deduction provided by section 13 of this
24 chapter. However, he or she may receive any other deduction which he
25 or she is entitled to by law.

26 (c) An individual who has sold real property to another person under
27 a contract that provides that the contract buyer is to pay the property
28 taxes on the real property may not claim the deduction provided under
29 this section against that real property.

30 (d) **The amount of a deduction to which a surviving spouse is**
31 **entitled under this section is subject to the limitation established by**
32 **IC 6-1.1-6.8-10.**

33 SECTION 9. IC 6-1.1-12-17.4 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 17.4. (a) A World War
35 I veteran who is a resident of Indiana is entitled to have the sum of nine
36 thousand dollars (\$9,000) deducted from the assessed valuation of the
37 real property the veteran owns or is buying under a contract that
38 requires the veteran to pay property taxes on the real property if the

1 contract or a memorandum of the contract is recorded in the county
2 recorder's office, including a mobile home which is assessed as real
3 property, if:

- 4 (1) the real property is the veteran's principal residence;
- 5 (2) the assessed valuation of the real property does not exceed
6 seventy-eight thousand dollars (\$78,000); and
- 7 (3) the veteran owns the real property for at least one (1) year
8 before claiming the deduction.

9 (b) An individual may not be denied the deduction provided by this
10 section because the individual is absent from the individual's principal
11 residence while in a nursing home or hospital.

12 (c) For purposes of this section, if real property is owned by a
13 husband and wife as tenants by the entirety, only one (1) deduction may
14 be allowed under this section. However, the deduction provided in this
15 section applies if either spouse satisfies the requirements prescribed in
16 subsection (a).

17 (d) An individual who has sold real property to another person
18 under a contract that provides that the contract buyer is to pay the
19 property taxes on the real property may not claim the deduction
20 provided under this section with respect to that real property.

21 **(e) The amount of a deduction to which an individual is entitled**
22 **under this section is subject to the limitation established by**
23 **IC 6-1.1-6.8-10.**

24 SECTION 10. IC 6-1.1-12-18 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 18. (a) If the assessed
26 value of residential real property described in subsection (d) of this
27 section is increased because it has been rehabilitated, the owner may
28 have deducted from the assessed value of the property an amount not
29 to exceed the lesser of:

- 30 (1) the total increase in assessed value resulting from the
31 rehabilitation; or
- 32 (2) nine thousand dollars (\$9,000) per rehabilitated dwelling unit.

33 The owner is entitled to this deduction annually for a five (5) year
34 period.

35 (b) For purposes of this section, the term "rehabilitation" means
36 repairs, replacements, or improvements which are intended to increase
37 the livability, utility, safety, or value of the property and which do not
38 increase the total amount of floor space devoted to residential purposes

1 unless the increase in floor space is required in order to make the
2 building comply with a local housing code or zoning ordinance.

3 (c) For the purposes of this section, the term "owner" or "property
4 owner" includes any person who has the legal obligation, or has
5 otherwise assumed the obligation, to pay the real property taxes on the
6 rehabilitated property.

7 (d) The deduction provided by this section applies only for the
8 rehabilitation of residential real property which is located within this
9 state and which is described in one (1) of the following classifications:

10 (1) a single family dwelling if before rehabilitation the assessed
11 value (excluding any exemptions or deductions) of the
12 improvements does not exceed eighteen thousand dollars
13 (\$18,000);

14 (2) a two (2) family dwelling if before rehabilitation the assessed
15 value (excluding exemptions or deductions) of the improvements
16 does not exceed twenty-four thousand dollars (\$24,000) and

17 (3) a dwelling with more than two (2) family units if before
18 rehabilitation the assessed value (excluding any exemptions or
19 deductions) of the improvements does not exceed nine thousand
20 dollars (\$9,000) per dwelling unit.

21 **(e) The amount of a deduction to which an owner is entitled**
22 **under this section is subject to the limitation established by**
23 **IC 6-1.1-6.8-10.**

24 SECTION 11. IC 6-1.1-12-22 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 22. (a) If the assessed
26 value of property is increased because it has been rehabilitated and the
27 owner has paid at least ten thousand dollars (\$10,000) for the
28 rehabilitation, the owner is entitled to have deducted from the assessed
29 value of the property an amount equal to fifty percent (50%) of the
30 increase in assessed value resulting from the rehabilitation. The owner
31 is entitled to this deduction annually for a five (5) year period.
32 However, the maximum deduction which a property owner may receive
33 under this section for a particular year is:

34 (1) sixty thousand dollars (\$60,000) for a single family dwelling
35 unit; or

36 (2) three hundred thousand dollars (\$300,000) for any other type
37 of property.

38 (b) For purposes of this section, the term "property" means a

1 building or structure which was erected at least ten (10) years before
2 the date of application for the deduction provided by this section. The
3 term "property" does not include land.

4 (c) For purposes of this section the term "rehabilitation" means the
5 remodeling, repair, or betterment of property in any manner or any
6 enlargement or extension of property. However, the enlargement or
7 extension of the enclosed floor area of property shall, for computation
8 of the deduction, be limited within a five (5) year period to a total
9 additional enclosed floor area equal to the size of the enclosed floor
10 area of the property on the date of completion of the first extension or
11 enlargement completed after March 1, 1973.

12 **(d) The amount of a deduction to which an owner is entitled**
13 **under this section is subject to the limitation established by**
14 **IC 6-1.1-6.8-10.**

15 SECTION 12. IC 6-1.1-12-26 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 26. (a) The owner of
17 real property, or a mobile home which is not assessed as real property,
18 which is equipped with a solar energy heating or cooling system may
19 have deducted annually from the assessed value of the real property or
20 mobile home an amount which is equal to the remainder of (1) the
21 assessed value of the real property or mobile home with the solar
22 energy heating or cooling system included, minus (2) the assessed
23 value of the real property or mobile home without the system.

24 (b) The state board of tax commissioners shall promulgate rules and
25 regulations for determining the value of a solar energy heating or
26 cooling system. The rules and regulations must provide the method of
27 determining the value on the basis of:

- 28 (1) the cost of the system components that are unique to the
29 system and that are needed to collect, store, or distribute solar
30 energy; and
- 31 (2) any other factor that is a just and proper indicator of value.

32 **(c) The amount of a deduction to which an owner is entitled**
33 **under this section is subject to the limitation established by**
34 **IC 6-1.1-6.8-10.**

35 SECTION 13. IC 6-1.1-12-29 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 29. (a) For purposes of
37 this section, "wind power device" means a device, such as a windmill
38 or a wind turbine, that is designed to utilize the kinetic energy of

1 moving air to provide mechanical energy or to produce electricity.

2 (b) The owner of real property, or a mobile home that is not assessed
3 as real property, that is equipped with a wind power device is entitled
4 to an annual property tax deduction. The amount of the deduction
5 equals the remainder of (1) the assessed value of the real property or
6 mobile home with the wind power device included, minus (2) the
7 assessed value of the real property or mobile home without the wind
8 power device.

9 **(c) The amount of a deduction to which an owner is entitled**
10 **under this section is subject to the limitation established by**
11 **IC 6-1.1-6.8-10.**

12 SECTION 14. IC 6-1.1-12-33 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 33. (a) For purposes of
14 this section "hydroelectric power device" means a device which is
15 installed after December 31, 1981, and is designed to utilize the kinetic
16 power of moving water to provide mechanical energy or to produce
17 electricity.

18 (b) The owner of real property, or a mobile home that is not assessed
19 as real property, that is equipped with a hydroelectric power device is
20 annually entitled to a property tax deduction. The amount of the
21 deduction equals the remainder of: (1) the assessed value of the real
22 property or mobile home with the hydroelectric power device; minus
23 (2) the assessed value of the real property or mobile home without the
24 hydroelectric power device.

25 **(c) The amount of a deduction to which an owner is entitled**
26 **under this section is subject to the limitation established by**
27 **IC 6-1.1-6.8-10.**

28 SECTION 15. IC 6-1.1-12-34 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 34. (a) For purposes of
30 this section, "geothermal energy heating or cooling device" means a
31 device that is installed after December 31, 1981, and is designed to
32 utilize the natural heat from the earth to provide hot water, produce
33 electricity, or generate heating or cooling.

34 (b) The owner of real property, or a mobile home that is not assessed
35 as real property, that is equipped with a geothermal energy heating or
36 cooling device is annually entitled to a property tax deduction. The
37 amount of the deduction equals the remainder of: (1) the assessed value
38 of the real property or mobile home with the geothermal heating or

1 cooling device; minus (2) the assessed value of the real property or
2 mobile home without the geothermal heating or cooling device.

3 **(c) The amount of a deduction to which an owner is entitled**
4 **under this section is subject to the limitation established by**
5 **IC 6-1.1-6.8-10.**

6 SECTION 16. IC 6-1.1-12-37 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 37. (a) Each year a
8 person who is entitled to receive the homestead credit provided under
9 IC 6-1.1-20.9 for property taxes payable in the following year is
10 entitled to a standard deduction from the assessed value of the real
11 property that qualifies for the homestead credit. The auditor of the
12 county shall record and make the deduction for the person qualifying
13 for the deduction.

14 (b) The total amount of the deduction that a person may receive
15 under this section for a particular year is the lesser of:

- 16 (1) one-half (1/2) of the assessed value of the real property; or
- 17 (2) six thousand dollars (\$6,000).

18 (c) A person who has sold real property to another person under a
19 contract that provides that the contract buyer is to pay the property
20 taxes on the real property may not claim the deduction provided under
21 this section with respect to that real property.

22 **(d) The amount of a deduction to which a person is entitled**
23 **under this section is subject to the limitation established by**
24 **IC 6-1.1-6.8-10.**

25 SECTION 17. IC 6-1.1-17-16 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 16. (a) Subject to the
27 limitations and requirements prescribed in this section, the state board
28 of tax commissioners may revise, reduce, or increase a political
29 subdivision's budget, tax rate, or tax levy which the board reviews
30 under section 8 or 10 of this chapter.

31 (b) Subject to the limitations and requirements prescribed in this
32 section, the state board of tax commissioners may review, revise,
33 reduce, or increase the budget, tax rate, or tax levy of any of the
34 political subdivisions whose tax rates compose the aggregate tax rate
35 within a political subdivision whose budget, tax rate, or tax levy is the
36 subject of an appeal initiated under this chapter.

37 (c) Except as provided in subsection (i), before the state board of tax
38 commissioners reviews, revises, reduces, or increases a political

1 subdivision's budget, tax rate, or tax levy under this section, the board
 2 must hold a public hearing on the budget, tax rate, and tax levy. The
 3 board shall hold the hearing in the county in which the political
 4 subdivision is located. The board may consider the budgets, tax rates,
 5 and tax levies of several political subdivisions at the same public
 6 hearing. At least five (5) days before the date fixed for a public hearing,
 7 the board shall give notice of the time and place of the hearing and of
 8 the budgets, levies, and tax rates to be considered at the hearing. The
 9 board shall publish the notice in two (2) newspapers of general
 10 circulation published in the county. However, if only one (1)
 11 newspaper of general circulation is published in the county, the board
 12 shall publish the notice in that newspaper.

13 (d) Except as provided in subsection (h), IC 6-1.1-19, or
 14 IC 6-1.1-18.5, the state board of tax commissioners may not increase
 15 a political subdivision's budget, tax rate, or tax levy to an amount which
 16 exceeds the amount originally fixed by the political subdivision. The
 17 state board of tax commissioners shall give the political subdivision
 18 written notification specifying any revision, reduction, or increase the
 19 state board of tax commissioners proposes in a political subdivision's
 20 tax levy or tax rate. The political subdivision has one (1) week from the
 21 date the political subdivision receives the notice to provide a written
 22 response to the state board of tax commissioners' Indianapolis office
 23 specifying how to make the required reductions in the amount budgeted
 24 for each office or department. The state board of tax commissioners
 25 shall make reductions as specified in the political subdivision's
 26 response if the response is provided as required by this subsection and
 27 sufficiently specifies all necessary reductions. The state board of tax
 28 commissioners may make a revision, a reduction, or an increase in a
 29 political subdivision's budget only in the total amounts budgeted for
 30 each office or department within each of the major budget
 31 classifications prescribed by the state board of accounts.

32 (e) The state board of tax commissioners may not approve a levy for
 33 lease payments by a city, town, county, library, or school corporation
 34 if the lease payments are payable to a building corporation for use by
 35 the building corporation for debt service on bonds and if:

- 36 (1) no bonds of the building corporation are outstanding; or
- 37 (2) the building corporation has enough legally available funds on
- 38 hand to redeem all outstanding bonds payable from the particular

- 1 lease rental levy requested.
- 2 (f) The action of the state board of tax commissioners on a budget,
3 tax rate, or tax levy is final. The board shall certify its action to:
- 4 (1) the county auditor; ~~and~~
- 5 (2) the political subdivision if the state board acts pursuant to an
6 appeal initiated by the political subdivision; **and**
- 7 **(3) for a municipality located in a qualifying county (as**
8 **defined in IC 6-1.1-6.8-2), the department of state revenue.**
- 9 (g) The state board of tax commissioners is expressly directed to
10 complete the duties assigned to it under this section not later than
11 February 15th of each year for taxes to be collected during that year.
- 12 (h) Subject to the provisions of all applicable statutes, the state
13 board of tax commissioners may increase a political subdivision's tax
14 levy to an amount that exceeds the amount originally fixed by the
15 political subdivision if the increase is:
- 16 (1) requested in writing by the officers of the political
17 subdivision;
- 18 (2) either:
- 19 (A) based on information first obtained by the political
20 subdivision after the public hearing under section 3 of this
21 chapter; or
- 22 (B) results from an inadvertent mathematical error made in
23 determining the levy; and
- 24 (3) published by the political subdivision according to a notice
25 provided by the state board of tax commissioners.
- 26 (i) The state board of tax commissioners shall annually review the
27 budget of each school corporation not later than April 1. The state
28 board of tax commissioners shall give the school corporation written
29 notification specifying any revision, reduction, or increase the state
30 board of tax commissioners proposes in the school corporation's

1 budget. A public hearing is not required in connection with this review
2 of the budget.

3 SECTION 18. **An emergency is declared for this act.**
(Reference is to HB 1902 as introduced.)

and when so amended that said bill do pass.

Representative Stevenson