

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE ENROLLED ACT No. 1206

AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 5-20-5-15.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JANUARY 1, 2002]: **Sec. 15.5. (a) The governing body of an eligible entity that receives a grant under this chapter shall, by resolution, establish an affordable housing fund to be administered, subject to the terms of the resolution, by a department, a division, or an agency designated by the governing body.**

(b) The affordable housing fund consists of:

- (1) payments in lieu of taxes deposited in the fund under IC 36-1-8-14.2;**
- (2) gifts and grants to the fund;**
- (3) investment income earned on the fund's assets; and**
- (4) other funds from sources approved by the commission.**

(c) The governing body shall, by resolution, establish uses for the affordable housing fund. However, the uses must be limited to:

- (1) providing financial assistance to those individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, to enable those individuals and families to purchase or lease residential units within the county;**
- (2) paying expenses of administering the fund;**
- (3) making grants, loans, and loan guarantees for the**

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development, rehabilitation, or financing of affordable housing for individuals and families whose income is at or below eighty percent (80%) of the county's median income for individuals and families, respectively, including the elderly, persons with disabilities, and homeless individuals and families; and

(4) providing technical assistance to nonprofit developers of affordable housing.

(d) The county treasurer shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

SECTION 2. IC 6-1.1-10-16.7, AS ADDED BY P.L.19-2000, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 16.7. Real property is exempt from property taxation if:

(+) the real property is located within a county containing a consolidated city;

(2) the real property is owned by an Indiana corporation;

(3) (1) the improvements on the real property were constructed, rehabilitated, or acquired for the purpose of providing housing to income eligible persons under the federal low income housing tax credit program under 26 U.S.C. 42;

(4) (2) the real property is subject to an extended use agreement under 26 U.S.C. 42 as administered by the Indiana housing finance authority; and

(5) (3) the owner of the property has entered into an agreement to make payments in lieu of taxes under **IC 36-1-8-14.2** or IC 36-3-2-11.

SECTION 3. IC 12-13-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. The following bureaus are established within the division:

(1) A bureau of family independence.

(2) A family protection bureau.

(3) A youth development bureau that includes a children's disabilities services unit.

(4) A bureau of child care services.

(5) A bureau of residential services.

(6) A bureau of ~~community services~~: **family resources**.

(7) A food stamp bureau.

(8) A child support bureau.

SECTION 4. IC 12-14-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. The bureau of

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community services family resources is established within the division of **family and children**.

SECTION 5. IC 12-14-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. The bureau of **community services family resources** shall perform the following duties:

- (1) Provide a range of services and activities having a measurable and potentially major impact on causes of poverty.
- (2) Provide activities designed to assist low income participants, including the elderly poor, to do the following:
 - (A) Secure and retain meaningful employment.
 - (B) Attain an adequate education.
 - (C) Make better use of available income.
 - (D) Obtain and maintain adequate housing and a suitable living environment.
 - (E) Obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, energy assistance, nutritious food, housing, and employment related assistance.
 - (F) Remove obstacles and solve problems that block the achievement of self-sufficiency.
 - (G) Achieve greater participation in the affairs of the community.
 - (H) Make more effective use of other programs related to the purposes of this chapter.
- (3) Provide on an emergency basis for the provision of supplies, nutritious foodstuffs, and related services that are necessary to counteract conditions of starvation and malnutrition among the poor.
- (4) Coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of services to low income individuals.
- (5) Encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.
- (6) Coordinate the provision of available services for migrant farmworkers.
- (7) Administer the home energy assistance program established by IC 12-14-11.
- (8) Administer the low income home weatherization programs conducted by the division.

SECTION 6. IC 12-14-12-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9. The commission



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shall do the following:

- (1) Serve as an advisory body to the director and the bureau of ~~community services~~ **family resources** regarding federal housing programs administered by the division.
- (2) Recommend the policies and procedures necessary to carry out this chapter.

SECTION 7. IC 12-14-23-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. As used in this chapter, "community action agency" means an entity that meets the following conditions:

- (1) Is any of the following:
 - (A) ~~A political subdivision of the state.~~ **private nonprofit organization that is geographically located within a community.**
 - (B) ~~A combination of political subdivisions.~~ **private nonprofit organization that is located in a county or counties contiguous to or within reasonable proximity of a community.**
 - (C) ~~An agency of a political subdivision.~~ **A political subdivision, if there is no qualified nonprofit organization identified that meets the criteria set forth in clause A or B.**
 - (~~D~~) ~~A private nonprofit agency.~~
- (2) Has the authority under state or federal law to receive money to support the community action programs described in sections 3 and 4 of this chapter.
- (3) Is designated as a community action agency by the governor or by federal law.

SECTION 8. IC 36-1-8-14.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 14.2. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Property taxation.
- (6) Real property.
- (7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7.



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(d) Subject to the approval of a property owner, the governing body of a political subdivision may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7, if the improvements that qualify the real property for an exemption were begun or acquired after December 31, 2001. The ordinance remains in full force and effect until repealed or modified by the governing body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount equal to the amount of property taxes that would have been levied by the governing body for the political subdivision upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection (d). The township assessors shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be deposited in the affordable housing fund established under IC 5-20-5-15.5 and used for any purpose for which the affordable housing fund may be used.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

(i) This section does not apply to a county that contains a consolidated city or to a political subdivision of the county.

SECTION 9. IC 36-3-2-11, AS ADDED BY P.L.19-2000, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 11. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1-1:

- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Property taxation.
- (6) Real property.
- (7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

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(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7 **that is located in a county:**

- (1) with a consolidated city; or**
- (2) having a population of more than thirty-eight thousand five hundred (38,500) but less than thirty-nine thousand (39,000).**

(d) Subject to the approval of a property owner, the legislative body of the consolidated city may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7. The ordinance remains in full force and effect until repealed or modified by the legislative body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount equal to the amount of property taxes that would have been levied by the legislative body for the consolidated city and county upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection (d). The township assessors shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be deposited in the housing trust fund established under IC 36-7-15.1-35.5 and used for any purpose for which the housing trust fund may be used.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

SECTION 10. [EFFECTIVE JANUARY 1, 2002] IC 6-1.1-10-16.7, as amended by this act, applies to property taxes first due and payable after December 31, 2001.

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Approved: _____

Governor of the State of Indiana

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