
SENATE BILL No. 466

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4; IC 4-13.5-4-6; IC 5-1; IC 5-1.4-9-9; IC 5-1.5-9-9; IC 5-2-2-14; IC 5-20-2-14; IC 5-21-2-15; IC 6-4.1; IC 6-8-5-1; IC 8-1-2.2-21; IC 8-10-1-27; IC 8-14.5-6-12; IC 8-21-9-31; IC 8-22; IC 14-13; IC 14-14-1-46; IC 15-1.5-9-9; IC 16-22; IC 20-12-63-27; IC 20-14-10-14; IC 21-5-11-14; IC 21-9-7-3; IC 27-1; IC 28-5-2-2; IC 29-1; IC 29-3-3-3; IC 30-2-5-9; IC 30-4-1-2; IC 33-19-5-6; IC 34-24; IC 36-7; IC 36-9; IC 36-10.

Synopsis: Elimination of inheritance tax. Provides that the state inheritance tax does not apply to property interest transfers from the estate of a person who dies after June 30, 2004. Amends the Indiana estate tax formula with respect to the estate of a person who dies after June 30, 2004. Makes conforming amendments.

Effective: July 1, 2004.

Ford

January 13, 2004, read first time and referred to Committee on Finance.

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Second Regular Session 113th General Assembly (2004)

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 2003 Regular Session of the General Assembly.

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SENATE BILL No. 466



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

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

1 SECTION 1. IC 4-4-11-36.1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 36.1. (a) Except as
3 provided in subsections (b) through (c), all property, both tangible and
4 intangible, acquired or held by the authority under this chapter,
5 IC 4-4-21, or IC 15-7-5 is declared to be public property used for
6 public and governmental purposes, and all such property and income
7 therefrom shall at all times be exempt from all taxes imposed by this
8 state, any county, any city, or any other political subdivision of this
9 state, except for the financial institutions tax imposed under IC 6-5.5
10 or a ~~state inheritance death~~ tax imposed under IC 6-4.1.
11 (b) Property owned by the authority and leased to a person for an
12 industrial development project is not public property. The property and
13 the industrial development project are subject to all taxes of the state
14 or any county, city, or other political subdivision of the state in the
15 same manner and subject to the same exemptions as are applicable to
16 all persons.
17 (c) Any industrial development project financed by a loan under the



1 authority of this chapter shall not be considered public property and
2 shall not be exempt from any taxes of this state, or any county, city, or
3 other political subdivision thereof, except for pollution control
4 equipment.

5 (d) An agricultural enterprise or rural development project financed
6 by a loan under the authority of this chapter or IC 15-7-5 shall not be
7 considered public property and shall not be exempt from Indiana taxes
8 or any county, city, or other political subdivision of the state.

9 (e) This section does not provide a tax exemption for a financial
10 institution that receives a guaranteed participating loan or an exporter
11 that receives an eligible export loan or performance bond guarantee
12 under this chapter or IC 4-4-21.

13 SECTION 2. IC 4-4-11.2-29 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 29. All property of the
15 authority is public property devoted to an essential public and
16 governmental function and purpose and is exempt from all taxes and
17 special assessments, direct or indirect, of the state or a political
18 subdivision of the state. All bonds issued under this chapter are issued
19 by a body corporate and public of the state, but not a state agency, and
20 for an essential public and governmental purpose, and the bonds, the
21 interest thereon, the proceeds received by a holder from the sale of the
22 bonds to the extent of the holder's cost of acquisition, proceeds
23 received upon redemption prior to maturity, and proceeds received at
24 maturity and the receipt of the interest and proceeds shall be exempt
25 from taxation in the state for all purposes except a ~~state inheritance~~
26 **death** tax imposed under IC 6-4.1.

27 SECTION 3. IC 4-13.5-4-6 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. (a) All property of
29 the commission is public property devoted to an essential public and
30 governmental function and purpose and is exempt from all taxes and
31 special assessments of the state or a political subdivision of the state.

32 (b) All bonds or loan contracts issued under this article are issued
33 by a body corporate and politic of this state, but not a state agency, and
34 for an essential public and governmental purpose, and the bonds and
35 loan contracts, the interest thereon, the proceeds received by a holder
36 from the sale of the bonds or loan contracts to the extent of the holder's
37 cost of acquisition, proceeds received upon redemption before
38 maturity, proceeds received at maturity, and the receipt of the interest
39 and proceeds are exempt from taxation for all purposes except the
40 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
41 **death** tax imposed under IC 6-4.1.

42 SECTION 4. IC 5-1-4-26 IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2004]: Sec. 26. The exercise of the powers
 2 granted by this chapter will be in all respects for the benefit of the
 3 people of the state, for the increase of their commerce and prosperity,
 4 and for the improvement of their health and living conditions, and as
 5 the operation and maintenance of a project by an authority or its agent
 6 will constitute the performance of essential governmental functions,
 7 such authority shall not be required to pay any taxes or assessments
 8 upon or in respect of a project or any property acquired or used by such
 9 authority under the provisions of this chapter, or upon the income
 10 therefrom, and the bonds issued under the provisions of this chapter,
 11 the interest thereon, the proceeds received by a holder from the sale of
 12 such bonds to the extent of the holder's cost of acquisition, or proceeds
 13 received upon redemption prior to maturity or proceeds received at
 14 maturity, and the receipt of such interest and proceeds shall be exempt
 15 from taxation in the state of Indiana for all purposes except the
 16 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 17 **death** tax imposed under IC 6-4.1.

18 SECTION 5. IC 5-1-6-10 IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2004]: Sec. 10. The refunding bonds and the
 20 income therefrom shall be exempt from taxation, except the financial
 21 institutions tax and ~~inheritance, estate and transfer taxes~~ **a death tax**
 22 **imposed under IC 6-4.1.**

23 SECTION 6. IC 5-1.4-9-9 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. All property of the
 25 bank is public property devoted to an essential public and
 26 governmental function and purpose and is exempt from all taxes and
 27 special assessments of the state or a political subdivision of the state.
 28 All bonds or notes issued under this article are issued by a body
 29 corporate and public of this state, but not a state, city, or county agency,
 30 and for an essential public and governmental purpose. The bonds and
 31 notes, the interest thereon, the proceeds received by a holder from the
 32 sale of the bonds or notes to the extent of the holder's cost of
 33 acquisition, proceeds received upon redemption before maturity,
 34 proceeds received at maturity, and the receipt of the interest and
 35 proceeds shall be exempt from taxation in the state for all purposes
 36 except the financial institutions tax imposed under IC 6-5.5 or a ~~state~~
 37 ~~inheritance~~ **death** tax imposed under IC 6-4.1.

38 SECTION 7. IC 5-1.5-9-9 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. All property of the
 40 bank is public property devoted to an essential public and
 41 governmental function and purpose and is exempt from all taxes and
 42 special assessments, direct or indirect, of the state or a political

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1 subdivision of the state. All bonds or notes issued under this article are
 2 issued by a body corporate and public of this state, but not a state
 3 agency, and for an essential public and governmental purpose and the
 4 bonds and notes, the interest thereon, the proceeds received by a holder
 5 from the sale of the bonds or notes to the extent of the holder's cost of
 6 acquisition, proceeds received upon redemption prior to maturity, ~~and~~
 7 proceeds received at maturity, and the receipt of the interest and
 8 proceeds shall be exempt from taxation in the state for all purposes
 9 except the financial institutions tax imposed under IC 6-5.5 or a ~~state~~
 10 ~~inheritance~~ **death** tax imposed under IC 6-4.1.

11 SECTION 8. IC 5-2-2-14 IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2004]: Sec. 14. (a) For the purpose of providing
 13 funds to carry out the provisions of this chapter with respect to the
 14 construction and equipment of a building or buildings for use as a law
 15 enforcement academy and acquiring or providing a site therefor, the
 16 commission is authorized pursuant to resolution or resolutions to issue
 17 and sell interest bearing law enforcement academy revenue debentures
 18 in any amount not to exceed three million two hundred thousand
 19 dollars (\$3,200,000) and bearing such date or dates, and maturing at
 20 such time or times not exceeding forty (40) years from their respective
 21 dates, bearing interest at such rate or rates payable semiannually, in
 22 such form, carrying such registration privileges payable at such place
 23 or places, and may be made subject to redemption prior to maturity in
 24 such manner, at such time, and upon such terms with or without
 25 premium, all as may be provided by the pertinent resolution and
 26 expressed on the face of the respective debentures. Such debentures
 27 shall be signed by the chairman of the commission, attested by the
 28 secretary, and with the seal of said commission affixed, provided, that
 29 the signature of the chairman may be a facsimile thereof imprinted
 30 thereon. Interest on said debentures when issued shall be evidenced by
 31 attached interest coupons bearing the facsimile of the signatures of said
 32 chairman and secretary. Such debentures and the interest coupons
 33 thereto attached when issued shall have all the qualities of negotiable
 34 instruments under the law merchant and shall be incontestable in the
 35 hands of a bona fide purchaser or holder thereof for value, and such
 36 debentures and interest thereon shall be exempt from all taxation
 37 except the financial institutions tax and ~~estate, inheritance, or gift taxes~~
 38 ~~now or hereafter a death tax imposed by law. under IC 6-4.1.~~ Such
 39 debentures shall be sold at public sale in accordance with the
 40 provisions of IC 4-1-5. In determining the amount of such debentures
 41 to be issued and sold there may be included the cost of construction,
 42 the cost of all land and clearings thereof and improvements thereto,

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1 including walks, drives, and other appurtenances, material and labor
 2 which are deemed necessary, cost of equipment, financing charges,
 3 interest accruing on the debentures prior to and during the construction
 4 period, and all other expenses, including legal fees, engineers' and
 5 architects' fees, and all other expenses necessary or incident to the
 6 construction and equipment of the building or buildings and the
 7 acquisition and providing a site therefor. The proceeds of such
 8 debentures are hereby appropriated for the purpose for which the
 9 debentures may be issued under this chapter and such proceeds shall
 10 be deposited and disbursed in accordance with such provisions and
 11 restrictions as the commission may provide in the resolution
 12 authorizing the issuance thereof. Any debentures issued under the
 13 provisions of this chapter may be thereafter refinanced through the
 14 issuance of refunding debentures subject to such restrictions or
 15 conditions as may be provided in the resolution authorizing the
 16 issuance of such debentures in the first instance and in the issuance of
 17 such refunding debentures, the maturities and other details thereof, the
 18 rights of the holders thereof, and the rights, duties, and obligations of
 19 the commission in all respects thereto shall be governed by the
 20 provisions of this chapter insofar as the same may be applicable.

21 (b) The debentures issued under the provisions of this chapter shall
 22 constitute only the corporate obligations of said commission payable
 23 solely and only from and secured exclusively by pledge of the income
 24 and revenue of such building or buildings remaining after payment or
 25 provisions for payment of the expenses of operation, maintenance, and
 26 repair of said building or buildings to the extent such expenses of
 27 operation, maintenance, and repair are not otherwise provided, and it
 28 shall be plainly stated on the face of each such debenture that same
 29 does not constitute an indebtedness of the state of Indiana within the
 30 meaning or application of any constitutional provision or limitation but
 31 that it is payable solely and only as to both principal and interest from
 32 the net revenues of such building or buildings. The provisions of this
 33 chapter and the covenants and undertakings of the commission as
 34 expressed in any proceedings preliminary to or in connection with the
 35 issuance of the debentures may be enforced by any debenture holder by
 36 suit for injunction or mandamus against the commission or any officer,
 37 agent, or employee thereof, but in no event can any suit for monetary
 38 judgement be brought against the state of Indiana for any violations
 39 under the provisions of this chapter.

40 SECTION 9. IC 5-20-2-14 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. All bonds and
 42 interim receipts or certificates, proceeds received by a holder from the

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1 sale of them to the extent of the holder's cost of acquisition, proceeds
 2 received upon redemption prior to maturity, proceeds received at
 3 maturity, and interest thereon, are exempt from taxation in the state of
 4 Indiana for all purposes except the financial institutions tax imposed
 5 under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

6 SECTION 10. IC 5-21-2-15 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 15. (a) All property of
 8 the commission is public property devoted to an essential public and
 9 governmental function and purpose and is exempt from all taxes and
 10 special assessments of the state or a political subdivision of the state.

11 (b) All bonds or loan contracts issued under this article are issued
 12 by a body corporate and politic of this state, but not a state agency, and
 13 for an essential public and governmental purpose. The bonds and loan
 14 contracts, the interest on them, the proceeds received by a holder from
 15 the sale of the bonds or loan contracts to the extent of the holder's cost
 16 of acquisition, proceeds received upon redemption before maturity,
 17 proceeds received at maturity, and the receipt of the interest and
 18 proceeds are exempt from taxation for all purposes except the financial
 19 institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax
 20 imposed under IC 6-4.1.

21 SECTION 11. IC 6-4.1-1-3 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) **This section**
 23 **expires July 1, 2006.**

24 (b) "Class A transferee" means a transferee who is a lineal ancestor
 25 or lineal descendant of the transferor.

26 ~~(b)~~ (c) "Class B transferee" means a transferee who is a:

- 27 (1) brother or sister of the transferor;
- 28 (2) descendant of a brother or sister of the transferor; or
- 29 (3) spouse, widow, or widower of a child of the transferor.

30 ~~(c)~~ (d) "Class C transferee" means a transferee, except a surviving
 31 spouse, who is neither a Class A nor a Class B transferee.

32 ~~(d)~~ (e) For purposes of this section, a legally adopted child is to be
 33 treated as if ~~he~~ **the child** were the natural child of ~~his~~ **the child's**
 34 adopting parent. For purposes of this section, if a relationship of loco
 35 parentis has existed for at least ten (10) years and if the relationship
 36 began before the child's fifteenth birthday, the child is to be considered
 37 the natural child of the loco parentis parent.

38 SECTION 12. IC 6-4.1-1-14 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. (a) **This section**
 40 **expires July 1, 2006.**

41 (b) "Taxable transfer" means a property interest transfer ~~which that~~
 42 is:

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1 (1) described in clauses ~~(1)~~ and (2) of IC ~~6-4.1-2-1~~
 2 IC 6-4.1-2-1(a)(1) or IC 6-4.1-2-1(a)(2); and which is
 3 (2) not exempt from the inheritance tax under sections ~~1 through~~
 4 ~~7 of IC 6-4.1-3~~; IC 6-4.1-3-1 through IC 6-4.1-3-7.

5 SECTION 13. IC 6-4.1-2-0.5 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. (a) This chapter does not**
 8 **apply to a property interest transferred from the estate of a person**
 9 **whose death occurs after June 30, 2004.**

10 **(b) This chapter expires July 1, 2006.**

11 SECTION 14. IC 6-4.1-2-1 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) An inheritance
 13 tax is imposed at the time of a ~~decedent's~~ **person's** death on certain
 14 property interest transfers made by ~~him~~; **the person**. The transfer of a
 15 property interest is subject to the tax if:

- 16 (1) the property transferred is described in:
 17 (i) **(A)** section 2 of this chapter if the property is transferred by
 18 a resident decedent; or
 19 (ii) **(B)** section 3 of this chapter if the property is transferred
 20 by a nonresident decedent;
 21 (2) the transfer is described in section 4 of this chapter; and
 22 (3) neither the transfer nor the property is exempt from the
 23 inheritance tax under IC 6-4.1-3.

24 (b) For purposes of this article, a transfer described in section 4 of
 25 this chapter is considered a transfer made by the deceased transferor
 26 regardless of when the transferee acquires the property interest.

27 SECTION 15. IC 6-4.1-3-0.5 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. (a) This chapter does not**
 30 **apply to a property interest transferred from the estate of a person**
 31 **whose death occurs after June 30, 2004.**

32 **(b) This chapter expires July 1, 2006.**

33 SECTION 16. IC 6-4.1-4-0.2 IS ADDED TO THE INDIANA
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2004]: **Sec. 0.2. This chapter does not apply**
 36 **to a property interest transferred from the estate of a person whose**
 37 **death occurs after June 30, 2004.**

38 SECTION 17. IC 6-4.1-5-0.5 IS ADDED TO THE INDIANA
 39 CODE AS A NEW SECTION TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply**
 41 **to a property interest transferred from the estate of a person whose**
 42 **death occurs after June 30, 2004.**

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1 SECTION 18. IC 6-4.1-6-0.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply**
4 **to a property interest transferred from the estate of a person whose**
5 **death occurs after June 30, 2004.**

6 SECTION 19. IC 6-4.1-7-0.5 IS ADDED TO THE INDIANA
7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply**
9 **to a property interest transferred from the estate of a person whose**
10 **death occurs after June 30, 2004.**

11 SECTION 20. IC 6-4.1-8-0.5 IS ADDED TO THE INDIANA
12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply**
14 **to a property interest transferred from the estate of a person whose**
15 **death occurs after June 30, 2004.**

16 SECTION 21. IC 6-4.1-9-0.5 IS ADDED TO THE INDIANA
17 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply**
19 **to a property interest transferred from the estate of a person whose**
20 **death occurs after June 30, 2004.**

21 SECTION 22. IC 6-4.1-11-2 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) **This section**
23 **applies to the estate of a person whose death occurs before July 1,**
24 **2004.**

25 (b) The Indiana estate tax is the amount determined in STEP FOUR
26 of the following formula:

27 STEP ONE: Divide:
28 (A) the value of the decedent's Indiana gross estate; by
29 (B) the value of the decedent's total gross estate for federal
30 estate tax purposes.

31 STEP TWO: Multiply:
32 (A) the quotient determined under STEP ONE; by
33 (B) the federal state death tax credit allowable against the
34 decedent's federal estate tax.

35 The product is the Indiana portion of the federal state death tax
36 credit.

37 STEP THREE: Subtract:
38 (A) the amount of all Indiana inheritance taxes actually paid
39 as a result of the decedent's death; from
40 (B) the product determined under STEP TWO.

41 STEP FOUR: Determine the greater of the following:
42 (A) The remainder determined under STEP THREE.

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(B) Zero (0).

~~(b)~~ (c) For purposes of this section, the value of a nonresident decedent's Indiana gross estate equals the total fair market value on the appraisal date of tangible personal property and real estate which had an actual situs in Indiana at the time of the decedent's death and which is included in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.

~~(c)~~ (d) For purposes of this section, the value of a resident decedent's Indiana gross estate equals the total fair market value on the appraisal date of personal property and real estate that had an actual situs in Indiana at the time of the decedent's death and all intangible personal property wherever located that is included in the decedent's gross estate for federal estate tax purposes.

~~(d)~~ (e) For purposes of this section, the value of a resident or nonresident decedent's total gross estate for federal estate tax purposes equals the total fair market value on the appraisal date of the property included in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.

~~(e)~~ (f) For purposes of determining the value of a decedent's Indiana gross estate and the decedent's total gross estate, the appraisal date for each property interest is the date on which the property interest is valued for federal estate tax purposes.

~~(f)~~ (g) The estate tax does not apply to a property interest transfer made by a resident decedent if the interest transferred is in:

- (1) real property located outside Indiana, regardless of whether the property is held in a trust or whether the trustee is required to distribute the property in-kind; or
- (2) real property located in Indiana, if:
 - (A) the real property was transferred to an irrevocable trust during the decedent's lifetime;
 - (B) the transfer to the trust was not made in contemplation of the transferor's death, as determined under IC 6-4.1-2-4; and
 - (C) the decedent does not have a retained interest in the trust.

SECTION 23. IC 6-4.1-11-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2004]: **Sec. 2.5. (a) This section applies to the estate of a person whose death occurs after June 30, 2004.**

(b) The Indiana estate tax is the amount determined in STEP THREE of the following formula:

STEP ONE: Divide:

- (A) the value of the decedent's Indiana gross estate; by**
- (B) the value of the decedent's total gross estate for federal**

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estate tax purposes.

STEP TWO: Multiply:

- (A) the quotient determined under STEP ONE; by
- (B) the federal state death tax credit allowable against the decedent's federal estate tax.

The product is the Indiana portion of the federal state death tax credit.

STEP THREE: Determine the greater of the following:

- (A) The product determined under STEP TWO.
- (B) Zero (0).

(c) If the federal estate tax imposed under Section 2001 of the Internal Revenue Code is repealed before the date of the individual's death, the amount of the Indiana estate tax is zero dollars (\$0).

(d) For purposes of this section, the value of a nonresident decedent's Indiana gross estate equals the total fair market value on the appraisal date of tangible personal property and real estate that had an actual situs in Indiana at the time of the individual's death and that is included in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.

(e) For purposes of this section, the value of a resident decedent's Indiana gross estate equals the total fair market value on the appraisal date of personal property and real estate that had an actual situs in Indiana at the time of the individual's death and all intangible personal property wherever located that is included in the decedent's gross estate for federal estate tax purposes.

(f) For purposes of this section, the value of a resident or nonresident decedent's total gross estate for federal estate tax purposes equals the total fair market value on the appraisal date of the property included in the decedent's gross estate for federal estate tax purposes under Sections 2031 through 2044 of the Internal Revenue Code.

(g) For purposes of determining the value of a decedent's Indiana gross estate and the decedent's total gross estate, the appraisal date for each property interest is the date on which the property interest is valued for federal estate tax purposes.

(h) The estate tax does not apply to a property interest transfer made by a resident decedent if the interest transferred is in:

- (1) real property located outside Indiana, regardless of whether the property is held in a trust or whether the trustee is required to distribute the property in-kind; or

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- 1 **(2) real property located in Indiana, if:**
- 2 **(A) the real property was transferred to an irrevocable**
- 3 **trust during the decedent's lifetime;**
- 4 **(B) the transfer to the trust was not made in contemplation**
- 5 **of the transferor's death, as determined under subsection**
- 6 **(i); and**
- 7 **(C) the decedent does not have a retained interest in the**
- 8 **trust.**

9 **(i) A transfer is presumed to have been made in contemplation**
 10 **of the transferor's death if it is made within one (1) year before the**
 11 **transferor's death. However, the presumption is rebuttable.**

12 SECTION 24. IC 6-4.1-12-1 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. **(a) This section**
 14 **expires July 1, 2006.**

- 15 **(b) The probate court of the county:**
- 16 (1) in which a resident decedent was domiciled at the time of the
- 17 decedent's death; or
- 18 (2) in which the resident decedent's estate is being administered,
- 19 if different from the county described in subdivision (1);
- 20 has jurisdiction to determine the inheritance tax imposed as a result of
- 21 the resident decedent's death and to hear all matters related to the tax
- 22 determination. However, if two (2) or more courts in a county have
- 23 probate jurisdiction, the first court acquiring jurisdiction under this
- 24 article acquires exclusive jurisdiction over the inheritance tax
- 25 determination.

26 SECTION 25. IC 6-4.1-12-2 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. **(a) This section**
 28 **expires July 1, 2006.**

29 **(b) Each county assessor shall serve as the county inheritance tax**
 30 **appraiser for the county ~~he~~ the assessor serves. However, the**
 31 **appropriate probate court shall appoint a competent and qualified**
 32 **resident of the county to appraise property transferred by a resident**
 33 **decedent if the county assessor is:**

- 34 (1) beneficially interested as an heir of the decedent's estate;
- 35 (2) the personal representative of the decedent's estate; or
- 36 (3) related to the decedent or a beneficiary of the decedent's estate
- 37 within the third degree of consanguinity or affinity.

38 A person who is appointed to act as the county inheritance tax
 39 appraiser under this section shall receive a fee for ~~his~~ **the person's**
 40 services. The court, subject to the approval of the department of state
 41 revenue, shall set the fee.

42 SECTION 26. IC 6-4.1-12-4 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. **(a) This section**
2 **expires July 1, 2006.**

3 **(b)** The county assessor shall receive funds from the county to pay
4 the actual cost of equipment which ~~he~~ **the assessor** needs to perform
5 the duties assigned ~~to him~~ under this article.

6 SECTION 27. IC 6-4.1-12-6 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. The department of
8 state revenue:

- 9 (1) shall supervise the enforcement of this article;
- 10 (2) shall supervise the collection of taxes imposed under this
11 article;
- 12 (3) shall investigate the manner in which this article is
13 administered and enforced in the various counties of this state;
- 14 (4) shall provide the forms and books required to implement this
15 article;
- 16 (5) shall promulgate any rules or regulations which are necessary
17 for the interpretation or the enforcement of this article;
- 18 (6) may investigate any facts or circumstances which are relevant
19 to the taxes imposed under this article;
- 20 (7) shall provide the inheritance tax administrator with a secretary
21 **(until the elimination of the office of inheritance tax**
22 **administrator);** and
- 23 (8) may provide the inheritance tax administrator with assistants,
24 clerks, or stenographers **(until the elimination of the office of**
25 **inheritance tax administrator).**

26 SECTION 28. IC 6-4.1-12-8 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. **(a) This section**
28 **expires July 1, 2006.**

29 **(b)** The governor shall, with the advice of the department of state
30 revenue, appoint a state inheritance tax administrator. The inheritance
31 tax administrator shall receive a salary to be fixed in the manner
32 prescribed in IC 4-12-1-13. In addition, ~~he~~ **the administrator** shall
33 receive the same mileage and travel allowances which other state
34 employees receive.

35 SECTION 29. IC 6-4.1-12-9 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. **(a) This section**
37 **expires July 1, 2006.**

- 38 **(b)** The inheritance tax administrator:
- 39 (1) shall supervise the administration of this article;
- 40 (2) shall, on behalf of the department of state revenue, perform
41 the administrative duties assigned to the department under this
42 article;

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1 (3) shall file reports with the department of state revenue on the
 2 first day of January, April, July, and October of each year;
 3 (4) may, with the approval of the governor, employ special
 4 auditors or appraisers to appraise any property interest which is
 5 transferred by a decedent under a taxable transfer; and
 6 (5) may, with the approval of the governor, employ special
 7 counsel to advise the administrator or to represent the
 8 administrator or the department of state revenue in any
 9 proceeding initiated by or against the administrator or the
 10 department.

11 SECTION 30. IC 6-4.1-12-10 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. **(a) This section**
 13 **expires July 1, 2006.**

14 **(b)** A special auditor, appraiser, or counsel appointed by the
 15 inheritance tax administrator under section 9 of this chapter shall
 16 receive compensation for his services in an amount fixed by the
 17 administrator and the governor. When a claim for the compensation is
 18 approved by the administrator and the governor, the state auditor shall
 19 issue a warrant to the claimant in the amount so approved. The state
 20 auditor shall draw the warrant on taxes collected under this article. The
 21 state treasurer shall pay the warrant.

22 SECTION 31. IC 6-4.1-12-11 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. The department of
 24 state revenue and the inheritance tax administrator **(until the**
 25 **elimination of the office of inheritance tax administrator)** shall
 26 gather information and make investigations concerning the estates of
 27 nonresidents whose deaths result in the imposition of a tax under this
 28 article.

29 SECTION 32. IC 6-8-5-1 IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) All bonds issued after March
 31 11, 1959, or notes, warrants, or other evidences of indebtedness issued
 32 in the state of Indiana by or in the name of any county, township, city,
 33 incorporated town, school corporation, state educational institution or
 34 state supported institution of higher learning, or any other political,
 35 municipal, public or quasi-public corporation or body, or in the name
 36 of any special assessment or taxing district or in the name of any
 37 authorized body of any such corporation or district, the interest thereon,
 38 the proceeds received by a holder from the sale of such obligations to
 39 the extent of the holder's cost of acquisition, or proceeds received upon
 40 redemption prior to maturity, or proceeds received at maturity, and the
 41 receipt of such interest and proceeds, shall be exempt from taxation in
 42 the state of Indiana for all purposes except a ~~state inheritance~~ **death** tax

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imposed under IC 6-4.1.

(b) All bonds issued after March 11, 1933, and before March 12, 1959, by any municipality in this state under the provisions of any statute whereby the terms thereof provide for the payment of such bonds out of the funds derived from the revenues of any municipally owned utility or which are to be paid by pledging the physical property of any such municipally owned utility, or any bonds issued pledging both the physical property and the revenues of such utility, or any bonds issued for additions to or improvements to be made to such municipally owned utility, or any bonds issued by any municipality to be paid out of taxes levied by such municipality for the acquiring, purchase, construction, or the reconstruction of a utility, or any part thereof, shall be exempt from taxation for all purposes except a **death state inheritance** tax imposed under IC 6-4.1.

(c) This section does not apply to measuring the franchise tax imposed on the privilege of transacting the business of a financial institution in Indiana under IC 6-5.5.

(d) No other statute exempting interest paid on debt obligations of:

(1) a state or local public entity, including an agency, a government corporation, or an authority; or

(2) a corporation or other entity leasing real or personal property to an entity described in subdivision (1);

applies to measuring of the franchise tax imposed on financial institutions under IC 6-5.5.

SECTION 33. IC 8-1-2.2-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 21. Tax Exempt Status. Bonds, their transfer and the income therefrom (including any profit made on the sale thereof), shall at all times be free from taxation by the state or any political subdivision or any agency of either thereof, excepting ~~inheritance or gift taxes~~ a **death tax imposed under IC 6-4.1.**

SECTION 34. IC 8-10-1-27, AS AMENDED BY P.L.271-2003, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 27. (a) The exercise of the powers granted by this article will be in all respects for the benefit of the people of the state, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions.

(b) As the operation and maintenance of a port or project by the commission will constitute the performance of essential governmental functions, the commission shall not be required to pay any taxes or assessments upon any port or project or any property acquired or used by the commission under the provisions of this article or upon the

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1 income therefrom. The bonds issued by the commission, the interest
2 thereon, the proceeds received by a holder from the sale of such bonds
3 to the extent of the holder's cost of acquisition, or proceeds received
4 upon redemption prior to maturity or proceeds received at maturity, and
5 the receipt of such interest and proceeds shall be exempt from taxation
6 in the state of Indiana for all purposes except the financial institutions
7 tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed
8 under IC 6-4.1.

9 (c) Notwithstanding any other statute, a lessee's leasehold estate in
10 land that is part of a port and that is owned by the state or the
11 commission is exempt from property taxation. However, an exemption
12 under this subsection is not available for land not located at a port.

13 SECTION 35. IC 8-14.5-6-12 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 12. All bonds or notes
15 issued under this article are issued by a body corporate and politic of
16 this state, but not a state agency, and for an essential public and
17 governmental purpose. The bonds and notes, the interest on the bonds
18 and notes, the proceeds received by an owner from the sale of the
19 bonds or notes to the extent of the owner's cost of acquisition, proceeds
20 received upon redemption for maturity, proceeds received at maturity,
21 and the receipt of the interest and proceeds are exempt from taxation
22 for all purposes except the financial institutions tax imposed under
23 IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

24 SECTION 36. IC 8-21-9-31, AS AMENDED BY P.L.192-2002(ss),
25 SECTION 145, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2004]: Sec. 31. (a) The exercise of the powers
27 granted by this chapter will be in all respects for the benefit of the
28 people of the state, for the increase of their commerce and prosperity,
29 and for the improvement of their health and living conditions, and as
30 the operation and maintenance of an airport facility or airport facilities
31 by the department will constitute the performance of essential
32 governmental functions, the department shall not be required to pay
33 any taxes or assessments upon any airport facility or airport facilities
34 or any property acquired or used by the department under the
35 provisions of this chapter, or upon the income therefrom, and the bonds
36 issued under the provisions of this chapter, the interest thereon, the
37 proceeds received by a holder from the sale of such bonds to the extent
38 of the holder's cost of acquisition, or proceeds received upon
39 redemption prior to maturity or proceeds received at maturity, and the
40 receipt of such interest and proceeds shall be exempt from taxation in
41 the state of Indiana for all purposes except the financial institutions tax
42 imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under

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1 IC 6-4.1.

2 (b) All properties both real and personal owned and operated by the
3 department or leased by the department for proprietary purposes shall
4 be assessed and added to the local tax rolls as any other private
5 property. Such proprietary operations, under control of either the
6 authority or a lessee of the department, shall be subject to Indiana
7 adjusted gross income and sales tax laws.

8 SECTION 37. IC 8-22-3-17 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 17. (a) For the purpose
10 of raising money to pay all bonds issued under section 16 of this
11 chapter and any interest on them, the principal of and interest on any
12 outstanding bonds or obligations payable from taxes and assumed
13 under section 33 of this chapter, and leases entered into under
14 IC 8-22-3.6 that are payable in whole or in part from a property tax
15 levy, the board shall levy each year a special tax upon all of the
16 property, both real and personal, located within the district in a manner
17 and in an amount to meet and pay the principal of the bonds as they
18 severally mature, together with all interest accruing on them, and to pay
19 lease rentals as they become due, after taking into account all other
20 revenues pledged to the payment of the bonds or lease rentals.

21 (b) The board shall file the tax levied each year with the county
22 auditor of the county in which the district is located under IC 6-1.1-17.

23 (c) The tax levied shall be collected and enforced by the treasurer
24 of the county under IC 6-1.1, and as the tax is collected by the treasurer
25 of the county it shall be paid over to the treasurer of the authority. The
26 treasurer shall accumulate and keep the tax in a separate fund to be
27 known as the "airport authority bond fund", which shall be applied to
28 the payment of the bonds and the interest on them as they severally
29 mature and to the payment of lease rentals and to no other purposes.

30 (d) The bonds issued under this chapter and the interest on them are
31 exempt from taxation for all purposes except the financial institutions
32 tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed
33 under IC 6-4.1.

34 SECTION 38. IC 8-22-3-18.1 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 18.1. (a) The board
36 may:

- 37 (1) finance capital improvements, including the acquisition of real
38 estate;
- 39 (2) refund any bonds; or
- 40 (3) pay any loan contract;

41 by borrowing money and issuing revenue bonds from time to time
42 under this section.

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1 (b) The issuance of revenue bonds must be authorized by ordinance
 2 of the board in at least one (1) series, may bear a date or dates, may
 3 mature at a time or times not exceeding forty (40) years from their
 4 respective dates, may bear interest, may be in a denomination or
 5 denominations, may be in a form, either coupon or registered, may
 6 carry registration and conversion privileges, may be executed in a
 7 manner, may be payable in a medium of payment and at a place or
 8 places, may be subject to terms of redemption, with or without a
 9 premium, may be declared or become due before the maturity date,
 10 may provide for the replacement of mutilated, destroyed, stolen, or lost
 11 bonds, may be authenticated in a manner and upon compliance with
 12 conditions, and may contain other terms and covenants that the
 13 ordinance of the board provides. Notwithstanding the form or tenor of
 14 the bonds, and in the absence of express recitals on their faces that the
 15 bonds are nonnegotiable, the bonds are negotiable instruments.

- 16 (c) The issuance of revenue bonds must be approved as follows:
 17 (1) When the authority is established by an eligible entity, by the
 18 entity's executive.
 19 (2) When the authority is established by at least two (2) eligible
 20 entities acting jointly, by the executive of each of those entities.
 21 (3) When the authority was established under IC 19-6-2 (before
 22 its repeal on April 1, 1980), by the executive of the consolidated
 23 city.
 24 (4) When the authority was established under IC 19-6-3 (before
 25 its repeal on April 1, 1980), by the county fiscal body.

26 For purposes of this subsection, the entire legislative body of a town is
 27 considered the executive of the town.

28 (d) The bonds must be executed in the name of the authority by the
 29 president of the board and attested by the secretary, and interest
 30 coupons may be executed by placing on the interest coupons the
 31 facsimile signature of the president of the board. The bonds are valid
 32 and binding obligations of the authority for all purposes,
 33 notwithstanding that before delivery of the bonds any of the persons
 34 whose signatures appear on the bonds have ceased to be officers of the
 35 entity or authority, as if the persons had continued to be officers of the
 36 entity and authority until after delivery. The validity of the
 37 authorization and issuance of the bonds is not dependent on or affected
 38 in any way by proceedings taken for the improvement for which the
 39 bonds are to be issued, or by contracts made in connection with the
 40 improvement. An ordinance authorizing revenue bonds must provide
 41 that a revenue bond contain a recital that the bond is issued under this
 42 chapter, and a bond containing the recital under authority of an

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1 ordinance is considered valid and issued in conformity with this
2 chapter.

3 (e) At the discretion of the board, the revenue bonds shall be sold
4 either under the procedures for selling public bonds or at a negotiated
5 sale. The bonds may be sold in installments at different times, or an
6 entire issue or series may be sold or exchanged at one (1) time. Any
7 issue or series of the bond may be sold in part or sold in part in
8 installments at different times or at one (1) time.

9 (f) The bonds are special obligations of the authority and are
10 payable solely from and secured by a lien upon the revenues of all or
11 part of the facilities of the authority, as shall be more fully described in
12 the ordinance of the board authorizing the issuance of the bonds, and,
13 subject to the Constitution and to the prior or superior rights of any
14 person, the board may by ordinance pledge and assign for the security
15 of the bonds all or part of the gross or net revenues of the enterprise.

16 (g) All bonds of the same issue shall be equally and ratably secured,
17 without priority by reason of number, date of bonds, of sale, of
18 execution, or of delivery, by a lien upon the revenues in accordance
19 with this section and the ordinance authorizing the issuance of the
20 bonds.

21 (h) This chapter does not alter the rights granted to or the
22 agreements made with the holders of any notes, bonds, or other
23 obligations of the board outstanding on April 1, 1980.

24 (i) The bonds, and interest on the bonds, are not a debt of the
25 authority or the board, nor a charge, a lien, or an encumbrance, legal or
26 equitable, upon property of the board, or upon income, receipts, or
27 revenues of the board other than those revenues of the facilities that
28 have been pledged to the payment of the bonds. Every bond must recite
29 in substance that the bond, including interest, is payable solely from the
30 revenues pledged to the bond's payment, and that the board is under no
31 obligation to pay the bond, except from those revenues.

32 (j) The bonds and the income from the bonds are exempt from
33 taxation, except the financial institutions tax imposed under IC 6-5.5
34 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

35 (k) In order that the payment of the revenue bonds and the interest
36 on the bonds be adequately secured, the board and its officers, agents,
37 and employees shall:

- 38 (1) pay or cause to be paid punctually the principal of every bond,
- 39 and the interest on every bond, on the date or dates and at the
- 40 place or places and in the manner and out of the funds mentioned
- 41 in the bonds and in the attached coupons, in accordance with the
- 42 ordinance authorizing their issuance;

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1 (2) operate the facilities of the authority, the revenues of which
 2 are pledged to the bonds, in an efficient and economical manner
 3 and establish, levy, maintain, and collect fees, tolls, rentals, rates,
 4 and other charges that may be necessary or proper, which must be
 5 at least sufficient after making due and reasonable allowance for
 6 contingencies and for a margin of error in the estimates:
 7 (A) to pay all current expenses of operation, maintenance, and
 8 repair of the facilities;
 9 (B) to pay the interest on and principal of the bonds as the
 10 bonds become due and payable;
 11 (C) to comply in all respects with the terms of the ordinance
 12 authorizing the issuance of bonds or any other contract or
 13 agreement with the holders of the bonds; and
 14 (D) to meet any other obligations of the board that are charges,
 15 liens, or encumbrances upon the revenues of the facilities;
 16 (3) operate and maintain the facilities and every part of the
 17 facilities in good working order and condition;
 18 (4) preserve the security of the bonds and the rights of the holders,
 19 and warrant and defend the rights against all claims and demands
 20 of all persons;
 21 (5) pay the lawful claims for labor, materials, and supplies, which,
 22 if unpaid, might by law become a lien or charge upon the
 23 revenues or part of the revenues, superior to the lien of the bonds,
 24 or that might impair the security of the bonds, to the end that the
 25 priority and security of the bonds be fully preserved;
 26 (6) hold in trust the revenues pledged to the payment of the bonds
 27 for the benefit of the holders of the bonds and apply the revenues
 28 only as provided by the ordinance authorizing the issuance of the
 29 bonds or, if the ordinance is modified, as provided in the
 30 ordinance as modified; and
 31 (7) keep proper books of record and accounts of the facilities
 32 (separate from all other records and accounts) in which complete
 33 and correct entries are made of all transactions relating to the
 34 facilities or part of the facilities, the revenues of which are
 35 pledged and that, together with all other books and papers of the
 36 board, are at all times subject to the inspection of the holder or
 37 holders of not less than ten percent (10%) of the bonds then
 38 outstanding or the holder's or the holders' representative duly
 39 authorized in writing.
 40 None of the duties in this subsection require the expenditure in any
 41 manner or for any purpose by the board of any funds other than
 42 revenues received or receivable from the enterprise or facilities.

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- 1 (l) The board may insert provisions in an ordinance or a resolution
- 2 authorizing the issuance of revenue bonds, which becomes a part of the
- 3 contract with the holders of the revenue bonds, as to:
- 4 (1) limitations on the purpose to which the proceeds of sale of any
- 5 issue of revenue bonds, or any notes, bonds, or other obligations
- 6 payable from the revenues to finance the improving of the
- 7 facilities may be applied;
- 8 (2) limitations on the issuance of additional bonds, or additional
- 9 notes, bonds, or other obligations to finance the improving of the
- 10 facilities, including liens;
- 11 (3) limitations on the right of the board to restrict and regulate the
- 12 use of the facilities;
- 13 (4) the amount and kind of insurance to be maintained on the
- 14 facilities and the use and disposition of insurance money;
- 15 (5) pledging all or part of the revenues of the facilities to which
- 16 the board's right exists;
- 17 (6) covenanting against pledging all or part of the revenues of the
- 18 facilities to which its right exists;
- 19 (7) events of default and terms and conditions upon which the
- 20 bonds become or may be declared due before maturity and as to
- 21 the terms and conditions upon which declaration and its
- 22 consequences may be waived;
- 23 (8) the rights, liabilities, powers, and duties arising upon the
- 24 breach by it of any covenants, conditions, or obligations;
- 25 (9) the vesting in a trust or trustees the right to enforce covenants
- 26 made to secure, to pay, or in relation to the bonds, as to the
- 27 powers and duties of the trustee or trustees, and the limitation of
- 28 liabilities, and as to the terms and conditions upon which the
- 29 holders of the bonds or any proportion or percentage of the
- 30 holders of the bonds may enforce any covenants made or duties
- 31 imposed under this chapter;
- 32 (10) a procedure by which the terms of an ordinance authorizing
- 33 revenue bonds, or any other contract with bondholders, such as an
- 34 indenture of trust or similar instrument, may be amended or
- 35 abrogated and as to the amount of bonds, the holders of which
- 36 must consent to them and the manner in which such consent may
- 37 be given;
- 38 (11) the execution of all instruments necessary or convenient in
- 39 the exercise of the powers granted by this chapter or in the
- 40 performance of the duties of the board and the officers, agents,
- 41 and employees of them;
- 42 (12) refraining from pledging, claiming, or taking the benefit or

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1 advantage of any stay or extension law whenever enacted, which
 2 may affect the duties or covenants of the board in relation to the
 3 bonds, or the performance or the lien of the bonds;
 4 (13) the purchase out of funds available, including the proceeds
 5 of revenue bonds, of outstanding notes, bonds, or obligations and
 6 the price or prices at which and the manner in which purchases
 7 may be made; and
 8 (14) other acts and things that may be necessary, convenient, or
 9 desirable in order to secure the bonds, or that may tend to make
 10 the bonds more marketable.

11 This section does not authorize the board to make covenants, to
 12 perform an act, or to do anything that requires the expenditure by the
 13 board of funds other than revenues received or receivable from the
 14 facilities.

15 (m) In the event that the board defaults in the payment of the
 16 principal or interest on any of the revenue bonds after the bonds
 17 become due, whether at maturity or upon call for redemption, and the
 18 default continues for a period of thirty (30) days, or in the event that the
 19 board or the board's officers, agents, or employees fail or refuse to
 20 comply with this chapter or default in an agreement made with the
 21 holders of the bonds, any holder or holders of revenue bonds, or a
 22 trustee for the holder or holders of the bonds, has the right to apply in
 23 an appropriate judicial proceeding to the circuit or superior court of the
 24 county in which the district is situated, in which the facilities are
 25 located, or in any court of competent jurisdiction, for the appointment
 26 of a receiver of the facilities, whether or not the holder, holders, or
 27 trustee is seeking or has sought to enforce any other right or to exercise
 28 any remedy in connection with the bonds. Upon application, the circuit
 29 or superior court may appoint, and if the application is made by the
 30 holders of twenty-five percent (25%) in principal amount of the bonds
 31 then outstanding or by a trustee for holders of the bonds in that amount
 32 shall appoint, a receiver for the enterprise.

33 (n) The receiver appointed shall, directly or by the receiver's agents
 34 and attorneys, enter into and upon and take possession of the facilities,
 35 the revenues of which are pledged, and every part of the facilities, and
 36 may exclude the board, the board's officers, agents, and employees, and
 37 all persons claiming under them. The receiver may have, hold, use,
 38 operate, manage, and control the facilities in the name of the board or
 39 otherwise, as the receiver considers best, and may exercise all rights
 40 and powers of the board with respect to the facilities as the board itself
 41 might do. The receiver shall maintain, restore, and insure the facilities,
 42 shall make all necessary repairs, shall establish, levy, maintain, and

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1 collect fees, tolls, rentals, and other charges in connection with the
2 facilities that the receiver considers necessary or proper and
3 reasonable, and shall collect and receive all revenues, deposit the
4 revenues in a separate account, and apply the revenues in the manner
5 that the court directs.

6 (o) Whenever all that is due upon the revenue bonds and interest on
7 the bonds, and upon other notes, bonds, or other obligations, and
8 interest on the notes, bonds, or obligations, having a charge, lien, or
9 encumbrance on the revenues of the facilities and under the terms of
10 covenants or agreements with bondholders has been paid or deposited,
11 and all defaults have been cured and made good, the court may in its
12 discretion, and after notice and hearing that the court considers
13 reasonable and proper, direct the receiver to surrender possession of
14 the facilities to the board, with the right of the holders of the bonds to
15 secure the appointment of a receiver upon subsequent default
16 remaining in force.

17 (p) The receiver shall act under the direction and supervision of the
18 court making the appointment and is at all times subject to the orders
19 and decrees of the court, including possible removal. Nothing
20 contained in this section limits or restricts the jurisdiction of the court
21 to enter other or further orders and decrees as the court considers
22 necessary or appropriate for the exercise by the receiver of functions
23 specifically set forth.

24 (q) Subject to contractual limitations binding upon the holders or a
25 trustee of an issue of revenue bonds, including but not limited to the
26 restrictions of the exercise of a remedy to a specified proportion or
27 percentage of the holders, a holder or trustee of the bonds may, for the
28 equal benefit and protection of all holders of revenue bonds similarly
29 situated:

- 30 (1) by mandamus or other suit, action, or proceeding at law or in
- 31 equity enforce rights against the board and any of the board's
- 32 officers, agents, and employees and require and compel the board
- 33 or the board's officers, agents, or employees to perform and carry
- 34 out duties and obligations under this chapter and covenant
- 35 agreements with bondholders;
- 36 (2) by action or suit in equity require the board to account as if the
- 37 board were the trustee of an express trust;
- 38 (3) by action or suit in equity enjoin any acts or things that may be
- 39 unlawful or in violation of the rights of the bondholders; or
- 40 (4) bring suit upon the bonds.

41 No remedy conferred by this chapter upon a holder or trustee of
42 revenue bonds is intended to be exclusive of any other remedy, but

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1 each remedy is in addition to every other remedy and may be exercised
 2 without exhausting and without regard to any other remedy conferred
 3 by this chapter or by any other law. No waiver of a default or breach of
 4 duty or contract, whether by a holder or trustee of revenue bonds,
 5 extends to or affects a subsequent default or breach of duty or contract
 6 or impairs any rights or remedies on them. No delay or omission of a
 7 bondholder or trustee extends to or affects a subsequent default or
 8 breach of duty or contract or impairs any rights or remedies. No delay
 9 or omission of a bondholder or trustee to exercise a right or power
 10 accruing upon default impairs the right or power or may be construed
 11 to be a waiver of the default or acquiescence in it. Every substantive
 12 right and every remedy conferred upon the holders of revenue bonds
 13 may be enforced and exercised from time to time and as often as is
 14 expedient. In case any suit, action, or proceeding to enforce a right or
 15 exercise a remedy is brought or taken and then discontinued or
 16 abandoned, or is determined adversely to the holder or trustee of the
 17 revenue bonds, then the board and the holder or trustee shall be
 18 restored to their former positions and rights and remedies as if no suit,
 19 action, or proceeding had been brought or taken.

20 (r) Refunding or refunding and improvement revenue bonds may be
 21 issued in accordance with the provisions for the refinancing or
 22 refinancing and improving of any of the facilities for which revenue
 23 bonds or a loan contract have been issued or made under this section
 24 or section 19 of this chapter.

25 (s) This section constitutes full authority for the issuance of revenue
 26 bonds. No procedure, proceedings, publications, notices, consents,
 27 approvals, orders, acts, or things by the board, by a board, an officer,
 28 a commission, a department, an agency, or an instrumentality of the
 29 state, or by an eligible entity ~~is~~ **are** required to issue revenue bonds or
 30 to do any act or perform anything under this chapter, except as
 31 presented by this chapter. The powers conferred by this chapter are in
 32 addition to, and not in substitution for, and the limitations imposed by
 33 this section do not affect the powers conferred in another section of this
 34 chapter or by any other statute.

35 SECTION 39. IC 8-22-3.7-21 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 21. (a) All:

- 37 (1) property owned by the development authority;
 38 (2) revenues of the development authority; and
 39 (3) bonds issued by the development authority, the interest on the
 40 bonds, the proceeds received by a holder from the sale of bonds
 41 to the extent of the holder's cost of acquisition, proceeds received
 42 upon redemption before maturity, proceeds received at maturity,

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1 and the receipt of interest in proceeds;
 2 are exempt from taxation in Indiana for all purposes except the
 3 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 4 **death** tax imposed under IC 6-4.1.

5 (b) All securities issued under this chapter are exempt from the
 6 registration requirements of IC 23-2-1 and other securities registration
 7 statutes.

8 SECTION 40. IC 14-13-1-38 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 38. (a) The commission
 10 is not required to pay any taxes or assessments upon any of the
 11 following:

- 12 (1) A project of the commission.
- 13 (2) A facility, betterment, or improvement within a project.
- 14 (3) Property acquired or used by the commission under this
 15 chapter or IC 14-6-29 (before its repeal).
- 16 (4) The income or revenue from the property.

17 (b) The:

- 18 (1) bonds issued under this chapter or under IC 14-6-29 (before
 19 its repeal);
- 20 (2) interest on the bonds;
- 21 (3) proceeds received by a holder from the sale of the bonds to the
 22 extent of the holder's cost of acquisition;
- 23 (4) proceeds received upon redemption before maturity or
 24 proceeds received at maturity; and
- 25 (5) receipt of interest and proceeds;

26 are exempt from taxation in Indiana for all purposes except the
 27 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 28 **death** tax imposed under IC 6-4.1.

29 SECTION 41. IC 14-13-2-28 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 28. (a) The commission
 31 is not required to pay any taxes or assessments upon any of the
 32 following:

- 33 (1) A project of the commission.
- 34 (2) A facility, a betterment, or an improvement within a project.
- 35 (3) Property acquired or used by the commission under this
 36 chapter or under IC 14-6-29.5 (before its repeal).
- 37 (4) The income or revenue from the property.

38 (b) The:

- 39 (1) bonds issued under this chapter or under IC 14-6-29.5 (before
 40 its repeal);
- 41 (2) interest on the bonds;
- 42 (3) proceeds received by a holder from the sale of the bonds to the

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1 extent of the holder's cost of acquisition;

2 (4) proceeds received upon redemption before maturity or
3 proceeds received at maturity; and

4 (5) receipt of interest and proceeds;

5 are exempt from taxation in Indiana for all purposes except the
6 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
7 **death** tax imposed under IC 6-4.1.

8 SECTION 42. IC 14-14-1-46 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 46. (a) The exercise of
10 the powers granted by this chapter will be in all respects for the benefit
11 of the people of Indiana and for the increase of their commerce, health,
12 enjoyment, and prosperity. The operation and maintenance of a park
13 project by the commission will constitute the performance of essential
14 governmental functions.

15 (b) The commission is not required to pay taxes or assessments
16 upon a park project or property acquired or used by the commission
17 under this chapter or IC 14-3-12 (before its repeal) or upon the income
18 from the property. The following are exempt from taxation in Indiana
19 for all purposes except the financial institutions tax imposed under
20 IC 6-5.5 or a ~~state inheritance death~~ tax imposed under IC 6-4.1:

21 (1) Bonds issued under this chapter or under IC 14-3-12 (before
22 its repeal).

23 (2) Interest on the bonds.

24 (3) Proceeds:

25 (A) received by a holder from the sale of bonds to the extent
26 of the holder's cost of acquisition;

27 (B) received upon redemption before maturity; or

28 (C) received at maturity.

29 (4) Receipt of the interest and proceeds.

30 SECTION 43. IC 15-1.5-9-9 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. Interest paid on
32 bonds issued under this chapter is exempt from taxation for all
33 purposes, except ~~an inheritance a death~~ tax under IC 6-4.1 and for
34 determining financial institution tax liabilities under IC 6-5.5.

35 SECTION 44. IC 16-22-6-34 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 34. The following are
37 exempt from state taxation except for the financial institutions tax
38 imposed under IC 6-5.5 or a ~~state inheritance death~~ tax imposed under
39 IC 6-4.1:

40 (1) Property owned by the authority.

41 (2) Revenues of the authority.

42 (3) Bonds or other securities and the interest on bonds and

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1 securities issued by the authority.

2 (4) Proceeds received by a holder from the sale of the bonds, to
3 the extent of the holder's cost of acquisition.

4 (5) Proceeds received upon redemption at or before maturity and
5 the interest on the proceeds.

6 SECTION 45. IC 16-22-7-39 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 39. The following are
8 exempt from state taxation except the financial institutions tax
9 **imposed under IC 6-5.5** and the ~~state inheritance tax death taxes~~
10 **imposed under IC 6-4.1:**

11 (1) All property owned by the authority.

12 (2) All revenues of the authority.

13 (3) All bonds or other securities issued by the authority and the
14 interest on the bonds or other securities, the proceeds received by
15 a holder from the sale of bonds to the extent of the holder's cost
16 of acquisition, proceeds received upon redemption at or before
17 maturity, and the interest on the proceeds.

18 SECTION 46. IC 20-12-63-27 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 27. The exercise of the
20 powers granted by this chapter will be in all respects for the benefit of
21 the people of this state, for the increase of their commerce, welfare, and
22 prosperity, and for the improvement of their health and living
23 conditions. Because the operation and maintenance of a project by the
24 authority or its agent will constitute the performance of an essential
25 public function, neither the authority nor its agent shall be required to
26 pay any taxes or assessments, including mortgage recording taxes,
27 upon or in respect of:

28 (1) a project or any property acquired or used by the authority or
29 its agent under the provisions of this chapter or upon the income
30 from the project or property;

31 (2) the bonds issued under the provisions of this chapter or the
32 interest on those bonds; and

33 (3) the proceeds received from bonds issued under this chapter:
34 (A) by a holder from the sale of such bonds, to the extent of
35 the holder's cost of acquisition;
36 (B) upon redemption prior to maturity; or
37 (C) at maturity.

38 All bonds and the interest on bonds issued under this chapter are
39 exempt from taxation in the state of Indiana for all purposes except the
40 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
41 **death** tax imposed under IC 6-4.1.

42 SECTION 47. IC 20-14-10-14, AS AMENDED BY

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1 P.L.192-2002(ss), SECTION 160, IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. All property owned
 3 by a lessor corporation contracting with a public corporation or
 4 corporations under this chapter, and all stock and other securities,
 5 including the interest or dividends issued by a lessor corporation, are
 6 exempt from all state, county, and other taxes, excluding the financial
 7 institutions tax and the ~~inheritance~~ **death** taxes **imposed under**
 8 **IC 6-4.1.**

9 SECTION 48. IC 21-5-11-14, AS AMENDED BY
 10 P.L.192-2002(ss), SECTION 161 AND SECTION 165, IS AMENDED
 11 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. All
 12 property owned by a lessor corporation so contracting with such school
 13 corporation or corporations under the provisions of this chapter, and all
 14 stock and other securities including the interest or dividends thereon
 15 issued by a lessor corporation, shall be exempt from all state, county,
 16 and other taxes, except, however, the financial institutions tax
 17 (IC 6-5.5) and ~~inheritance~~ **death** taxes (IC 6-4.1).

18 SECTION 49. IC 21-9-7-3, AS AMENDED BY P.L.135-2002,
 19 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2004]: Sec. 3. **(a)** An account is not an asset for the purposes
 21 of IC 6-4.1-2.

22 **(b) This section expires July 1, 2006.**

23 SECTION 50. IC 27-1-12-16 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 16. (a) The terms
 25 "proceeds" and "proceeds of life insurance" and similar phrases used
 26 in this section mean and include any and all benefits payable by the
 27 insurer by reason of the death of the insured under any "life insurance",
 28 "policy of life insurance", "insurance policy", "policy", or "annuity
 29 contract" providing for benefits on the death of the insured, including
 30 individual ordinary life policies, certificates issued under a group
 31 policy, annuity contracts, and accident or health policies.

32 (b) Proceeds of life insurance policies heretofore made payable to
 33 a trustee or trustees named as beneficiary or hereafter to be named
 34 beneficiary under an inter vivos trust shall be paid directly to the
 35 trustee or trustees and held and disposed of by the trustee or trustees as
 36 provided in the trust agreement or declaration of trust in writing made
 37 and in existence on the date of death of the insured, whether or not
 38 such trust or declaration of trust is amendable or revocable or both, or
 39 whether it may have been amended, and notwithstanding the
 40 reservation of any or all rights of ownership under the insurance policy
 41 or annuity contract; subject, however, to a valid assignment of any part
 42 of the proceeds. It is not necessary to the validity of such trust

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1 agreement or declaration of trust that it be funded or have a corpus
 2 other than the right, which need not be irrevocable, of the trustee or
 3 trustees named therein to receive such proceeds as beneficiary.
 4 (c) A policy of life insurance or **an** annuity contract may designate
 5 as beneficiary a trustee or trustees named or to be named by will if the
 6 designation is made in accordance with the provisions of the policy or
 7 contract whether or not the will is in existence at the time of the
 8 designation. The company shall, within sixty **(60)** days after receipt at
 9 its home office of proof of probate of the will, pay the proceeds of such
 10 insurance or contract to the trustee or trustees designated in the
 11 insurance policy or annuity contract, subject to a valid assignment of
 12 any part thereof and any other provisions of the policy or contract,
 13 unless prior to the actual payment by the company it shall have
 14 received at its home office written notice of the filing or pendency of
 15 (1) objection to the probate of said will, or (2) a suit to contest the
 16 validity of said will or of the testamentary trust or trusts created therein
 17 to which such proceeds are payable, or (3) petition for the construction
 18 of that part of the testamentary trust designating the trustee or trustees.
 19 ~~Provided;~~ However, ~~That~~ if the company makes any payment or
 20 payments of proceeds to such trustee or trustees in accordance with the
 21 terms of the policy or contract before receipt at the home office of such
 22 written notice, said trustee or trustees shall give full acquittance
 23 therefor to the company and such payment shall fully discharge the
 24 company from all claims and liability to the extent thereof. ~~Provided;~~
 25 ~~further;~~ ~~That~~ If such written notice is received by the company,
 26 payment by it of any unpaid proceeds may be delayed during the
 27 pendency of said objections, suit, or petition for construction for not to
 28 exceed one (1) year from the date of death of insured, and thereafter the
 29 company may pay any and all unpaid proceeds due by reason of the
 30 death of the insured to the clerk of the court wherein the probate
 31 proceeding is pending by depositing them with such clerk who, as such
 32 clerk, shall give full acquittance to the company for all proceeds so
 33 paid and the company shall be fully discharged from any and all
 34 liability and claims by or on behalf of any other person or persons
 35 whomsoever to the extent of the amount so paid and deposited. The
 36 clerk shall thereafter hold and disburse said proceeds in accordance
 37 with the order of said court to the party or parties and in the amount or
 38 amounts provided in said order upon receiving proper receipts therefor.
 39 ~~all~~ ~~Provided;~~ ~~however;~~ ~~That~~ The procedure provided for herein shall
 40 not preclude the company from interpleading or being interpleaded in
 41 any appropriate proceeding or filing a bill of interpleader in any court
 42 of competent jurisdiction.

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1 (d) If no claim to proceeds is made by any trustee designated as the
 2 beneficiary in any policy of insurance or annuity contract within one
 3 (1) year after the death of the insured or if satisfactory evidence is
 4 furnished the insurance company within the one (1) year period
 5 showing that there is or will be no trustee qualified to receive the
 6 proceeds, payment may be made by the insurance company to those
 7 thereafter entitled.

8 (e) The proceeds of insurance collected by the trustee or trustees are
 9 not part of the testator's estate and are not subject to the debts of the
 10 insured or to ~~transfer, inheritance, or estate~~ **death taxes imposed under**
 11 **IC 6-4.1** to any greater extent than if the proceeds were payable to
 12 some named beneficiary or beneficiaries other than to the estate of the
 13 insured or executor or administrator thereof.

14 (f) This section applies to all trustee designations of a beneficiary or
 15 beneficiaries by an insured dying after June 15, 1967, regardless of
 16 when made, naming a trustee or trustees of a trust or trusts established
 17 by will. If any provision of this section or the application thereof to any
 18 person or circumstance is held invalid, the invalidity shall not affect
 19 other provisions or applications of this section which can be given
 20 effect without the invalid provision or application.

21 SECTION 51. IC 27-1-29-17 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 17. (a) As used in this
 23 section:

24 (1) "basic fund" refers to the political subdivision risk
 25 management fund established by this chapter; and

26 (2) "catastrophic fund" refers to the political subdivision
 27 catastrophic liability fund established by IC 27-1-29.1.

28 (b) The commission may issue its bonds or notes in amounts that it
 29 considers necessary to provide funds to:

30 (1) establish or maintain the reserve account in the catastrophic
 31 fund provided for in IC 27-1-29.1-8;

32 (2) provide for the payment of liabilities payable out of the basic
 33 fund to the extent such liabilities exceed the money in the basic
 34 fund; and

35 (3) pay, fund, or refund, regardless of when due, the principal of
 36 or interest or redemption premiums on bonds or notes issued
 37 under subdivision (1) or (2).

38 Bonds or notes issued under subdivision (2) must mature within three
 39 (3) years after their date of issuance.

40 (c) The bonds or notes of the commission may be issued and sold by
 41 the commission to the Indiana bond bank under IC 5-1.5.

42 (d) Every issue of bonds or notes is an obligation of the commission.

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1 An issue of bonds or notes under subsection (b)(1) is payable solely
 2 from assessments imposed by the commission under IC 27-1-29.1 on
 3 political subdivisions that are members of the catastrophic fund, and
 4 the commission may secure such bonds or notes by a pledge of
 5 assessments imposed under IC 27-1-29.1. An issue of bonds or notes
 6 under subsection (b)(2) is payable solely from assessments imposed by
 7 the commission under section 12 of this chapter on political
 8 subdivisions that are members of the basic fund, and the commission
 9 may secure such bonds or notes by a pledge of assessments imposed
 10 under section 12 of this chapter.

11 (e) A bond or note of the commission:

12 (1) is not a debt, liability, loan of credit, or pledge of the faith and
 13 credit of the state; and

14 (2) must contain on its face a statement that the commission is
 15 obligated to pay principal and interest, and the redemption
 16 premium, if any, and that the faith, credit, and taxing power of the
 17 state are not pledged to the payment of the bond or note.

18 (f) The state pledges to and agrees with the holders of the bonds or
 19 notes issued under this chapter that the state will not:

20 (1) limit or restrict the rights vested in the commission to fulfill
 21 the terms of any agreement made with the holders of its bonds or
 22 notes; or

23 (2) in any way impair the rights or remedies of the holders of the
 24 bonds or notes;

25 until the bonds or notes, together with the interest on the bonds or
 26 notes, and interest on unpaid installments of interest, and all costs and
 27 expenses in connection with an action or proceeding by or on behalf of
 28 the holders, are fully met, paid, and discharged.

29 (g) The bonds or notes of the commission are negotiable instruments
 30 for all purposes of IC 26-1, subject only to the provisions of the bonds
 31 and notes for registration.

32 (h) Bonds or notes of the commission must be authorized by
 33 resolution of the commission, may be issued in one (1) or more series,
 34 and must:

35 (1) bear the date;

36 (2) mature at the time or times;

37 (3) be in the denomination;

38 (4) be in the form;

39 (5) carry the conversion or registration privileges;

40 (6) have the rank or priority;

41 (7) be executed in the manner;

42 (8) be payable from the sources in the medium of payment at the

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1 place inside or outside the state; and
2 (9) be subject to the terms of redemption;
3 as the resolution of the commission or the trust agreement securing the
4 bonds or notes provides.

5 (i) Bonds or notes may be issued under this chapter without
6 obtaining the consent of any agency of the state and without any other
7 proceeding or condition other than the proceedings or conditions
8 specified in this chapter.

9 (j) The rate or rates of interest on the bonds or notes may be fixed
10 or variable. Variable rates shall be determined in the manner and in
11 accordance with the procedures set forth in the resolution authorizing
12 the issuance of the bonds or notes. Bonds or notes bearing a variable
13 rate of interest may be converted to bonds or notes bearing a fixed rate
14 or rates of interest, and bonds or notes bearing a fixed rate or rates of
15 interest may be converted to bonds or notes bearing a variable rate of
16 interest, to the extent and in the manner set forth in the resolution
17 pursuant to which the bonds or notes are issued. The interest on bonds
18 or notes may be payable semiannually or annually or at any other
19 interval or intervals as may be provided in the resolution, or the interest
20 may be compounded and paid at maturity or at any other times as may
21 be specified in the resolution.

22 (k) The bonds or notes may be made subject, at the option of the
23 holders, to mandatory redemption by the commission at the times and
24 under the circumstances set forth in the authorizing resolution.

25 (l) Bonds or notes of the commission may be sold at public or
26 private sale at such price, either above or below the principal amount,
27 as the commission fixes. If bonds or notes of the commission are to be
28 sold at public sale, the commission shall comply with IC 5-1-11 and
29 shall publish notice of the sale in accordance with IC 5-3-1-2 in two (2)
30 newspapers published and of general circulation in Indianapolis.

31 (m) The commission may periodically issue its notes under this
32 chapter and pay and retire the principal of the notes, pay the interest
33 due on the notes, or fund or refund the notes from proceeds of bonds or
34 of other notes or from other funds or money of the commission
35 available for that purpose in accordance with a contract between the
36 commission and the holders of the notes.

37 (n) The commission may secure any bonds or notes issued under
38 this chapter by a trust agreement by and between the commission and
39 a corporate trustee, which may be any trust company or bank having
40 the powers of a trust company within or outside Indiana.

41 (o) The trust agreement or the resolution providing for the issuance
42 of the bonds or notes may contain provisions for protecting and

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1 enforcing the rights and remedies of the holders of any such bonds or
2 notes as are reasonable and proper and not in violation of law.

3 (p) The trust agreement or resolution may set forth the rights and
4 remedies of the holders of any bonds or notes and of the trustee and
5 may restrict the individual right of action by the holders.

6 (q) In addition to the provisions of subsections (n) through (p), any
7 trust agreement or resolution may contain other provisions the
8 commission considers reasonable and proper for the security of the
9 holders of any bonds or notes.

10 (r) All expenses incurred in carrying out the provisions of the trust
11 agreement or resolution may be paid from assessments, revenues, or
12 assets pledged or assigned to the payment of the principal of and the
13 interest on bonds and notes or from any other funds available to the
14 commission.

15 (s) Notwithstanding the restrictions of any other law, all financial
16 institutions, investment companies, insurance companies, insurance
17 associations, executors, administrators, guardians, trustees, and other
18 fiduciaries may legally invest sinking funds, money, or other funds
19 belonging to them or within their control in bonds or notes issued under
20 this chapter.

21 (t) All bonds or notes issued under this chapter are issued by a body
22 corporate and politic of this state, but not a state agency, and for an
23 essential public and government purpose and the bonds and notes, the
24 interest thereon, the proceeds received by a holder from the sale of the
25 bonds or notes to the extent of the holder's cost of acquisition, proceeds
26 received upon redemption before maturity, and proceeds received at
27 maturity, and the receipt of the interest and proceeds are exempt from
28 taxation in Indiana for all purposes except the financial institutions tax
29 imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under
30 IC 6-4.1.

31 SECTION 52. IC 28-5-2-2 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. If any certificate
33 holder of any industrial loan and investment company shall die, leaving
34 unpledged certificates in such company and no executor of ~~his the~~
35 **holder's** will or administrator of ~~his the holder's~~ **the holder's** estate has been
36 appointed, such company, upon receiving a waiver from the inheritance
37 tax administrator **(or, after the elimination of the office of**
38 **inheritance tax administrator, from the department of state**
39 **revenue)** under IC 6-4.1, may, in its discretion, pay the value of such
40 certificates to the widow, widower, or next of kin, or may apply the
41 value of such certificates to the payment of funeral expenses or the
42 expenses of the last sickness or other just debts of the decedent. As a

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1 condition of such payment, such company shall require proof by
2 affidavit as to the parties in interest and shall also require the filing of
3 proper waivers and the execution of a bond of indemnity with proper
4 sureties from the parties interested, and a proper acquittance and
5 receipt for such payment by the person to whom such payment is made
6 shall fully release the company, and such company shall not thereafter
7 be held liable to the decedent's executor or administrator thereafter
8 appointed, or to any other person.

9 SECTION 53. IC 29-1-15-20 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 20. The lien of the state
11 for ~~inheritance or estate~~ **death** taxes **imposed under IC 6-4.1** shall not
12 extend to any interest acquired by a purchaser, mortgagee, or lessee
13 through any transfer made by a personal representative under a power
14 contained in a will, under IC 29-1-7.5-3, or under order of the court.

15 SECTION 54. IC 29-1-17-14 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. (a) If, after an estate
17 has been settled and the personal representative discharged, other
18 property of the estate shall be discovered, or if it shall appear that any
19 necessary act remains unperformed on the part of the personal
20 representative, or for any other proper cause, the court, upon the
21 petition of the discharged personal representative or any person
22 interested in the estate and, without notice or upon such notice as it
23 may direct, may order that said estate be reopened. It may reappoint the
24 personal representative or appoint another personal representative to
25 administer such property or perform such act as may be deemed
26 necessary. Unless the court shall otherwise order, the provisions of this
27 article as to an original administration shall apply to the proceedings
28 had in the reopened administration so far as may be, but no claim
29 which is already barred can be asserted in the reopened administration.

30 (b) Whenever any solvent estate has been closed, and it thereafter
31 appears that any assets thereof have not been fully administered upon,
32 the court may, if it appears practicable, order such assets distributed to,
33 or title vested in, the persons entitled thereto after compliance with
34 requirements as to ~~an inheritance a~~ **death** tax imposed under IC 6-4.1,
35 in lieu of reopening the estate as provided in the preceding subsection.
36 No additional notice of such proceedings shall be necessary unless so
37 ordered by the court.

38 SECTION 55. IC 29-1-17-15.1 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 15.1. (a) Whenever any
40 person has died leaving property or any interest therein and no general
41 administration has been commenced on ~~his~~ **the person's** estate in ~~this~~
42 **state, Indiana**, nor has any will been offered for probate in ~~this state~~;

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1 **Indiana**, within five (5) months after ~~his~~ **the person's** death, any
2 person claiming an interest in such property as heir or through an heir
3 may file a petition in any court which would be of proper venue for the
4 administration of such decedent's estate, to determine the heirs of said
5 decedent and their respective interests as heirs in the estate.

6 (b) The petition shall state:

- 7 (1) the name, age, domicile, and date of death of the decedent;
- 8 (2) the names, ages, and residence addresses of the heirs, so far as
9 known or can with reasonable diligence be ascertained;
- 10 (3) the names and residence addresses of any persons claiming
11 any interest in such property through an heir, so far as known or
12 can by reasonable diligence be ascertained;
- 13 (4) a particular description of the property with respect to which
14 such determination is sought; **and**
- 15 (5) the net value of the estate.

16 (c) Upon the filing of the petition, the court shall fix the time for the
17 hearing thereof, notice of which shall be given to:

- 18 (1) all persons known or believed to claim any interest in the
19 property as heir or through an heir of the decedent;
- 20 (2) all persons who may at the date of the filing of the petition be
21 shown by the records of conveyances of the county in which any
22 real property described in such petition is located to claim any
23 interest therein through the heirs of the decedent; and
- 24 (3) any unknown heirs of the decedent.

25 Such notice shall be given by publication and in addition, personal
26 notice by registered mail shall be given to every such person whose
27 address is known to the petitioner. Upon satisfactory proofs, including
28 proof of compliance with ~~inheritance~~ **the death** tax laws of ~~this state~~
29 **set forth in IC 6-4.1**, the court shall make a decree determining the
30 heirs of said decedent and their respective interests as heirs in said
31 property.

32 (d) A certified copy of the decree shall be recorded at the expense
33 of the petitioner in each county in which any real property described
34 therein is situated except the county in which the decree is entered, and
35 shall be conclusive evidence of the facts determined therein as against
36 all parties to the proceedings.

37 SECTION 56. IC 29-3-3-3, AS AMENDED BY P.L.192-2002(ss),
38 SECTION 171, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2004]: Sec. 3. Except as otherwise determined
40 in a dissolution of marriage proceeding, a custody proceeding, or in
41 some other proceeding authorized by law, including a proceeding under
42 section 6 of this chapter or another proceeding under this article, and

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1 unless a minor is married, the parents of the minor jointly (or the
2 survivor if one (1) parent is deceased), if not an incapacitated person,
3 have, without the appointment of a guardian, giving of bond, or order
4 or confirmation of court, the right to custody of the person of the minor
5 and the power to execute the following on behalf of the minor:

- 6 (1) Consent to the application of subsection (c) of Section 2032A
7 of the Internal Revenue Code, which imposes personal liability
8 for payment of the tax under that Section.
- 9 (2) Consent to the application of Section 6324A of the Internal
10 Revenue Code, which attaches a lien to property to secure
11 payment of taxes deferred under Section 6166 of the Internal
12 Revenue Code.
- 13 (3) Any other consents, waivers, or powers of attorney provided
14 for under the Internal Revenue Code.
- 15 (4) Waivers of notice permissible with reference to proceedings
16 under IC 29-1.
- 17 (5) Consents, waivers of notice, or powers of attorney under any
18 statute, including the Indiana inheritance death tax law (IC 6-4.1)
19 and the Indiana adjusted gross income tax law (IC 6-3).
- 20 (6) Consent to unsupervised administration as provided in
21 IC 29-1-7.5.
- 22 (7) Federal and state income tax returns.
- 23 (8) Consent to medical or other professional care, treatment, or
24 advice for the minor's health and welfare.

25 SECTION 57. IC 30-2-5-9 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. This chapter does not
27 affect any obligation of a corporation or transfer agent with respect to
28 estate, inheritance, succession, or other taxes imposed by the laws of
29 this state.

30 SECTION 58. IC 30-4-1-2, AS AMENDED BY P.L.84-2002,
31 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2004]: Sec. 2. As used in this article:

- 33 (1) "Adult" means any person eighteen (18) years of age or older.
- 34 (2) "Affiliate" means a parent, descendant, spouse, spouse of a
35 descendant, brother, sister, spouse of a brother or sister,
36 employee, director, officer, partner, joint venturer, a corporation
37 subject to common control with the trustee, a shareholder, or
38 corporation who controls the trustee or a corporation controlled
39 by the trustee other than as a fiduciary.
- 40 (3) "Beneficiary" has the meaning set forth in IC 30-2-14-2.
- 41 (4) "Breach of trust" means a violation by the trustee of any duty
42 which is owed to the settlor or beneficiary.

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- 1 (5) "Charitable trust" means a trust in which all the beneficiaries
 2 are the general public or organizations, including trusts,
 3 corporations, and associations, and that is organized and operated
 4 wholly for religious, charitable, scientific, public safety testing,
 5 literary, or educational purposes. The term does not include
 6 charitable remainder trusts, charitable lead trusts, pooled income
 7 funds, or any other form of split-interest charitable trust that has
 8 at least one (1) noncharitable beneficiary.
- 9 (6) "Court" means a court having jurisdiction over trust matters.
- 10 (7) "Income", except as otherwise stated in a trust agreement, has
 11 the meaning set forth in IC 30-2-14-4.
- 12 (8) "Income beneficiary" has the meaning set forth in
 13 IC 30-2-14-5.
- 14 (9) "Inventory value" means the cost of property to the settlor or
 15 the trustee at the time of acquisition or the market value of the
 16 property at the time it is delivered to the trustee, or the value of
 17 the property as finally determined for purposes of ~~an estate or~~
 18 ~~inheritance~~ **a death tax imposed under IC 6-4.1.**
- 19 (10) "Minor" means any person under the age of eighteen (18)
 20 years.
- 21 (11) "Person" has the meaning set forth in IC 30-2-14-9.
- 22 (12) "Personal representative" means an executor or administrator
 23 of a decedent's or absentee's estate, guardian of the person or
 24 estate, guardian ad litem or other court appointed representative,
 25 next friend, parent or custodian of a minor, attorney in fact, or
 26 custodian of an incapacitated person (as defined in
 27 IC 29-3-1-7.5).
- 28 (13) "Principal" has the meaning set forth in IC 30-2-14-10.
- 29 (14) "Remainderman" means a beneficiary entitled to principal,
 30 including income which has been accumulated and added to the
 31 principal.
- 32 (15) "Settlor" means a person who establishes a trust including
 33 the testator of a will under which a trust is created.
- 34 (16) "Trust estate" means the trust property and the income
 35 derived from its use.
- 36 (17) "Trust for a benevolent public purpose" means a charitable
 37 trust (as defined in subdivision (5)), a split-interest trust (as
 38 defined in Section 4947 of the Internal Revenue Code), and any
 39 other form of split-interest charitable trust that has both charitable
 40 and noncharitable beneficiaries, including but not limited to
 41 charitable remainder trusts, charitable lead trusts, and charitable
 42 pooled income funds.

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1 (18) "Trust property" means property either placed in trust or
2 purchased or otherwise acquired by the trustee for the trust
3 regardless of whether the trust property is titled in the name of the
4 trustee or the name of the trust.

5 (19) "Trustee" has the meaning set forth in IC 30-2-14-13.

6 SECTION 59. IC 33-19-5-6, AS AMENDED BY P.L.1-2002,
7 SECTION 138, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2004]: Sec. 6. (a) Except as provided under
9 subsection (c), for each action filed under:

10 (1) IC 6-4.1-5 (determination of inheritance tax **based on a cause**
11 **of action arising with respect to an individual whose death**
12 **occurs before July 1, 2004);**

13 (2) IC 29 (probate); and

14 (3) IC 30 (trusts and fiduciaries);

15 the clerk shall collect from the party filing the action a probate costs fee
16 of one hundred twenty dollars (\$120).

17 (b) In addition to the probate costs fee collected under this section,
18 the clerk shall collect from the party filing the action the following fees
19 if they are required under IC 33-19-6:

20 (1) A document fee.

21 (2) A document storage fee (IC 33-19-6-18.1).

22 (3) An automated record keeping fee (IC 33-19-6-19).

23 (c) A clerk may not collect a court costs fee for the filing of the
24 following exempted actions:

25 (1) Petition to open a safety deposit box.

26 (2) Filing an inheritance tax return (**if a return is due before the**
27 **expiration of IC 6-4.1-2**), unless proceedings other than the
28 court's approval of the return become necessary.

29 (3) Offering a will for probate under IC 29-1-7, unless
30 proceedings other than admitting the will to probate become
31 necessary.

32 SECTION 60. IC 34-24-1-5 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) If:

34 (1) the court has entered judgment in favor of the state, and a unit
35 (if appropriate) concerning property that is subject to seizure
36 under this chapter; and

37 (2) a person:

38 (A) holding a valid lien, mortgage, security interest, or interest
39 under a conditional sales contract; or

40 (B) who is a co-owner of the property;

41 did not know of the illegal use;

42 the court shall determine whether the secured interest or the co-owner's

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1 interest is equal to or in excess of the appraised value of the property.
 2 (b) Appraised value is to be determined as of the date of judgment
 3 on a wholesale basis by:
 4 (1) agreement between the secured party or the co-owner and the
 5 prosecuting attorney; or
 6 (2) the inheritance tax appraiser for the county in which the action
 7 is brought **(before the elimination of the office of inheritance**
 8 **tax appraiser).**
 9 (c) If the amount:
 10 (1) due to the secured party; or
 11 (2) of the co-owner's interest;
 12 is equal to or greater than the appraised value of the property, the court
 13 shall order the property released to the secured party or the co-owner.
 14 (d) If the amount:
 15 (1) due the secured party; or
 16 (2) of the co-owner's interest;
 17 is less than the appraised value of the property, the holder of the
 18 interest or the co-owner may pay into the court an amount equal to the
 19 owner's equity, which shall be the difference between the appraised
 20 value and the amount of the lien, mortgage, security interest, interest
 21 under a conditional sales contract, or co-owner's interest. Upon such
 22 payment, the state or unit, or both, shall relinquish all claims to the
 23 property, and the court shall order the payment deposited as provided
 24 in section 4(d) of this chapter.
 25 (e) If the seized property is a vehicle and if the security holder or the
 26 co-owner elects not to make payment as stated in subsection (d), the
 27 vehicle shall be disposed of in accordance with section 4(c) of this
 28 chapter.
 29 SECTION 61. IC 34-24-2-5 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) If a person
 31 holding a valid lien, mortgage, security interest, or interest under a
 32 conditional sales contract did not know the property was the object of
 33 corrupt business influence, the court shall determine whether the
 34 secured interest is equal to or in excess of the appraised value of the
 35 property.
 36 (b) Appraised value is to be determined as of the date of judgment
 37 on a wholesale basis by:
 38 (1) agreement between the secured party and the prosecuting
 39 attorney; or
 40 (2) the inheritance tax appraiser for the county in which the action
 41 is brought **(before the elimination of the office of inheritance**
 42 **tax appraiser).**

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1 (c) If the amount due to the secured party is equal to or greater than
2 the appraised value of the property, the court shall order the property
3 released to the secured party.

4 (d) If the amount due the secured party is less than the appraised
5 value of the property, the holder of the interest may pay into the court
6 an amount equal to the owner's equity, which shall be the difference
7 between the appraised value and the amount of the lien, mortgage,
8 security interest, or interest under a conditional sales contract. Upon
9 payment, the state or unit, or both, shall relinquish all claims to the
10 property.

11 SECTION 62. IC 36-7-14.5-23 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 23. All:

- 13 (1) property owned by the authority;
- 14 (2) revenues of the authority; and
- 15 (3) bonds issued by the authority, the interest on the bonds, the
16 proceeds received by a holder from the sale of bonds to the extent
17 of the holder's cost of acquisition, proceeds received upon
18 redemption before maturity, proceeds received at maturity, and
19 the receipt of interest in proceeds;

20 are exempt from taxation in Indiana for all purposes except the
21 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
22 **death** tax imposed under IC 6-4.1.

23 SECTION 63. IC 36-7-15.3-19 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 19. All:

- 25 (1) property owned by the authority;
- 26 (2) revenues of the authority; and
- 27 (3) bonds issued by the authority, the interest on the bonds, the
28 proceeds received by a holder from the sale of bonds to the extent
29 of the holder's cost of acquisition, proceeds received upon
30 redemption before maturity, proceeds received at maturity, and
31 the receipt of interest in proceeds;

32 are exempt from taxation in Indiana for all purposes except the
33 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
34 **death** tax imposed under IC 6-4.1.

35 SECTION 64. IC 36-7-23-48 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 48. All property, both
37 tangible and intangible, acquired or held by the authority under this
38 chapter is public property used for public and governmental purposes.
39 All the property, along with the income from the property, is exempt
40 from all taxes imposed by the state or a political subdivision, except for
41 the financial institutions tax imposed under IC 6-5.5 or a ~~state~~
42 **inheritance death** tax imposed under IC 6-4.1.

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1 SECTION 65. IC 36-9-3-31, AS AMENDED BY P.L.90-2002,
2 SECTION 504, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2004]: Sec. 31. (a) This section applies to an
4 authority that includes a county having a population of more than four
5 hundred thousand (400,000) but less than seven hundred thousand
6 (700,000).

7 (b) The authority may issue revenue or general obligation bonds
8 under this section.

9 (c) The board may issue revenue bonds of the authority for the
10 purpose of procuring money to pay the cost of acquiring real or
11 personal property for the purpose of this chapter. The issuance of bonds
12 must be authorized by resolution of the board and approved by the
13 county fiscal bodies of the counties in the authority before issuance.
14 The resolution must provide for the amount, terms, and tenor of the
15 bonds, and for the time and character of notice and mode of making
16 sale of the bonds.

17 (d) The bonds are payable at the times and places determined by the
18 board, but they may not run more than thirty (30) years after the date
19 of their issuance and must be executed in the name of the authority by
20 an authorized officer of the board and attested by the secretary. The
21 interest coupons attached to the bonds may be executed by placing on
22 them the facsimile signature of the authorized officer of the board.

23 (e) The president of the authority shall manage and supervise the
24 preparation, advertisement, and sale of the bonds, subject to the
25 authorizing ordinance. Before the sale of bonds, the president shall
26 cause notice of the sale to be published in accordance with IC 5-3-1,
27 setting out the time and place where bids will be received, the amount
28 and maturity dates of the issue, the maximum interest rate, and the
29 terms and conditions of sale and delivery of the bonds. The bonds shall
30 be sold in accordance with IC 5-1-11. After the bonds have been
31 properly sold and executed, the executive director or president shall
32 deliver them to the controller of the authority and take a receipt for
33 them, and shall certify to the treasurer the amount that the purchaser is
34 to pay, together with the name and address of the purchaser. On
35 payment of the purchase price the controller shall deliver the bonds to
36 the purchaser, and the controller and executive director or president
37 shall report their actions to the board.

38 (f) General obligation bonds issued under this section are subject to
39 the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a
40 petition requesting the issuance of bonds, the appropriation of the
41 proceeds of bonds, the right of taxpayers to appeal and be heard on the
42 proposed appropriation, the approval of the appropriation by the

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1 department of local government finance, the right of taxpayers to
2 remonstrate against the issuance of bonds, and the sale of bonds for not
3 less than their par value.

4 (g) Notice of the filing of a petition requesting the issuance of
5 bonds, notice of determination to issue bonds, and notice of the
6 appropriation of the proceeds of the bonds shall be given by posting in
7 the offices of the authority for a period of one (1) week and by
8 publication in accordance with IC 5-3-1.

9 (h) The bonds are not a corporate indebtedness of any unit, but are
10 an indebtedness of the authority as a municipal corporation. A suit to
11 question the validity of the bonds issued or to prevent their issuance
12 may not be instituted after the date set for sale of the bonds, and after
13 that date the bonds may not be contested for any cause.

14 (i) The bonds issued under this section and the interest on them are
15 exempt from taxation for all purposes except the financial institutions
16 tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed
17 under IC 6-4.1.

18 SECTION 66. IC 36-9-25-27 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 27. (a) To raise money
20 to pay for the property and the construction, and in anticipation of the
21 special tax to be levied as provided in sections 19 and 29 of this
22 chapter, the board may have issued, in the name of the municipality,
23 the bonds of the district. The bonds may not exceed in amount the
24 estimated cost of all land, rights-of-way, and other property to be
25 acquired and the estimated cost of all construction as provided in the
26 resolution, including all expenses necessarily incurred in connection
27 with the proceedings, together with a sum sufficient to pay the cost of
28 supervision and inspection during the period of construction. The
29 expenses to be covered by the bond issue include all expenses of every
30 kind actually incurred preliminary to acquisition of the property and the
31 construction of the work, such as the cost of necessary records,
32 engineering expenses, publication of notices, salaries, and other
33 expenses.

34 (b) If different parcels of land are to be acquired, or if more than one
35 (1) contract for work is let by the board at approximately the same
36 time, whether under one (1) or more resolutions of the board, the
37 estimated cost may be combined in one (1) bond issue. The bonds shall
38 be issued in denominations of at least one thousand dollars (\$1,000)
39 each and shall have a final maturity of not later than fifty (50) years
40 from the date of issue. The bonds are negotiable unless registered, but
41 may be made registrable for principal only or principal and interest.
42 The bonds may be made redeemable before the stated maturities on

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1 terms and conditions and at the premiums that the board determines in
2 the resolution authorizing the issuance of the bonds.

3 (c) Upon adoption of a resolution ordering bonds, the board shall
4 certify a copy of the resolution to the municipal fiscal officer, who shall
5 then prepare the bonds. The municipal executive shall execute the
6 bonds and the fiscal officer shall attest them. The bonds and interest are
7 exempt from taxation for all purposes, except the financial institutions
8 tax imposed under IC 6-5.5 or ~~an inheritance~~ **a death** tax imposed
9 under IC 6-4.1. All bonds issued by the board shall be sold by the fiscal
10 officer to the highest bidder, but not for less than par, after giving
11 notice of the sale by publication in accordance with IC 5-3-1.

12 (d) The bonds are not a corporate obligation or indebtedness of the
13 municipality, but constitute an indebtedness of the district as a special
14 taxing district. Except as provided in section 29(c) of this chapter, the
15 bonds and interest are payable only out of a special tax levied upon all
16 the property of the district as provided in this chapter. The bonds must
17 recite these terms upon their face, together with the purpose for which
18 they are issued.

19 (e) The board may sell bonds of the district to run for a period of
20 five (5) years from the date of sale. The five (5) year bonds are exempt
21 from taxation for all purposes except for the financial institutions tax
22 imposed under IC 6-5.5. The board may sell bonds of the district in
23 series for the purpose of refunding at any time the five (5) year bonds.
24 Actions questioning the validity of the bonds issued or to prevent their
25 issue may not be brought after the date set for the sale of the bonds, and
26 all bonds are incontestable for any cause after that date.

27 (f) The total amount of the bond issue, including bonds already
28 issued and to be issued, may not exceed twelve percent (12%) of the
29 total adjusted value of taxable property in the district as determined
30 under IC 36-1-15. All bonds issued in violation of this subsection are
31 void.

32 SECTION 67. IC 36-10-9.1-22 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 22. All:

- 34 (1) property owned by the authority;
35 (2) revenues of the authority; and
36 (3) bonds issued by the authority, the interest on the bonds, the
37 proceeds received by a holder from the sale of bonds to the extent
38 of the holder's cost of acquisition, proceeds received upon
39 redemption before maturity, proceeds received at maturity, and
40 the receipt of interest in proceeds;

41 are exempt from taxation in Indiana for all purposes except the
42 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~

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1 **death** tax imposed under IC 6-4.1.
2 SECTION 68. IC 36-10-10-24 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 24. All:
4 (1) property owned by the authority;
5 (2) revenues of the authority; and
6 (3) bonds or other securities issued by the authority, the interest
7 on them, the proceeds received by a holder from the sale of bonds
8 to the extent of the holder's cost of acquisition, proceeds received
9 upon redemption prior to maturity, proceeds received at maturity,
10 and the receipt of interest and proceeds;
11 are exempt from taxation in Indiana for all purposes except the
12 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
13 **death** tax imposed under IC 6-4.1.

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