
HOUSE BILL No. 1082

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-17.

Synopsis: Approval of tax rates in Marion County. Requires a taxing unit (other than an excluded city or a township) in Marion County that proposes to increase its property tax rate to receive the approval of the city-county council and the mayor of the consolidated city. Prohibits the department of local government finance from approving a greater rate increase unless the department finds a need based on the health, safety, or well-being of the citizens of the county.

Effective: July 1, 2005.

Murphy

January 6, 2005, read first time and referred to Committee on Local Government.

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First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1082



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 6-1.1-17-16 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) Subject to the
3 limitations and requirements prescribed in this section **and except as**
4 **provided in section 21(e) of this chapter**, the department of local
5 government finance may revise, reduce, or increase a political
6 subdivision's budget, tax rate, or tax levy which the department reviews
7 under section 8 or 10 of this chapter.

8 (b) Subject to the limitations and requirements prescribed in this
9 section **and except as provided in section 21(e) of this chapter**, the
10 department of local government finance may review, revise, reduce, or
11 increase the budget, tax rate, or tax levy of any of the political
12 subdivisions whose tax rates compose the aggregate tax rate within a
13 political subdivision whose budget, tax rate, or tax levy is the subject
14 of an appeal initiated under this chapter.

15 (c) Except as provided in subsection (j), before the department of
16 local government finance reviews, revises, reduces, or increases a
17 political subdivision's budget, tax rate, or tax levy under this section,



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

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

35 (e) The department of local government finance may not approve a
 36 levy for lease payments by a city, town, county, library, or school
 37 corporation if the lease payments are payable to a building corporation
 38 for use by the building corporation for debt service on bonds and if:

- 39 (1) no bonds of the building corporation are outstanding; or
- 40 (2) the building corporation has enough legally available funds on
- 41 hand to redeem all outstanding bonds payable from the particular
- 42 lease rental levy requested.

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1 (f) The department of local government finance shall certify its
 2 action to:
 3 (1) the county auditor; and
 4 (2) the political subdivision if the department acts pursuant to an
 5 appeal initiated by the political subdivision.
 6 (g) The following may petition for judicial review of the final
 7 determination of the department of local government finance under
 8 subsection (f):
 9 (1) If the department acts under an appeal initiated by a political
 10 subdivision, the political subdivision.
 11 (2) If the department acts under an appeal initiated by taxpayers
 12 under section 13 of this chapter, a taxpayer who signed the
 13 petition under that section.
 14 (3) If the department acts under an appeal initiated by the county
 15 auditor under section 14 of this chapter, the county auditor.
 16 The petition must be filed in the tax court not more than forty-five (45)
 17 days after the department certifies its action under subsection (f).
 18 (h) The department of local government finance is expressly
 19 directed to complete the duties assigned to it under this section not later
 20 than February 15th of each year for taxes to be collected during that
 21 year.
 22 (i) Subject to the provisions of all applicable statutes, the
 23 department of local government finance may increase a political
 24 subdivision's tax levy to an amount that exceeds the amount originally
 25 fixed by the political subdivision if the increase is:
 26 (1) requested in writing by the officers of the political
 27 subdivision;
 28 (2) either:
 29 (A) based on information first obtained by the political
 30 subdivision after the public hearing under section 3 of this
 31 chapter; or
 32 (B) results from an inadvertent mathematical error made in
 33 determining the levy; and
 34 (3) published by the political subdivision according to a notice
 35 provided by the department.
 36 (j) The department of local government finance shall annually
 37 review the budget of each school corporation not later than April 1. The
 38 department of local government finance shall give the school
 39 corporation written notification specifying any revision, reduction, or
 40 increase the department proposes in the school corporation's budget. A
 41 public hearing is not required in connection with this review of the
 42 budget.

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1 SECTION 2. IC 6-1.1-17-20 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) **Except as**
 3 **provided in subsection (b)**, this section applies:

4 (1) to each governing body of a taxing unit that is not comprised
 5 of a majority of officials who are elected to serve on the
 6 governing body; and

7 (2) if the proposed property tax levy for the taxing unit for the
 8 ensuing calendar year is more than five percent (5%) greater than
 9 the property tax levy for the taxing unit for the current calendar
 10 year.

11 **(b) This section does not apply to a taxing unit (other than an**
 12 **excluded city described in IC 36-3-1-7) located in a county**
 13 **containing a consolidated city.**

14 ~~(b)~~ (c) As used in this section, "taxing unit" has the meaning set
 15 forth in IC 6-1.1-1-21, except that the term does not include a school
 16 corporation.

17 ~~(c)~~ (d) If:

18 (1) the assessed valuation of a taxing unit is entirely contained
 19 within a city or town; or

20 (2) the assessed valuation of a taxing unit is not entirely contained
 21 within a city or town but the taxing unit was originally established
 22 by the city or town;

23 the governing body shall submit its proposed budget and property tax
 24 levy to the city or town fiscal body. The proposed budget and levy shall
 25 be submitted at least fourteen (14) days before the city or town fiscal
 26 body ~~is required to hold budget approval hearings meets~~ under **section**
 27 **5(a)** of this chapter.

28 ~~(d)~~ (e) If subsection ~~(c)~~ (d) does not apply, the governing body of
 29 the taxing unit shall submit its proposed budget and property tax levy
 30 to the county fiscal body in the county where the taxing unit has the
 31 most assessed valuation. The proposed budget and levy shall be
 32 submitted at least fourteen (14) days before the county fiscal body ~~is~~
 33 ~~required to hold budget approval hearings meets~~ under **section 5(a)** of
 34 this chapter.

35 ~~(e)~~ (f) The fiscal body of the city, town, or county (whichever
 36 applies) shall review each budget and proposed tax levy and adopt a
 37 final budget and tax levy for the taxing unit. The fiscal body may
 38 reduce or modify but not increase the proposed budget or tax levy.

39 SECTION 3. IC 6-1.1-17-21 IS ADDED TO THE INDIANA CODE
 40 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 41 1, 2005]: **Sec. 21. (a) This section applies to a taxing unit (other**
 42 **than an excluded city described in IC 36-3-1-7 or a township)**

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located in a county containing a consolidated city.

(b) For purposes of this section, an increase in a taxing unit's property tax rate is the amount by which the rate exceeds the taxing unit's rate for the immediately preceding year.

(c) If a taxing unit proposes an increase in its property tax rate, the governing body of the taxing unit must submit its proposed property tax levy and property tax rate to the county fiscal body at least fourteen (14) days before the county fiscal body meets under section 5(a) of this chapter.

(d) The county fiscal body shall:

(1) review each property tax levy and property tax rate submitted under subsection (c); and

(2) either approve or deny an increase in the taxing unit's property tax rate.

(e) If the county fiscal body approves an increase in the taxing unit's property tax rate, the county fiscal body shall notify the mayor of the consolidated city of the approval. The mayor shall:

(1) review each property tax rate increase approval submitted under this section;

(2) either approve or deny the increase; and

(3) notify the department of local government finance of the mayor's action under this subsection.

(f) The department of local government finance may approve an increase in a taxing unit's property tax rate in an amount that exceeds an increase approved by the mayor of the consolidated city under subsection (e) only if the department finds that the failure to increase the rate in that amount will adversely affect the health, safety, or well-being of the citizens of the county.

SECTION 4. [EFFECTIVE JULY 1, 2005] IC 6-1.1-17-16 and IC 6-1.1-17-20, both as amended by this act, and IC 6-1.1-17-21, as added by this act, apply only to property taxes first due and payable after December 31, 2005.

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