

CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 496

Citations Affected: IC 4-33-4-23; IC 5-1-18; IC 6-1.1; IC 6-1.5-5-2; IC 6-1.5-5-5; IC 6-3.1-1-3; IC 6-3.1-26; IC 6-3.5-7; IC 20-14-14; IC 36-1-8-9; IC 36-1-8-9.5; IC 36-7.

Synopsis: Economic development and taxation. Specifies requirements for the handling of money received under a development agreement. Requires operating agents and riverboat owners to annually report to the gaming commission the amounts of incentive payments made to political subdivisions or the state. Requires political subdivisions to report certain information concerning new bond issues and leases to the DLGF and to make annual reports to DLGF concerning outstanding bonds and leases. Requires DLGF to compile information from the reports in a data base and to post information from the reports on the Internet. Requires, for a public library whose board is not comprised of a majority of elected members, operating budget and tax levy review by the fiscal body of the municipality, township, or county in which the library is located if the library proposes a levy increase of more than 5%. Prescribes a property tax assessment method for certain low income rental property. Extends until June 1, 2005, the time in which an ordinance may be adopted in a county to provide: (1) a property tax deduction for inventory assessed in 2005; and (2) a homestead credit funded from county economic development income tax revenues to eliminate the effects of the inventory deduction on homesteads. Provides that if the county auditor determines in an appeal of a property assessment that the assessed value of the items appealed constitutes at least 1% of a taxing unit's total assessed value for the preceding year: (1) the county auditor must provide notice to the affected taxing unit; and (2) the affected taxing unit, although not a party to the appeal, may participate in the hearing. Adds distribution, transportation, and logistical distribution equipment purchases to the list of equipment qualifying for the Hoosier business investment tax credit (HBITC). Changes the amount of the HBITC from 30% to a percentage set by the Indiana economic development corporation, not to exceed 10% of the qualified investment and deletes the provision stating that the amount of the credit claimed in a taxable year may not exceed the lesser of the taxpayer's state tax liability growth or 30% of the qualified investment. Repeals the HBITC definition of state tax liability growth. Deletes the requirement that an applicant for the HBITC must have conducted business in Indiana for at least one year before the date of the application. Provides that the HBITC may be carried over for a period set by the Indiana economic development corporation, not to exceed a maximum of nine years. Provides that costs associated with the purchase of machinery, equipment, or special purpose buildings used to make motion pictures or audio productions are qualified investments

for purposes of the HBITC. Requires DLGF to prepare and post on the Internet an annual report on the each political subdivision's per capita spending. Provides that the part of the money received from certain property tax settlements that is attributable to taxes imposed by a political subdivision may be used to provide property tax credits in the political subdivision to taxpayers other than taxpayers that paid the settlement. Reduces the income tax incremental amount that the state is required to pay to a CRED or CTP by the amount of the economic development for a growing economy tax credits granted to businesses operating in the CRED or CTP. Defines gross retail incremental amount and income tax incremental amount in the law governing CTPs. Provides reporting standards for a business in a CRED. Requires notice to be given to taxing units affected by the creation of a CRED or professional sports development area. **(This conference committee report adds SB 278 (January 28th printing) concerning requirements for the handling of money received under a development agreement between the licensed owner of a riverboat and a political subdivision. Requires operating agents and riverboat owners to annually report to the gaming commission the amounts of incentive payments made to political subdivisions or the state. The report adds distribution, transportation, and logistical distribution equipment purchases to the list of equipment qualifying for the Hoosier business investment tax credit (HBITC), changes the amount of the HBITC from 30% to a percentage set by the Indiana economic development corporation, not to exceed 10% of the qualified investment, and changes the HBITC carry over period to a period set by the Indiana economic development corporation, not to exceed a maximum of nine years. The report removes all the following provisions: Revises the formula for determining the state spending cap to be 99% of available general revenue. Voids general appropriations whenever total appropriations exceed 99% of available general revenue. Voids the appropriations made by a major budget bill whenever the bill or its conference committee report fails to include certain disclosures concerning the amount of spending being proposed by the general assembly. Requires the budget agency to prepare a revenue forecast. Repeals the current laws concerning the state spending growth quotient. Provides that the amount deposited in the counter-cyclical revenue and economic stabilization fund is calculated on the general fund revenue deposited in the state general fund or the property tax replacement fund. Allows money in the counter-cyclical revenue and economic stabilization fund to be transferred to the property tax replacement fund under certain circumstances. Increases the maximum amount that may be retained in the counter-cyclical revenue and economic stabilization fund from 7% to 10% of total state general fund revenues. Delays for one year the annual adjustment of the assessed value of real property. Excludes from the levy excess of a civil taxing unit or school corporation current collections of delinquent property taxes that were first due and payable after 2003. For property taxes first due and payable in 2006, authorizes a civil taxing unit to adopt a resolution or an ordinance to set the civil taxing unit's maximum property tax levy for property taxes first due and payable in 2006 at the amount that would have applied for taxes payable in 2005 if the 2004 change had not been enacted that eliminated unused maximum levy capacity from the determination of the next year's maximum levy. Adds the restored levy capacity to the unit's previous year's levy to establish the unit's maximum levy in 2007 and thereafter. Limits a civil taxing unit to the use of 1/3 of the maximum levy capacity in a particular year. Allows the deferral of any part of the property taxes that: (1) exceed a minimum required payment; and (2) are imposed on the residence of an individual who qualifies for the age 65 and over property tax deduction or the blind or disabled property tax deduction (or the individual's surviving spouse). Authorizes the use of various revenues associated with riverboat gaming to reduce a unit's levy for a particular year without reducing the unit's maximum levy. Standardizes the provisions of current law authorizing the use of riverboat gaming revenue for property tax relief. Provides that bonds and leases issued by political subdivisions and payable from local option income taxes (in addition to those payable from property taxes) are subject to approval by the department of local government finance (DLGF). Establishes additional criteria for DLGF approval of bonds and leases. Allows tenants of residential property to sign petitions and remonstrances with respect to a petition and remonstrance contest for a controlled project. Requires an accompanying affidavit for tenants to affirm they are tenants. For property taxes payable**

in 2005 through 2008, allows a county fiscal body to apply one of the following property tax credits: (1) a credit for property taxes on tangible property in the amount by which the taxes exceed 2% of the assessed value of the property; or (2) a credit for a homestead that had an excessive tax increase in the last general reassessment. For property taxes payable after 2008, allows the county fiscal body to apply a credit for property taxes on tangible property in the amount by which the taxes exceed 2% of the assessed value of the property. Limits a taxpayer from using more than one state tax liability credit for the same project. Authorizes the economic development corporation to determine the amount of local incentives required for approval of an EDGE credit for job retention. Provides that the unused portion of an EDGE credit is not refundable but may be carried over for two years. Extends the \$5,000,000 statewide annual cap on EDGE credits for job retention through the 2006 and 2007 state fiscal years. Requires an applicant for an EDGE credit to agree to maintain operations for at least two years after the last year in which a credit or carryover is claimed (instead of a period twice as long as the term of the tax credit). Requires consideration of the extent to which the granting of an EDGE credit would reduce the amount available to fund the purposes of a community revitalization enhancement district (CRED) or certified technology park (CTP). Allows a taxpayer to carry over an unused CRED tax credit for only nine taxable years. Repeals the provision that prohibits consideration of the value of federal income tax credits in determining the assessed value of low income housing property.)

Effective: Upon passage; March 30, 2004 (retroactive); January 1, 2005 (retroactive); March 31, 2005 (retroactive); May 15, 2005; July 1, 2005; January 1, 2006.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 496 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 4-33-4-23 IS ADDED TO THE INDIANA CODE
- 3 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2005]: **Sec. 23. (a) An operating agent or a person holding**
- 5 **an owner's license must report annually to the commission the**
- 6 **following:**
- 7 (1) **The total dollar amounts and recipients of incentive**
- 8 **payments made.**
- 9 (2) **Any other items related to the payments described in**
- 10 **subdivision (1) that the commission may require.**
- 11 (b) **The commission shall prescribe, with respect to the report**
- 12 **required by subsection (a):**
- 13 (1) **the format of the report;**
- 14 (2) **the deadline by which the report must be filed; and**
- 15 (3) **the manner in which the report must be maintained and**
- 16 **filed.**
- 17 SECTION 2. IC 5-1-18 IS ADDED TO THE INDIANA CODE AS
- 18 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 19 1, 2005]:
- 20 **Chapter 18. Reports Concerning Bonds and Leases of Political**
- 21 **Subdivisions**
- 22 **Sec. 1. As used in this chapter,"bonds" means any bonds, notes,**

1 or other evidences of indebtedness, including guaranteed energy
 2 savings contracts and advances from the common school fund,
 3 whether payable from property taxes, other taxes, revenues, or any
 4 other source. However, the term does not include notes, warrants,
 5 or other evidences of indebtedness made in anticipation of and to
 6 be paid from current revenues of a political subdivision actually
 7 levied and in the course of collection for the fiscal year in which the
 8 notes, warrants, or other evidences of indebtedness are issued.

9 Sec. 2. As used in this chapter, "department" refers to the
 10 department of local government finance.

11 Sec. 3. As used in this chapter, "lease" means a lease of real
 12 property that is entered into by a political subdivision for a term of
 13 at least twelve (12) months, whether payable from property taxes,
 14 other taxes, revenues, or any other source.

15 Sec. 4. As used in this chapter, "lease rentals" means the
 16 payments required under a lease.

17 Sec. 5. As used in this chapter, "political subdivision" has the
 18 meaning set forth in IC 36-1-2-13.

19 Sec. 6. A political subdivision that issues bonds or enters into a
 20 lease after December 31, 2005, shall supply the department with
 21 information concerning the bond issue or lease within twenty (20)
 22 days after the issuance of the bonds or execution of the lease.

23 Sec. 7. (a) Except as provided by subsection (b), the bond issue
 24 information required by section 6 of this chapter must be
 25 submitted on a form prescribed by the department and must
 26 include:

- 27 (1) the par value of the bond issue;
- 28 (2) a schedule of maturities and interest rates;
- 29 (3) the purposes of the bond issue;
- 30 (4) the itemized costs of issuance information, including fees for
- 31 bond counsel, other legal counsel, underwriters, and financial
- 32 advisors;
- 33 (5) the type of bonds that are issued; and
- 34 (6) other information as required by the department.

35 A copy of the official statement and bond covenants, if any, must
 36 be supplied with this information.

37 (b) The department may establish a procedure that permits a
 38 political subdivision or a person acting on behalf of a political
 39 subdivision to transfer all or part of the information described in
 40 subsection (a) to the department in a uniform format through a
 41 secure connection over the Internet or through other electronic
 42 means.

43 Sec. 8. (a) Except as provided by subsection (b), the lease
 44 information required by section 6 of this chapter must be
 45 submitted on a form prescribed by the department and must
 46 include:

- 47 (1) the term of the lease;
- 48 (2) the annual and total amount of lease rental payments due
- 49 under the lease;
- 50 (3) the purposes of the lease;
- 51 (4) the itemized costs incurred by the political subdivision with

1 **respect to the preparation and execution of the lease, including**
 2 **fees for legal counsel and other professional advisors;**

3 **(5) if all or part of the lease rental payments are used by the**
 4 **lessor as debt service payments for bonds issued for the**
 5 **acquisition, construction, renovation, improvement, expansion,**
 6 **or use of a building, structure, or other public improvement for**
 7 **the political subdivision:**

8 **(A) the name of the lessor;**

9 **(B) the par value of the bond issue; and**

10 **(C) the purposes of the bond issue; and**

11 **(6) other information as required by the department.**

12 **(b) The department may establish a procedure that permits a**
 13 **political subdivision or a person acting on behalf of a political**
 14 **subdivision to transfer all or part of the information described in**
 15 **subsection (a) to the department in a uniform format through the**
 16 **Internet or other electronic means, as determined by the**
 17 **department.**

18 **Sec. 9. Each political subdivision that has any outstanding bonds**
 19 **or leases shall submit a report to the department before March 1**
 20 **of 2006 and each year thereafter that includes a summary of all the**
 21 **outstanding bonds of the political subdivision as of January 1 of**
 22 **that year. The report must:**

23 **(1) distinguish the outstanding bond issues and leases on the**
 24 **basis of the type of bond or lease, as determined by the**
 25 **department;**

26 **(2) include a comparison of the political subdivision's**
 27 **outstanding indebtedness compared to any applicable statutory**
 28 **or constitutional limitations on indebtedness;**

29 **(3) include other information as required by the department;**
 30 **and**

31 **(4) be submitted on a form prescribed by the department or**
 32 **through the Internet or other electronic means, as determined**
 33 **by the department.**

34 **Sec. 10. The department shall:**

35 **(1) compile an electronic data base that includes the**
 36 **information submitted under this chapter; and**

37 **(2) after December 31, 2006, post the information submitted**
 38 **under this chapter on the Internet at least annually.**

39 **Sec. 11. Information submitted to the department under this**
 40 **chapter is a public record that may be inspected and copied under**
 41 **IC 5-14-3.**

42 **Sec. 12. The department may adopt rules under IC 4-22-2 to**
 43 **carry out the purposes of this chapter.**

44 **SECTION 3. IC 6-1.1-4-39 IS AMENDED TO READ AS**
 45 **FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 39. (a) For**
 46 **assessment dates after February 28, 2005, except as provided in**
 47 **~~subsection~~ subsections (c) and (e), the true tax value of real property**
 48 **regularly used to rent or otherwise furnish residential accommodations**
 49 **for periods of thirty (30) days or more and that has more than four (4)**
 50 **rental units is the lowest valuation determined by applying each of the**
 51 **following appraisal approaches:**

- 1 (1) Cost approach that includes an estimated reproduction or
 2 replacement cost of buildings and land improvements as of the date
 3 of valuation together with estimates of the losses in value that have
 4 taken place due to wear and tear, design and plan, or neighborhood
 5 influences.
- 6 (2) Sales comparison approach, using data for generally
 7 comparable property.
- 8 (3) Income capitalization approach, using an applicable
 9 capitalization method and appropriate capitalization rates that are
 10 developed and used in computations that lead to an indication of
 11 value commensurate with the risks for the subject property use.
- 12 (b) The gross rent multiplier method is the preferred method of
 13 valuing:
- 14 (1) real property that has at least one (1) and not more than four (4)
 15 rental units; and
- 16 (2) mobile homes assessed under IC 6-1.1-7.
- 17 (c) A township assessor is not required to appraise real property
 18 referred to in subsection (a) using the three (3) appraisal approaches
 19 listed in subsection (a) if the township assessor and the taxpayer agree
 20 before notice of the assessment is given to the taxpayer under section
 21 22 of this chapter to the determination of the true tax value of the
 22 property by the assessor using one (1) of those appraisal approaches.
- 23 (d) To carry out this section, the department of local government
 24 finance may adopt rules for assessors to use in gathering and processing
 25 information for the application of the income capitalization method and
 26 the gross rent multiplier method. A taxpayer must verify under
 27 penalties for perjury any information provided to the assessor for use
 28 in the application of either method.
- 29 **(e) The true tax value of low income rental property (as defined**
 30 **in section 41 of this chapter) is not determined under subsection**
 31 **(a). The assessment method prescribed in section 41 of this chapter**
 32 **is the exclusive method for assessment of that property. This**
 33 **subsection does not impede any rights to appeal an assessment.**
- 34 SECTION 4. IC 6-1.1-4-41 IS ADDED TO THE INDIANA CODE
 35 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2006]: **Sec. 41. (a) For purposes of this section:**
- 37 **(1) "low income rental property" means real property used to**
 38 **provide low income housing eligible for federal income tax**
 39 **credits awarded under Section 42 of the Internal Revenue**
 40 **Code; and**
- 41 **(2) "rental period" means the period during which low income**
 42 **rental property is eligible for federal income tax credits**
 43 **awarded under Section 42 of the Internal Revenue Code.**
- 44 **(b) For assessment dates after February 28, 2006, except as**
 45 **provided in subsection (c), the true tax value of low income rental**
 46 **property is the greater of the true tax value:**
- 47 **(1) determined using the income capitalization approach; or**
 48 **(2) that results in a gross annual tax liability equal to five**
 49 **percent (5%) of the total gross rent received from the rental of**
 50 **all units in the property for the most recent taxpayer fiscal year**
 51 **that ends before the assessment date.**

1 **(c) The department of local government finance may adopt rules**
 2 **under IC 4-22-2 to implement this section.**

3 SECTION 5. IC 6-1.1-12-41 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE MARCH 30, 2004 (RETROACTIVE)]: Sec.
 5 41. (a) This section does not apply to assessment years beginning after
 6 December 31, 2005.

7 (b) As used in this section, "assessed value of inventory" means the
 8 assessed value determined after the application of any deductions or
 9 adjustments that apply by statute or rule to the assessment of inventory,
 10 other than the deduction allowed under subsection (f).

11 (c) As used in this section, "county income tax council" means a
 12 council established by IC 6-3.5-6-2.

13 (d) As used in this section, "fiscal body" has the meaning set forth in
 14 IC 36-1-2-6.

15 (e) As used in this section, "inventory" has the meaning set forth in
 16 IC 6-1.1-3-11.

17 (f) An ordinance may be adopted in a county to provide that a
 18 deduction applies to the assessed value of inventory located in the
 19 county. The deduction is equal to one hundred percent (100%) of the
 20 assessed value of inventory located in the county for the appropriate
 21 year of assessment. ~~An ordinance adopted under this subsection must~~
 22 ~~be adopted before January 1 of a calendar year beginning after~~
 23 ~~December 31, 2002.~~ An ordinance adopted under this section in a
 24 particular year applies:

25 **(1) if adopted before March 31, 2004,** to each subsequent
 26 assessment year ending before January 1, 2006; **and**

27 **(2) if adopted after March 30, 2004, and before June 1, 2005, to**
 28 **the March 1, 2005, assessment date.**

29 An ordinance adopted under this section may be consolidated with an
 30 ordinance adopted under IC 6-3.5-7-25 or IC 6-3.5-7-26. The
 31 consolidation of an ordinance adopted under this section with an
 32 ordinance adopted under IC 6-3.5-7-26 does not cause the ordinance
 33 adopted under IC 6-3.5-7-26 to expire after December 31, 2005.

34 (g) An ordinance may not be adopted under subsection (f) after
 35 ~~March May 30, 2004:~~ **2005.** However, an ordinance adopted under this
 36 section:

37 **(1) before March 31, 2004,** may be amended after March 30,
 38 2004; **and**

39 **(2) before June 1, 2005, may be amended after May 30, 2005;**
 40 to consolidate an ordinance adopted under IC 6-3.5-7-26.

41 (h) The entity that may adopt the ordinance permitted under
 42 subsection (f) is:

43 (1) the county income tax council if the county option income tax
 44 is in effect on January 1 of the year in which an ordinance under
 45 this section is adopted;

46 (2) the county fiscal body if the county adjusted gross income tax
 47 is in effect on January 1 of the year in which an ordinance under
 48 this section is adopted; or

49 (3) the county income tax council or the county fiscal body,
 50 whichever acts first, for a county not covered by subdivision (1) or
 51 (2).

1 To adopt an ordinance under subsection (f), a county income tax
 2 council shall use the procedures set forth in IC 6-3.5-6 concerning the
 3 imposition of the county option income tax. The entity that adopts the
 4 ordinance shall provide a certified copy of the ordinance to the
 5 department of local government finance before February 1.

6 (i) A taxpayer is not required to file an application to qualify for the
 7 deduction permitted under subsection (f).

8 (j) The department of local government finance shall incorporate the
 9 deduction established in this section in the personal property return
 10 form to be used each year for filing under IC 6-1.1-3-7 or
 11 IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the
 12 form. If a taxpayer fails to enter the deduction on the form, the
 13 township assessor shall:

14 (1) determine the amount of the deduction; and

15 (2) within the period established in IC 6-1.1-16-1, issue a notice of
 16 assessment to the taxpayer that reflects the application of the
 17 deduction to the inventory assessment.

18 (k) The deduction established in this section must be applied to any
 19 inventory assessment made by:

20 (1) an assessing official;

21 (2) a county property tax board of appeals; or

22 (3) the department of local government finance.

23 SECTION 6. IC 6-1.1-15-1 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A taxpayer may
 25 obtain a review by the county property tax assessment board of appeals
 26 of a county or township official's action with respect to the assessment
 27 of the taxpayer's tangible property if the official's action requires the
 28 giving of notice to the taxpayer. At the time that notice is given to the
 29 taxpayer, the taxpayer shall also be informed in writing of:

30 (1) the opportunity for review under this section, including an
 31 informal preliminary conference with the county or township
 32 official referred to in this subsection; and

33 (2) the procedures the taxpayer must follow in order to obtain
 34 review under this section.

35 (b) In order to appeal a current assessment and have a change in the
 36 assessment effective for the most recent assessment date, the taxpayer
 37 must request in writing a preliminary conference with the county or
 38 township official referred to in subsection (a):

39 (1) ~~within not later than~~ forty-five (45) days after notice of a
 40 change in the assessment is given to the taxpayer; or

41 (2) ~~on or before~~ May 10 of that year;

42 ~~whichever is later. The county or township official referred to in~~
 43 ~~subsection (a) shall notify the county auditor that the assessment is~~
 44 ~~under appeal.~~ The preliminary conference required under this
 45 subsection is a prerequisite to a review by the county property tax
 46 assessment board of appeals under subsection (i).

47 (c) A change in an assessment made as a result of an appeal filed:

48 (1) in the same year that notice of a change in the assessment is
 49 given to the taxpayer; and

50 (2) after the time prescribed in subsection (b);

51 becomes effective for the next assessment date.

1 (d) A taxpayer may appeal a current real property assessment in a
 2 year even if the taxpayer has not received a notice of assessment in the
 3 year. If an appeal is filed on or before May 10 of a year in which the
 4 taxpayer has not received notice of assessment, a change in the
 5 assessment resulting from the appeal is effective for the most recent
 6 assessment date. If the appeal is filed after May 10, the change becomes
 7 effective for the next assessment date.

8 (e) The written request for a preliminary conference that is required
 9 under subsection (b) must include the following information:

- 10 (1) The name of the taxpayer.
- 11 (2) The address and parcel or key number of the property.
- 12 (3) The address and telephone number of the taxpayer.

13 (f) The county or township official referred to in subsection (a) shall,
 14 **within not later than** thirty (30) days after the receipt of a written
 15 request for a preliminary conference, attempt to hold a preliminary
 16 conference with the taxpayer to resolve as many issues as possible by:

- 17 (1) discussing the specifics of the taxpayer's reassessment;
- 18 (2) reviewing the taxpayer's property record card;
- 19 (3) explaining to the taxpayer how the reassessment was
 20 determined;
- 21 (4) providing to the taxpayer information about the statutes, rules,
 22 and guidelines that govern the determination of the reassessment;
- 23 (5) noting and considering objections of the taxpayer;
- 24 (6) considering all errors alleged by the taxpayer; and
- 25 (7) otherwise educating the taxpayer about:
 - 26 (A) the taxpayer's reassessment;
 - 27 (B) the reassessment process; and
 - 28 (C) the reassessment appeal process.

29 **Within Not later than** ten (10) days after the conference, the county or
 30 township official referred to in subsection (a) shall forward to the
 31 county auditor and the county property tax assessment board of appeals
 32 the results of the conference on a form prescribed by the department of
 33 local government finance that must be completed and signed by the
 34 taxpayer and the official. The official and the taxpayer shall each retain
 35 a copy of the form for their records.

36 (g) The form submitted to the county property tax assessment board
 37 of appeals under subsection (f) must specify the following:

- 38 (1) The physical characteristics of the property in issue that bear on
 39 the assessment determination.
- 40 (2) All other facts relevant to the assessment determination.
- 41 (3) A list of the reasons the taxpayer believes that the assessment
 42 determination by the county or township official referred to in
 43 subsection (a) is incorrect.
- 44 (4) An indication of the agreement or disagreement by the official
 45 with each item listed under subdivision (3).
- 46 (5) The reasons the official believes that the assessment
 47 determination is correct.

48 (h) If after the conference there are no items listed on the form
 49 submitted to the county property tax assessment board of appeals under
 50 subsection (f) on which there is disagreement:

- 51 (1) the county or township official referred to in subsection (a)

1 shall give notice to the taxpayer, the county property tax
 2 assessment board of appeals, and the county assessor of the
 3 assessment in the amount agreed to by the taxpayer and the official;
 4 and

5 (2) the county property tax assessment board of appeals may
 6 reserve the right to change the assessment under IC 6-1.1-13.

7 (i) If after the conference there are items listed in the form submitted
 8 under subsection (f) on which there is disagreement, the county
 9 property tax assessment board of appeals shall hold a hearing. The
 10 taxpayer and county or township official whose original determination
 11 is under review are parties to the proceeding before the board of
 12 appeals. Except as provided in subsections (k) and (l), the hearing must
 13 be held ~~within~~ **not later than** ninety (90) days ~~of~~ **after** the official's
 14 receipt of the taxpayer's written request for a preliminary conference
 15 under subsection (b). The taxpayer may present the taxpayer's reasons
 16 for disagreement with the assessment. The county or township official
 17 referred to in subsection (a) must present the basis for the assessment
 18 decision on these items to the board of appeals at the hearing and the
 19 reasons the taxpayer's appeal should be denied on those items. The
 20 board of appeals shall have a written record of the hearing and prepare
 21 a written statement of findings and a decision on each item ~~within~~ **not**
 22 **later than** sixty (60) days ~~of~~ **after** the hearing, except as provided in
 23 subsections (k) and (l).

24 (j) If the township assessor does not attempt to hold a preliminary
 25 conference, the taxpayer may file a request in writing with the county
 26 assessor for a hearing before the property tax assessment board of
 27 appeals. If the board determines that the county or township official
 28 referred to in subsection (a) did not attempt to hold a preliminary
 29 conference, the board shall hold a hearing. The taxpayer and the county
 30 or township official whose original determination is under review are
 31 parties to the proceeding before the board of appeals. The hearing must
 32 be held ~~within~~ **not later than** ninety (90) days ~~of~~ **after** the receipt by
 33 the board of appeals of the taxpayer's hearing request under this
 34 subsection. The requirements of subsection (i) with respect to:

35 (1) participation in the hearing by the taxpayer and the township
 36 assessor or county assessor; and

37 (2) the procedures to be followed by the county board;
 38 apply to a hearing held under this subsection.

39 (k) This subsection applies to a county having a population of more
 40 than three hundred thousand (300,000). In the case of a petition filed
 41 after December 31, 2000, the county property tax assessment board of
 42 appeals shall:

43 (1) hold its hearing ~~within~~ **not later than** one hundred eighty (180)
 44 days instead of ninety (90) days **after the filing of the petition**;
 45 and

46 (2) have a written record of the hearing and prepare a written
 47 statement of findings and a decision on each item ~~within~~ **not later**
 48 **than** one hundred twenty (120) days after the hearing.

49 (l) This subsection applies to a county having a population of three
 50 hundred thousand (300,000) or less. With respect to an appeal of a real
 51 property assessment that takes effect on the assessment date on which

1 a general reassessment of real property takes effect under IC 6-1.1-4-4,
2 the county property tax assessment board of appeals shall:

3 (1) hold its hearing ~~within~~ **not later than** one hundred eighty (180)
4 days instead of ninety (90) days **after the filing of the petition;**
5 and

6 (2) have a written record of the hearing and prepare a written
7 statement of findings and a decision on each item ~~within~~ **not later**
8 **than** one hundred twenty (120) days after the hearing.

9 (m) The county property tax assessment board of appeals:

10 (1) may not require a taxpayer to file documentary evidence or
11 summaries of statements of testimonial evidence before the hearing
12 required under subsection (i) or (j); and

13 (2) may amend the form submitted under subsection (f) if the board
14 determines that the amendment is warranted.

15 **(n) Upon receiving a request for a preliminary conference under**
16 **subsection (b), the county or township official referred to in**
17 **subsection (a) shall notify the county auditor in writing that the**
18 **assessment is under appeal. With respect to an appeal of the**
19 **assessment of real property or personal property filed after June**
20 **30, 2005, the notice must include the appellant's name and address,**
21 **the assessed value of the appealed items for the assessment date**
22 **immediately preceding the assessment date for which the appeal**
23 **was filed, and the assessed value of the appealed items on the most**
24 **recent assessment date. If the county auditor determines that the**
25 **assessed value of the appealed items constitutes at least one percent**
26 **(1%) of the total gross certified assessed value of a particular**
27 **taxing unit for the assessment date immediately preceding the**
28 **assessment date for which the appeal was filed, the county auditor**
29 **shall send a copy of the notice to the affected taxing unit. Failure of**
30 **the county auditor to send a copy of the notice to the affected**
31 **taxing unit does not affect the validity of the appeal or delay the**
32 **appeal.**

33 SECTION 7. IC 6-1.1-15-2.1 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.1. (a) The county
35 property tax assessment board of appeals may assess the tangible
36 property in question.

37 (b) The county property tax assessment board of appeals shall, by
38 mail, give notice of the date fixed for the hearing under ~~section~~ **+**
39 **section 1(i)** of this chapter to the taxpayer, ~~and to the township~~
40 **assessor, the county assessor, and the county auditor. With respect**
41 **to an appeal of the assessment of real property or personal**
42 **property filed after June 30, 2005, the notice must include the**
43 **following:**

44 **(1) For those items on which there is disagreement, the assessed**
45 **value of the appealed items:**

46 **(A) for the assessment date immediately preceding the**
47 **assessment date for which the appeal was filed; and**

48 **(B) on the most recent assessment date.**

49 **(2) A statement that a taxing unit receiving the notice from the**
50 **county auditor under subsection (c) may:**

51 **(A) attend the hearing;**

1 **(B) offer testimony; and**

2 **(C) file an amicus curiae brief in the proceeding.**

3 **A taxing unit that receives a notice from the county auditor under**
4 **subsection (c) is not a party to the appeal.**

5 **(c) If, after receiving notice of a hearing under subsection (b), the**
6 **county auditor determines that the assessed value of the items on**
7 **which there is disagreement constitutes at least one percent (1%)**
8 **of the total gross certified assessed value of a particular taxing unit**
9 **for the assessment date immediately preceding the assessment date**
10 **for which the appeal was filed, the county auditor shall send a copy**
11 **of the notice to the affected taxing unit. Failure of the county**
12 **auditor to send a copy of the notice to the affected taxing unit does**
13 **not affect the validity of the appeal or delay the appeal.**

14 ~~(c)~~ **(d)** The department of local government finance shall prescribe a
15 form for use by the county property tax assessment board of appeals in
16 processing a review of an assessment determination. The department
17 shall issue instructions for completion of the form. The form must
18 require the county property tax assessment board of appeals to include
19 a record of the hearing, findings on each item, and indicate agreement
20 or disagreement with each item that is indicated on the form submitted
21 by the taxpayer and the county or township official under section 1(f)
22 of this chapter. The form must also require the county property tax
23 assessment board of appeals to indicate the issues in dispute for each
24 item and its reasons in support of its resolution of those issues.

25 ~~(d)~~ **(e)** After the hearing the county property tax assessment board of
26 appeals shall, by mail, give notice of its determination to the taxpayer,
27 the township assessor, ~~and~~ the county assessor, ~~and~~ **the county**
28 **auditor, and any taxing unit entitled to notice of the hearing under**
29 **subsection (c). The county property tax assessment board of**
30 **appeals shall include with the notice copies of the forms completed**
31 **under subsection ~~(c)~~ (d).**

32 SECTION 8. IC 6-1.1-15-3 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A taxpayer may
34 obtain a review by the Indiana board of a county property tax
35 assessment board of appeals action with respect to the assessment of
36 that taxpayer's tangible property if the county property tax assessment
37 board of appeals' action requires the giving of notice to the taxpayer. A
38 township assessor, county assessor, member of a county property tax
39 assessment board of appeals, or county property tax assessment board
40 of appeals that made the original determination under appeal under this
41 section is a party to the review under this section to defend the
42 determination. At the time that notice is given to the taxpayer, the
43 taxpayer shall also be informed in writing of:

44 (1) the taxpayer's opportunity for review under this section; and

45 (2) the procedures the taxpayer must follow in order to obtain
46 review under this section.

47 (b) A township assessor or county assessor may obtain a review by
48 the Indiana board of any assessment which the township assessor or the
49 county assessor has made, upon which the township assessor or the
50 county assessor has passed, or which has been made over the township
51 assessor's or the county assessor's protest.

1 (c) In order to obtain a review by the Indiana board under this
 2 section, the party must file a petition for review with the appropriate
 3 county assessor **within not later than** thirty (30) days after the notice
 4 of the county property tax assessment board of appeals action is given
 5 to the taxpayer.

6 (d) The Indiana board shall prescribe the form of the petition for
 7 review of an assessment determination by the county property tax
 8 assessment board of appeals. The Indiana board shall issue instructions
 9 for completion of the form. The form and the instructions must be clear,
 10 simple, and understandable to the average individual. An appeal of such
 11 a determination must be made on the form prescribed by the Indiana
 12 board. The form must require the petitioner to specify the following:

13 (1) If the county or township official held a preliminary conference
 14 under section 1(f) of this chapter, the items listed in section 1(g)(1)
 15 and 1(g)(2) of this chapter.

16 (2) The reasons why the petitioner believes that the assessment
 17 determination by the county property tax assessment board of
 18 appeals is erroneous.

19 (e) The county assessor shall transmit the petition for review to the
 20 Indiana board **within not later than** ten (10) days after it is filed.

21 (f) If a township assessor or a member of the county property tax
 22 assessment board of appeals files a petition for review under this
 23 section concerning the assessment of a taxpayer's property, the county
 24 assessor must send a copy of the petition to the taxpayer. **The county**
 25 **assessor shall transmit the petition for review to the Indiana board**
 26 **not later than ten (10) days after the petition is filed.**

27 SECTION 9. IC 6-1.1-15-4 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) After receiving
 29 a petition for review which is filed under section 3 of this chapter, the
 30 Indiana board shall conduct a hearing at its earliest opportunity. The
 31 Indiana board may:

32 (1) assign:

33 (A) full;

34 (B) limited; or

35 (C) no;

36 evidentiary value to the assessed valuation of tangible property
 37 determined by stipulation submitted as evidence of a comparable
 38 sale; and

39 (2) correct any errors that may have been made, and adjust the
 40 assessment in accordance with the correction.

41 (b) If the Indiana board conducts a site inspection of the property as
 42 part of its review of the petition, the Indiana board shall give notice to
 43 all parties of the date and time of the site inspection. The Indiana board
 44 is not required to assess the property in question. The Indiana board
 45 shall give notice of the date fixed for the hearing, by mail, to the
 46 taxpayer and to the appropriate township assessor, county assessor, and
 47 county auditor. **With respect to an appeal of the assessment of real**
 48 **property or personal property filed after June 30, 2005, the notice**
 49 **must include the following:**

50 (1) **The action of the county property tax assessment board of**
 51 **appeals with respect to the appealed items.**

1 **(2) A statement that a taxing unit receiving the notice from the**
 2 **county auditor under subsection (c) may:**

3 **(A) attend the hearing; and**

4 **(B) offer testimony.**

5 **A taxing unit that receives a notice from the county auditor under**
 6 **subsection (c) is not a party to the appeal.** The Indiana board shall
 7 give these notices at least thirty (30) days before the day fixed for the
 8 hearing. The property tax assessment board of appeals that made the
 9 determination under appeal under this section may, with the approval
 10 of the county executive, file an amicus curiae brief in the review
 11 proceeding under this section. The expenses incurred by the property
 12 tax assessment board of appeals in filing the amicus curiae brief shall
 13 be paid from the property reassessment fund under IC 6-1.1-4-27.5. The
 14 executive of a taxing unit may file an amicus curiae brief in the review
 15 proceeding under this section if the property whose assessment is under
 16 appeal is subject to assessment by that taxing unit.

17 **(c) If, after receiving notice of a hearing under subsection (b), the**
 18 **county auditor determines that the assessed value of the appealed**
 19 **items constitutes at least one percent (1%) of the total gross**
 20 **certified assessed value of a particular taxing unit for the**
 21 **assessment date immediately preceding the assessment date for**
 22 **which the appeal was filed, the county auditor shall send a copy of**
 23 **the notice to the affected taxing unit. Failure of the county auditor**
 24 **to send a copy of the notice to the affected taxing unit does not**
 25 **affect the validity of the appeal or delay the appeal.**

26 ~~(b)~~ **(d)** If a petition for review does not comply with the Indiana
 27 board's instructions for completing the form prescribed under section
 28 3 of this chapter, the Indiana board shall return the petition to the
 29 petitioner and include a notice describing the defect in the petition. The
 30 petitioner then has thirty (30) days from the date on the notice to cure
 31 the defect and file a corrected petition. The Indiana board shall deny a
 32 corrected petition for review if it does not substantially comply with the
 33 Indiana board's instructions for completing the form prescribed under
 34 section 3 of this chapter.

35 ~~(c)~~ **(e)** The Indiana board shall prescribe a form for use in processing
 36 petitions for review of actions by the county property tax assessment
 37 board of appeals. The Indiana board shall issue instructions for
 38 completion of the form. The form must require the Indiana board to
 39 indicate agreement or disagreement with each item that is:

40 (1) if the county or township official held a preliminary conference
 41 under section 1(f) of this chapter, indicated on the petition
 42 submitted under that section by the taxpayer and the official; and

43 (2) included in the county property tax assessment board of
 44 appeals' findings, record, and determination under ~~section 2.1(c)~~
 45 **section 2.1(d)** of this chapter.

46 The form must also require the Indiana board to indicate the issues in
 47 dispute and its reasons in support of its resolution of those issues.

48 ~~(d)~~ **(f)** After the hearing the Indiana board shall give the petitioner,
 49 the township assessor, the county assessor, ~~and~~ the county auditor, **and**
 50 **the affected taxing units required to be notified under subsection**
 51 **(c):**

- 1 (1) notice, by mail, of its final determination;
- 2 (2) a copy of the form completed under subsection ~~(c)~~; **(e)**; and
- 3 (3) notice of the procedures they must follow in order to obtain
- 4 court review under section 5 of this chapter.
- 5 ~~(e)~~ **(g)** Except as provided in subsection ~~(f)~~; **(h)**, the Indiana board
- 6 shall conduct a hearing not later than nine (9) months after a petition in
- 7 proper form is filed with the Indiana board, excluding any time due to
- 8 a delay reasonably caused by the petitioner.
- 9 ~~(f)~~ **(h)** With respect to an appeal of a real property assessment that
- 10 takes effect on the assessment date on which a general reassessment of
- 11 real property takes effect under IC 6-1.1-4-4, the Indiana board shall
- 12 conduct a hearing not later than one (1) year after a petition in proper
- 13 form is filed with the Indiana board, excluding any time due to a delay
- 14 reasonably caused by the petitioner.
- 15 ~~(g)~~ **(i)** Except as provided in subsection ~~(h)~~; **(j)**, the Indiana board
- 16 shall make a determination not later than the later of:
- 17 (1) ninety (90) days after the hearing; or
- 18 (2) the date set in an extension order issued by the Indiana board.
- 19 ~~(h)~~ **(j)** With respect to an appeal of a real property assessment that
- 20 takes effect on the assessment date on which a general reassessment of
- 21 real property takes effect under IC 6-1.1-4-4, the Indiana board shall
- 22 make a determination not later than the later of:
- 23 (1) one hundred eighty (180) days after the hearing; or
- 24 (2) the date set in an extension order issued by the Indiana board.
- 25 ~~(i)~~ **(k)** Except as provided in subsection ~~(m)~~; **(p)**, the Indiana board
- 26 may not extend the final determination date under subsection ~~(g)~~ **(i)** or
- 27 ~~(h)~~ **(j)** by more than one hundred eighty (180) days. If the Indiana board
- 28 fails to make a final determination within the time allowed by this
- 29 subsection, the entity that initiated the petition may:
- 30 (1) take no action and wait for the Indiana board to make a final
- 31 determination; or
- 32 (2) petition for judicial review under section 5(g) of this chapter.
- 33 ~~(j)~~ **(l)** A final determination must include separately stated findings
- 34 of fact for all aspects of the determination. Findings of ultimate fact
- 35 must be accompanied by a concise statement of the underlying basic
- 36 facts of record to support the findings. Findings must be based
- 37 exclusively upon the evidence on the record in the proceeding and on
- 38 matters officially noticed in the proceeding. Findings must be based
- 39 upon a preponderance of the evidence.
- 40 ~~(k)~~ **(m)** The Indiana board may limit the scope of the appeal to the
- 41 issues raised in the petition and the evaluation of the evidence presented
- 42 to the county property tax assessment board of appeals in support of
- 43 those issues only if all persons participating in the hearing required
- 44 under subsection (a) agree to the limitation. A person participating in
- 45 the hearing required under subsection (a) is entitled to introduce
- 46 evidence that is otherwise proper and admissible without regard to
- 47 whether that evidence has previously been introduced at a hearing
- 48 before the county property tax assessment board of appeals.
- 49 ~~(l)~~ **(n)** The Indiana board:
- 50 (1) may require the parties to the appeal to file not more than five
- 51 (5) business days before the date of the hearing required under

1 subsection (a) documentary evidence or summaries of statements
 2 of testimonial evidence; and
 3 (2) may require the parties to the appeal to file not more than
 4 fifteen (15) business days before the date of the hearing required
 5 under subsection (a) lists of witnesses and exhibits to be introduced
 6 at the hearing.

7 ~~(m)~~ **(o)** A party to a proceeding before the Indiana board shall provide
 8 to another party to the proceeding the information described in
 9 subsection ~~(h)~~ **(n)** if the other party requests the information in writing
 10 at least ten (10) days before the deadline for filing of the information
 11 under subsection ~~(h)~~ **(n)**.

12 ~~(m)~~ **(p)** The county assessor may:

13 (1) appear as an additional party if the notice of appearance is filed
 14 before the review proceeding; or

15 (2) with the approval of the township assessor, represent the
 16 township assessor;

17 in a review proceeding under this section.

18 ~~(o)~~ **(q)** The Indiana board may base its final determination on a
 19 stipulation between the respondent and the petitioner. If the final
 20 determination is based on a stipulated assessed valuation of tangible
 21 property, the Indiana board may order the placement of a notation on
 22 the permanent assessment record of the tangible property that the
 23 assessed valuation was determined by stipulation. The Indiana board
 24 may:

25 (1) order that a final determination under this subsection has no
 26 precedential value; or

27 (2) specify a limited precedential value of a final determination
 28 under this subsection.

29 SECTION 10. IC 6-1.1-15-5 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Not later than
 31 fifteen (15) days after the Indiana board gives notice of its final
 32 determination under section 4 of this chapter to the party or the
 33 maximum allowable time for the issuance of a final determination by
 34 the Indiana board under section 4 of this chapter expires, a party to the
 35 proceeding may request a rehearing before the Indiana board. The
 36 Indiana board may conduct a rehearing and affirm or modify its final
 37 determination, giving the same notices after the rehearing as are
 38 required by section 4 of this chapter. The Indiana board has fifteen (15)
 39 days after receiving a petition for a rehearing to determine whether to
 40 grant a rehearing. Failure to grant a rehearing not later than fifteen (15)
 41 days after receiving the petition shall be treated as a final determination
 42 to deny the petition. A petition for a rehearing does not toll the time in
 43 which to file a petition for judicial review unless the petition for
 44 rehearing is granted. If the Indiana board determines to rehear a final
 45 determination, the Indiana board:

46 (1) may conduct the additional hearings that the Indiana board
 47 determines necessary or review the written record without
 48 additional hearings; and

49 (2) shall issue a final determination not later than ninety (90) days
 50 after notifying the parties that the Indiana board will rehear the
 51 final determination.

1 If ~~of~~ the Indiana board fails to make a final determination within the
 2 time allowed under subdivision (2), the entity that initiated the petition
 3 for rehearing may take no action and wait for the Indiana board to make
 4 a final determination or petition for judicial review under subsection
 5 (g).

6 (b) A person may petition for judicial review of the final
 7 determination of the Indiana board regarding the assessment of that
 8 person's tangible property. The action shall be taken to the tax court
 9 under IC 4-21.5-5. Petitions for judicial review may be consolidated at
 10 the request of the appellants if it can be done in the interest of justice.
 11 The property tax assessment board of appeals that made the
 12 determination under appeal under this section may, with the approval
 13 of the county executive, file an amicus curiae brief in the review
 14 proceeding under this section. The expenses incurred by the property
 15 tax assessment board of appeals in filing the amicus curiae brief shall
 16 be paid from the property reassessment fund under IC 6-1.1-4-27.5. In
 17 addition, the executive of a taxing unit may file an amicus curiae brief
 18 in the review proceeding under this section if the property whose
 19 assessment is under appeal is subject to assessment by that taxing unit.
 20 The department of local government finance may intervene in an action
 21 taken under this subsection if the interpretation of a rule of the
 22 department is at issue in the action. A township assessor, county
 23 assessor, member of a county property tax assessment board of appeals,
 24 or county property tax assessment board of appeals that made the
 25 original assessment determination under appeal under this section is a
 26 party to the review under this section to defend the determination.

27 (c) Except as provided in subsection (g), to initiate a proceeding for
 28 judicial review under this section, a person must take the action
 29 required by subsection (b) not later than:

30 (1) forty-five (45) days after the Indiana board gives the person
 31 notice of its final determination, unless a rehearing is conducted
 32 under subsection (a); or

33 (2) thirty (30) days after the Indiana board gives the person notice
 34 under subsection (a) of its final determination, if a rehearing is
 35 conducted under subsection (a) or the maximum time elapses for
 36 the Indiana board to make a determination under this section.

37 (d) The failure of the Indiana board to conduct a hearing within the
 38 period prescribed in section ~~4(f)~~ **4(h)** or ~~4(g)~~ **4(i)** of this chapter does
 39 not constitute notice to the person of an Indiana board final
 40 determination.

41 (e) The county executive may petition for judicial review to the tax
 42 court in the manner prescribed in this section upon request by the
 43 county assessor, ~~or the~~ elected township assessor, **or an affected**
 44 **taxing unit. If an appeal is taken at the request of an affected taxing**
 45 **unit, the taxing unit shall pay the costs of the appeal.**

46 (f) If the county executive determines upon a request under this
 47 subsection to not appeal to the tax court:

48 (1) the entity described in subsection (b) that made the original
 49 determination under appeal under this section may take an appeal
 50 to the tax court in the manner prescribed in this section using funds
 51 from that entity's budget; and

1 (2) the petitioner may not be represented by the attorney general in
2 an action described in subdivision (1).

3 (g) If the maximum time elapses for the Indiana board to give notice
4 of its final determination under subsection (a) or section 4 of this
5 chapter, a person may initiate a proceeding for judicial review by taking
6 the action required by subsection (b) at any time after the maximum
7 time elapses. If:

- 8 (1) a judicial proceeding is initiated under this subsection; and
9 (2) the Indiana board has not issued a determination;
10 the tax court shall determine the matter de novo.

11 SECTION 11. IC 6-1.1-15-9 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) If the assessment
13 of tangible property is corrected by the department of local government
14 finance or the county property tax assessment board of appeals under
15 section 8 of this chapter, the owner of the property has a right to appeal
16 the final determination of the corrected assessment to the Indiana board.
17 The county executive also has a right to appeal the final determination
18 of the reassessment by the department of local government finance or
19 the county property tax assessment board of appeals but only upon
20 request by the county assessor, ~~or the~~ elected township assessor, **or an**
21 **affected taxing unit. If the appeal is taken at the request of an**
22 **affected taxing unit, the taxing unit shall pay the costs of the**
23 **appeal.**

24 (b) An appeal under this section must be initiated in the manner
25 prescribed in section 3 of this chapter or IC 6-1.5-5.

26 SECTION 12. IC 6-1.1-17-2 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) When
28 formulating an annual budget estimate, the proper officers of a political
29 subdivision shall prepare an estimate of the amount of revenue which
30 the political subdivision will receive from the state for and during the
31 budget year for which the budget is being formulated. These estimated
32 revenues shall be shown in the budget estimate and shall be taken into
33 consideration in calculating the tax levy which is to be made for the
34 ensuing calendar year. However, this section does not apply to funds to
35 be received from the state or the federal government for:

- 36 (1) ~~poor relief; township assistance;~~
37 (2) unemployment relief;
38 (3) old age pensions; or
39 (4) other funds which may at any time be made available under
40 "The Economic Security Act" or under any other federal act which
41 provides for civil and public works projects.

42 (b) **When formulating an annual budget estimate, the proper**
43 **officers of a political subdivision shall prepare an estimate of the**
44 **amount of revenue that the political subdivision will receive under**
45 **a development agreement (as defined in IC 36-1-8-9.5) for and**
46 **during the budget year for which the budget is being formulated.**
47 **Revenue received under a development agreement may not be used**
48 **to reduce the political subdivision's maximum levy under**
49 **IC 6-1.1-18.5 but may be used at the discretion of the political**
50 **subdivision to reduce the property tax levy of the political**
51 **subdivision for a particular year.**

1 SECTION 13. IC 6-1.1-17-20 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) This section
 3 applies:

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

7 (2) if the proposed property tax levy:

8 (A) for the taxing unit (**other than a public library**) for the
 9 ensuing calendar year is more than five percent (5%) greater than
 10 the property tax levy for the taxing unit for the current calendar
 11 year; or

12 (B) for the operating budget of a public library for the
 13 ensuing calendar year is more than five percent (5%) greater
 14 than the property tax levy for the operating budget of the
 15 public library for the current calendar year.

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

19 (c) **This subsection does not apply to a public library.** If:

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

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

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

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

36 (e) **This subsection applies to a public library. The library board
 37 of a public library subject to this section shall submit its proposed
 38 budget and property tax levy to the fiscal body designated under
 39 IC 20-14-14.**

40 ~~(e)~~ (f) **Subject to subsection (g),** the fiscal body of the city, town, or
 41 county (whichever applies) **or the fiscal body designated under
 42 IC 20-14-14 (in the case of a public library)** shall review each budget
 43 and proposed tax levy and adopt a final budget and tax levy for the
 44 taxing unit. The fiscal body may reduce or modify but not increase the
 45 proposed budget or tax levy.

46 (g) **A fiscal body's review under subsection (f) is limited to the
 47 proposed operating budget of the public library and the proposed
 48 property tax levy for the library's operating budget.**

49 SECTION 14. IC 6-1.1-33.5-7 IS ADDED TO THE INDIANA
 50 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 51 [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) **Not later than May 1 of each**

1 **calendar year, the division of data analysis shall:**

2 **(1) prepare a report that includes:**

3 **(A) each political subdivision's total amount of expenditures**
 4 **per person during the immediately preceding calendar year,**
 5 **based on the political subdivision's population determined by**
 6 **the most recent federal decennial census; and**

7 **(B) based on the information prepared for all political**
 8 **subdivisions under clause (A), the highest, lowest, median,**
 9 **and average amount of expenditures per person for each type**
 10 **of political subdivision throughout Indiana.**

11 **(2) post the report on the web site maintained by the**
 12 **department of local government finance; and**

13 **(3) file the report:**

14 **(A) with the governor; and**

15 **(B) in an electronic format under IC 5-14-6 with the general**
 16 **assembly.**

17 **The report must be presented in a format that is understandable to**
 18 **the average individual and that permits easy comparison of the**
 19 **information prepared for each political subdivision under**
 20 **subdivision (1)(A) to the statewide information prepared for that**
 21 **type of political subdivision under subdivision (1)(B).**

22 **(b) The department of local government finance shall organize**
 23 **the report under subsection (a) to present together the information**
 24 **derived from each type of political subdivision.**

25 SECTION 15. IC 6-1.5-5-2 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) After receiving
 27 a petition for review that is filed under a statute listed in section 1(a) of
 28 this chapter, the Indiana board shall, at its earliest opportunity:

29 (1) conduct a hearing; or

30 (2) cause a hearing to be conducted by an administrative law judge.

31 The Indiana board may determine to conduct the hearing under
 32 subdivision (1) on its own motion or on request of a party to the appeal.

33 (b) In its resolution of a petition, the Indiana board may:

34 (1) assign:

35 (A) full;

36 (B) limited; or

37 (C) no;

38 evidentiary value to the assessed valuation of tangible property
 39 determined by stipulation submitted as evidence of a comparable
 40 sale; and

41 (2) correct any errors that may have been made, and adjust the
 42 assessment in accordance with the correction.

43 (c) The Indiana board shall give notice of the date fixed for the
 44 hearing by mail to:

45 (1) the taxpayer;

46 (2) the department of local government finance; and

47 (3) the appropriate:

48 (A) township assessor;

49 (B) county assessor; and

50 (C) county auditor.

51 **(d) With respect to an appeal of the assessment of real property**

1 or personal property filed after June 30, 2005, the notices required
2 under subsection (c) must include the following:

3 (1) The action of the department of local government finance
4 with respect to the appealed items.

5 (2) A statement that a taxing unit receiving the notice from the
6 county auditor under subsection (e) may:

7 (A) attend the hearing;

8 (B) offer testimony; and

9 (C) file an amicus curiae brief in the proceeding.

10 A taxing unit that receives a notice from the county auditor under
11 subsection (e) is not a party to the appeal.

12 (e) If, after receiving notice of a hearing under subsection (c), the
13 county auditor determines that the assessed value of the appealed
14 items constitutes at least one percent (1%) of the total gross
15 certified assessed value of a particular taxing unit for the
16 assessment date immediately preceding the assessment date for
17 which the appeal was filed, the county auditor shall send a copy of
18 the notice to the affected taxing unit. Failure of the county auditor
19 to send a copy of the notice to the affected taxing unit does not
20 affect the validity of the appeal or delay the appeal.

21 (d) (f) The Indiana board shall give the notices required under
22 subsection (c) at least thirty (30) days before the day fixed for the
23 hearing.

24 SECTION 16. IC 6-1.5-5-5 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. After the hearing,
26 the Indiana board shall give the petitioner, the township assessor, the
27 county assessor, the county auditor, **the affected taxing units required**
28 **to be notified under section 2(e) of this chapter**, and the department
29 of local government finance:

30 (1) notice, by mail, of its final determination, findings of fact, and
31 conclusions of law; and

32 (2) notice of the procedures the petitioner or the department of
33 local government finance must follow in order to obtain court
34 review of the final determination of the Indiana board.

35 SECTION 17. IC 6-3.1-1-3 IS ADDED TO THE INDIANA CODE
36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
37 JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. A taxpayer (as
38 defined in the following laws), pass through entity (as defined in the
39 following laws), or shareholder, partner, or member of a pass
40 through entity may not be granted more than one (1) tax credit
41 under the following laws for the same project:

42 (1) IC 6-3.1-10 (enterprise zone investment cost credit).

43 (2) IC 6-3.1-11 (industrial recovery tax credit).

44 (3) IC 6-3.1-11.5 (military base recovery tax credit).

45 (4) IC 6-3.1-11.6 (military base investment cost credit).

46 (5) IC 6-3.1-13.5 (capital investment tax credit).

47 (6) IC 6-3.1-19 (community revitalization enhancement district
48 tax credit).

49 (7) IC 6-3.1-24 (venture capital investment tax credit).

50 (8) IC 6-3.1-26 (Hoosier business investment tax credit).

51 If a taxpayer, pass through entity, or shareholder, partner, or

1 **member of a pass through entity has been granted more than one**
 2 **(1) tax credit for the same project, the taxpayer, pass through**
 3 **entity, or shareholder, partner, or member of a pass through entity**
 4 **must elect to apply only one (1) of the tax credits in the manner and**
 5 **form prescribed by the department.**

6 SECTION 18. IC 6-3.1-26-5.5 IS ADDED TO THE INDIANA
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE MAY 15, 2005]: **Sec. 5.5. As used in this chapter,**
 9 **"motion picture or audio production" means a:**

- 10 (1) **feature length film;**
- 11 (2) **video;**
- 12 (3) **television series;**
- 13 (4) **commercial;**
- 14 (5) **music video or an audio recording; or**
- 15 (6) **corporate production;**

16 **for any combination of theatrical, television, or other media**
 17 **viewing or as a television pilot. The term does not include a motion**
 18 **picture that is obscene (as described in IC 35-49-2-1) or television**
 19 **coverage of news or athletic events.**

20 SECTION 19. IC 6-3.1-26-8, AS AMENDED BY P.L.4-2005,
 21 SECTION 103, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE MAY 15, 2005]: **Sec. 8. (a) As used in this chapter,**
 23 **"qualified investment" means the amount of the taxpayer's expenditures**
 24 **in Indiana for:**

- 25 (1) the purchase of new telecommunications, production,
 26 manufacturing, fabrication, assembly, extraction, mining,
 27 processing, refining, ~~or~~ finishing, **distribution, transportation, or**
 28 **logistical distribution** equipment;
- 29 (2) the purchase of new computers and related equipment;
- 30 (3) costs associated with the modernization of existing
 31 telecommunications, production, manufacturing, fabrication,
 32 assembly, extraction, mining, processing, refining, ~~or~~ finishing,
 33 **distribution, transportation, or logistical distribution** facilities;
- 34 (4) onsite infrastructure improvements;
- 35 (5) the construction of new telecommunications, production,
 36 manufacturing, fabrication, assembly, extraction, mining,
 37 processing, refining, ~~or~~ finishing, **distribution, transportation, or**
 38 **logistical distribution** facilities;
- 39 (6) costs associated with retooling existing machinery and
 40 equipment; ~~and~~
- 41 (7) costs associated with the construction of special purpose
 42 buildings and foundations for use in the computer, software,
 43 biological sciences, or telecommunications industry; **and**
- 44 **(8) costs associated with the purchase, before January 1, 2008,**
 45 **of machinery, equipment, or special purpose buildings used to**
 46 **make motion pictures or audio productions;**

47 that are certified by the corporation under this chapter as being eligible
 48 for the credit under this chapter.

49 (b) The term does not include property that can be readily moved
 50 outside Indiana.

51 SECTION 20. IC 6-3.1-26-14 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 14. ~~(a)~~ The total
 2 amount of a tax credit claimed **for a taxable year** under this chapter
 3 **equals thirty is a percentage determined by the corporation, not to**
 4 **exceed ten** percent ~~(30%)~~ **(10%)**, of the amount of a qualified
 5 investment made by the taxpayer in Indiana **during that taxable year.**

6 ~~(b) In the taxable year in which a taxpayer makes a qualified~~
 7 ~~investment, the taxpayer may claim a credit under this chapter in an~~
 8 ~~amount equal to the lesser of:~~

- 9 ~~(1) thirty percent (30%) of the amount of the qualified investment;~~
 10 ~~or~~
 11 ~~(2) the taxpayer's state tax liability growth.~~

12 The taxpayer may carry forward any unused credit.

13 SECTION 21. IC 6-3.1-26-15 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 15. (a) A taxpayer
 15 may carry forward an unused credit for **the number of years**
 16 **determined by the corporation, not more than to exceed nine (9)**
 17 consecutive taxable years, beginning with the taxable year after the
 18 taxable year in which the taxpayer makes the qualified investment.

19 (b) The amount that a taxpayer may carry forward to a particular
 20 taxable year under this section equals the ~~lesser of the following:~~

- 21 ~~(1) The taxpayer's state tax liability growth.~~
 22 ~~(2) The unused part of a credit allowed under this chapter.~~

23 (c) A taxpayer may:

- 24 (1) claim a tax credit under this chapter for a qualified investment;
 25 and
 26 (2) carry forward a remainder for one (1) or more different
 27 qualified investments;

28 in the same taxable year.

29 (d) The total amount of each tax credit claimed under this chapter
 30 may not exceed ~~thirty ten~~ percent ~~(30%)~~ **(10%)** of the qualified
 31 investment for which the tax credit is claimed.

32 SECTION 22. IC 6-3.1-26-16, AS AMENDED BY P.L.4-2005,
 33 SECTION 107, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE MAY 15, 2005]: Sec. 16. If a pass through entity does
 35 not have state tax liability ~~growth~~ against which the tax credit may be
 36 applied, a shareholder or partner of the pass through entity is entitled
 37 to a tax credit equal to:

- 38 (1) the tax credit determined for the pass through entity for the
 39 taxable year; multiplied by
 40 (2) the percentage of the pass through entity's distributive income
 41 to which the shareholder or partner is entitled.

42 SECTION 23. IC 6-3.1-26-18 IS AMENDED TO READ AS
 43 FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 18. After receipt of an
 44 application, the corporation may enter into an agreement with the
 45 applicant for a credit under this chapter if the corporation determines
 46 that all the following conditions exist:

- 47 ~~(1) The applicant has conducted business in Indiana for at least one~~
 48 ~~(1) year immediately preceding the date the application is received.~~
 49 ~~(2) (1) The applicant's project will raise the total earnings of~~
 50 ~~employees of the applicant in Indiana.~~
 51 ~~(3) (2) The applicant's project is economically sound and will~~

1 benefit the people of Indiana by increasing opportunities for
2 employment and strengthening the economy of Indiana.

3 ~~(4)~~ (3) Receiving the tax credit is a major factor in the applicant's
4 decision to go forward with the project and not receiving the tax
5 credit will result in the applicant not raising the total earnings of
6 employees in Indiana.

7 ~~(5)~~ (4) Awarding the tax credit will result in an overall positive
8 fiscal impact to the state, as certified by the budget agency using
9 the best available data.

10 ~~(6)~~ (5) The credit is not prohibited by section 19 of this chapter.

11 ~~(7)~~ (6) The average wage that will be paid by the taxpayer to its
12 employees (excluding highly compensated employees) at the
13 location after the credit is given will be at least equal to one
14 hundred fifty percent (150%) of the hourly minimum wage under
15 IC 22-2-2-4 or its equivalent.

16 SECTION 24. IC 6-3.5-7-25 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE MARCH 31, 2005 (RETROACTIVE)]: Sec.

18 25. (a) This section applies only to a county that has adopted an
19 ordinance under IC 6-1.1-12-41(f).

20 (b) For purposes of this section, "imposing entity" means the entity
21 that adopted the ordinance under IC 6-1.1-12-41(f).

22 (c) The imposing entity may adopt an ordinance to provide for the use
23 of the certified distribution described in section 16(c) of this chapter for
24 the purpose provided in subsection (e). A county income tax council
25 that adopts an ordinance under this subsection shall use the procedures
26 set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the
27 imposition of the county option income tax. Except as provided in
28 subsection (j), an ordinance must be adopted under this subsection after
29 January 1 but before ~~April~~ **June** 1 of a calendar year. The ordinance
30 may provide for an additional rate under section 5(p) of this chapter. An
31 ordinance adopted under this subsection:

32 (1) first applies to the certified distribution described in section
33 16(c) of this chapter made in the calendar year that immediately
34 succeeds the calendar year in which the ordinance is adopted;

35 (2) must specify the calendar years to which the ordinance applies;
36 and

37 (3) must specify that the certified distribution must be used to
38 provide for:

39 (A) uniformly applied increased homestead credits as provided
40 in subsection (f); or

41 (B) allocated increased homestead credits as provided in
42 subsection (h).

43 An ordinance adopted under this subsection may be combined with an
44 ordinance adopted under section 26 of this chapter.

45 (d) If an ordinance is adopted under subsection (c), the percentage of
46 the certified distribution specified in the ordinance for use for the
47 purpose provided in subsection (e) shall be:

48 (1) retained by the county auditor under subsection ~~(g)~~; **(i)**; and

49 (2) used for the purpose provided in subsection (e) instead of the
50 purposes specified in the capital improvement plans adopted under
51 section 15 of this chapter.

1 (e) If an ordinance is adopted under subsection (c), the imposing
 2 entity shall use the certified distribution described in section 16(c) of
 3 this chapter to increase the homestead credit allowed in the county
 4 under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the
 5 county resulting from a county deduction for inventory under
 6 IC 6-1.1-12-41.

7 (f) If the imposing entity specifies the application of uniform
 8 increased homestead credits under subsection (c)(3)(A), the county
 9 auditor shall, for each calendar year in which an increased homestead
 10 credit percentage is authorized under this section, determine:

11 (1) the amount of the certified distribution that is available to
 12 provide an increased homestead credit percentage for the year;

13 (2) the amount of uniformly applied homestead credits for the year
 14 in the county that equals the amount determined under subdivision
 15 (1); and

16 (3) the increased percentage of homestead credit that equates to the
 17 amount of homestead credits determined under subdivision (2).

18 (g) The increased percentage of homestead credit determined by the
 19 county auditor under subsection (f) applies uniformly in the county in
 20 the calendar year for which the increased percentage is determined.

21 (h) If the imposing entity specifies the application of allocated
 22 increased homestead credits under subsection (c)(3)(B), the county
 23 auditor shall, for each calendar year in which an increased homestead
 24 credit is authorized under this section, determine:

25 (1) the amount of the certified distribution that is available to
 26 provide an increased homestead credit for the year; and

27 (2) an increased percentage of homestead credit for each taxing
 28 district in the county that allocates to the taxing district an amount
 29 of increased homestead credits that bears the same proportion to the
 30 amount determined under subdivision (1) that the amount of
 31 inventory assessed value deducted under IC 6-1.1-12-41 in the
 32 taxing district for the immediately preceding year's assessment date
 33 bears to the total inventory assessed value deducted under
 34 IC 6-1.1-12-41 in the county for the immediately preceding year's
 35 assessment date.

36 (i) The county auditor shall retain from the payments of the county's
 37 certified distribution an amount equal to the revenue lost, if any, due to
 38 the increase of the homestead credit within the county. The money shall
 39 be distributed to the civil taxing units and school corporations of the
 40 county:

41 (1) as if the money were from property tax collections; and

42 (2) in such a manner that no civil taxing unit or school corporation
 43 will suffer a net revenue loss because of the allowance of an
 44 increased homestead credit.

45 (j) An entity authorized to adopt:

46 (1) an ordinance under subsection (c); and

47 (2) an ordinance under IC 6-1.1-12-41(f);

48 may consolidate the two (2) ordinances. The limitation under
 49 subsection (c) that an ordinance must be adopted after January 1 of a
 50 calendar year does not apply if a consolidated ordinance is adopted
 51 under this subsection. **However, notwithstanding subsection (c)(1),**

1 **the ordinance must state that it first applies to certified**
 2 **distributions in the calendar year in which property taxes are**
 3 **initially affected by the deduction under IC 6-1.1-12-41.**

4 SECTION 25. IC 6-3.5-7-25.5 IS ADDED TO THE INDIANA
 5 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2005]: **Sec. 25.5. Subject to the approval of**
 7 **the imposing entity, the county auditor may adjust the increased**
 8 **percentage of homestead credit determined under section 25(h)(2)**
 9 **of this chapter if the county auditor determines that the adjustment**
 10 **is necessary to achieve an equitable reduction of property taxes**
 11 **among the homesteads in the county.**

12 SECTION 26. IC 6-3.5-7-26 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 26. (a) This section
 14 applies only to homestead credits for property taxes first due and
 15 payable after calendar year 2006.

16 (b) For purposes of this section, "adopting entity" means:

- 17 (1) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or
 18 (2) any other entity that may impose a county economic
 19 development income tax under section 5 of this chapter.

20 (c) An adopting entity may adopt an ordinance to provide for the use
 21 of the certified distribution described in section 16(c) of this chapter for
 22 the purpose provided in subsection (e). An adopting entity that adopts
 23 an ordinance under this subsection shall use the procedures set forth in
 24 IC 6-3.5-6 concerning the adoption of an ordinance for the imposition
 25 of the county option income tax. An ordinance must be adopted under
 26 this subsection after January 1 but before April 1 of a calendar year.
 27 The ordinance may provide for an additional rate under section 5(p) of
 28 this chapter. An ordinance adopted under this subsection:

- 29 (1) first applies to the certified distribution described in section
 30 16(c) of this chapter made in the later of the calendar year that
 31 immediately succeeds the calendar year in which the ordinance is
 32 adopted or calendar year 2007; and
 33 (2) must specify that the certified distribution must be used to
 34 provide for:
 35 (A) uniformly applied increased homestead credits as provided
 36 in subsection (f); or
 37 (B) allocated increased homestead credits as provided in
 38 subsection (h).

39 An ordinance adopted under this subsection may be combined with an
 40 ordinance adopted under section 25 of this chapter.

41 (d) If an ordinance is adopted under subsection (c), the percentage of
 42 the certified distribution specified in the ordinance for use for the
 43 purpose provided in subsection (e) shall be:

- 44 (1) retained by the county auditor under subsection ~~(g)~~; **(i)**; and
 45 (2) used for the purpose provided in subsection (e) instead of the
 46 purposes specified in the capital improvement plans adopted under
 47 section 15 of this chapter.

48 (e) If an ordinance is adopted under subsection (c), the adopting
 49 entity shall use the certified distribution described in section 16(c) of
 50 this chapter to increase the homestead credit allowed in the county
 51 under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the

1 county resulting from the statewide deduction for inventory under
2 IC 6-1.1-12-42.

3 (f) If the imposing entity specifies the application of uniform
4 increased homestead credits under subsection (c)(2)(A), the county
5 auditor shall, for each calendar year in which an increased homestead
6 credit percentage is authorized under this section, determine:

7 (1) the amount of the certified distribution that is available to
8 provide an increased homestead credit percentage for the year;

9 (2) the amount of uniformly applied homestead credits for the year
10 in the county that equals the amount determined under subdivision
11 (1); and

12 (3) the increased percentage of homestead credit that equates to the
13 amount of homestead credits determined under subdivision (2).

14 (g) The increased percentage of homestead credit determined by the
15 county auditor under subsection (f) applies uniformly in the county in
16 the calendar year for which the increased percentage is determined.

17 (h) If the imposing entity specifies the application of allocated
18 increased homestead credits under subsection (c)(2)(B), the county
19 auditor shall, for each calendar year in which an increased homestead
20 credit is authorized under this section, determine:

21 (1) the amount of the certified distribution that is available to
22 provide an increased homestead credit for the year; and

23 (2) **except as provided in subsection (j)**, an increased percentage
24 of homestead credit for each taxing district in the county that
25 allocates to the taxing district an amount of increased homestead
26 credits that bears the same proportion to the amount determined
27 under subdivision (1) that the amount of inventory assessed value
28 deducted under IC 6-1.1-12-42 in the taxing district for the
29 immediately preceding year's assessment date bears to the total
30 inventory assessed value deducted under IC 6-1.1-12-42 in the
31 county for the immediately preceding year's assessment date.

32 (i) The county auditor shall retain from the payments of the county's
33 certified distribution an amount equal to the revenue lost, if any, due to
34 the increase of the homestead credit within the county. The money shall
35 be distributed to the civil taxing units and school corporations of the
36 county:

37 (1) as if the money were from property tax collections; and

38 (2) in such a manner that no civil taxing unit or school corporation
39 will suffer a net revenue loss because of the allowance of an
40 increased homestead credit.

41 **(j) Subject to the approval of the imposing entity, the county**
42 **auditor may adjust the increased percentage of homestead credit**
43 **determined under subsection (h)(2) if the county auditor**
44 **determines that the adjustment is necessary to achieve an equitable**
45 **reduction of property taxes among the homesteads in the county.**

46 SECTION 27. IC 20-14-14 IS ADDED TO THE INDIANA CODE
47 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
48 JULY 1, 2005]:

49 **Chapter 14. Review of Budgets of Appointed Boards**

50 **Sec. 1. Before an appointed library board described in**
51 **IC 6-1.1-17-20(a)(2)(B) may impose a property tax levy for the**

1 **operating budget of a public library for the ensuing calendar year**
 2 **that is more than five percent (5%) greater than the property tax**
 3 **levy for the operating budget of the public library for the current**
 4 **calendar year, the library board must submit its proposed budget**
 5 **and property tax levy to the appropriate fiscal body under section**
 6 **2 of this chapter.**

7 **Sec. 2. An appointed library board subject to section 1 of this**
 8 **chapter shall submit its proposed operating budget and property**
 9 **tax levy for the operating budget to the following fiscal body at**
 10 **least fourteen (14) days before the first meeting of the county board**
 11 **of tax adjustment under IC 6-1.1-29-4:**

12 **(1) If the library district is located entirely within the corporate**
 13 **boundaries of a municipality, the fiscal body of the**
 14 **municipality.**

15 **(2) If the library district:**

16 **(A) is not described by subdivision (1); and**

17 **(B) is located entirely within the boundaries of a township;**
 18 **the fiscal body of the township.**

19 **(3) If the library district is not described by subdivision (1) or**
 20 **(2), the fiscal body of each county in which the library district**
 21 **is located.**

22 SECTION 28. IC 36-1-8-9 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Each unit that
 24 receives:

25 **(1) tax revenue under IC 4-33-12-6 or IC 4-33-13; or**

26 **(2) revenue under an agreement to share a city's or county's part**
 27 **of the tax revenue received under IC 4-33-12 or IC 4-33-13 by**
 28 **another unit; or**

29 **(3) revenue under a development agreement (as defined in**
 30 **section 9.5 of this chapter);**

31 may establish a riverboat fund. Money in the fund may be used for any
 32 legal or corporate purpose of the unit.

33 (b) The riverboat fund established under subsection (a) shall be
 34 administered by the unit's treasurer, and the expenses of administering
 35 the fund shall be paid from money in the fund. Money in the fund not
 36 currently needed to meet the obligations of the fund may be invested in
 37 the same manner as other public funds may be invested. Interest that
 38 accrues from these investments shall be deposited in the fund. Money
 39 in the fund at the end of a particular fiscal year does not revert to the
 40 unit's general fund.

41 SECTION 29. IC 36-1-8-9.5 IS ADDED TO THE INDIANA CODE
 42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 43 JULY 1, 2005]: Sec. 9.5. (a) As used in this section, "development
 44 agreement" means an agreement between a licensed owner (as
 45 defined in IC 4-33-2-13) and a unit setting forth the licensed
 46 owner's financial commitments to support economic development
 47 in the unit.

48 **(b) Funds received by a unit under a development agreement are**
 49 **public funds (as defined in IC 5-13-4-20).**

50 **(c) Funds received under a development agreement:**

51 **(1) may not be used to reduce the unit's maximum levy under**

1 **IC 6-1.1-18.5 but may be used at the discretion of the unit to**
 2 **reduce the property tax levy of the unit for a particular year;**
 3 **(2) may be used for any legal or corporate purpose of the unit,**
 4 **including the pledge of money to bonds, leases, or other**
 5 **obligations under IC 5-1-14-4; and**
 6 **(3) are considered miscellaneous revenue.**

7 SECTION 30. IC 36-7-13-3.4 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.4. (a) Except as
 9 provided in subsection (b), as used in this chapter, "income tax
 10 incremental amount" means the remainder of:

11 (1) the aggregate amount of state and local income taxes paid by
 12 employees employed in a district with respect to wages earned for
 13 work in the district for a particular state fiscal year; minus

14 (2) the **sum of the:**

15 **(A) income tax base period amount; and**

16 **(B) tax credits awarded by the economic development for a**
 17 **growing economy board under IC 6-3.1-13 to businesses**
 18 **operating in a district as the result of wages earned for work**
 19 **in the district for the state fiscal year;**

20 as determined by the department of state revenue under section 14 of
 21 this chapter.

22 (b) For purposes of a district designated under section 12.1 of this
 23 chapter, "income tax incremental amount" means seventy-five percent
 24 (75%) of the amount described in subsection (a).

25 SECTION 31. IC 36-7-13-10.5 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10.5. (a) This section
 27 applies only to a county that meets the following conditions:

28 (1) The county's annual rate of unemployment has been above the
 29 average annual statewide rate of unemployment during at least
 30 three (3) of the preceding five (5) years.

31 (2) The median income of the county has:

32 (A) declined over the preceding ten (10) years; or

33 (B) has grown at a lower rate than the average annual statewide
 34 growth in median income during at least three (3) of the
 35 preceding five (5) years.

36 (3) The population of the county (as determined by the legislative
 37 body of the county) has declined over the preceding ten (10) years.

38 (b) Except as provided in section 10.7 of this chapter, in a county
 39 described in subsection (a), the legislative body of the county may
 40 adopt an ordinance designating an unincorporated part or
 41 unincorporated parts of the county as a district, and the legislative body
 42 of a municipality located within the county may adopt an ordinance
 43 designating a part or parts of the municipality as a district, if the
 44 legislative body finds all of the following:

45 (1) The area to be designated as a district contains a building or
 46 buildings that:

47 (A) have a total of at least fifty thousand (50,000) square feet of
 48 usable interior floor space; and

49 (B) are vacant or will become vacant due to the relocation of the
 50 employer or the cessation of operations on the site by the
 51 employer.

- 1 (2) Significantly fewer persons are employed in the area to be
 2 designated as a district than were employed in the area during the
 3 year that is ten (10) years previous to the current year.
- 4 (3) There are significant obstacles to redevelopment in the area due
 5 to any of the following problems:
 6 (A) Obsolete or inefficient buildings.
 7 (B) Aging infrastructure or inefficient utility services.
 8 (C) Utility relocation requirements.
 9 (D) Transportation or access problems.
 10 (E) Topographical obstacles to redevelopment.
 11 (F) Environmental contamination or remediation.
- 12 (c) A legislative body adopting an ordinance under subsection (b)
 13 shall designate the duration of the district. However, a district must
 14 terminate not later than fifteen (15) years after the income tax
 15 incremental amount or gross retail incremental amount is first allocated
 16 to the district.
- 17 (d) Except as provided in section 10.7 of this chapter, upon adoption
 18 of an ordinance designating a district, the legislative body shall:
 19 **(1) publish notice of the adoption and substance of the**
 20 **resolution in accordance with IC 5-3-1; and**
 21 **(2) file the following information with each taxing unit in the**
 22 **county where the district is located:**
 23 **(A) A copy of the notice required by subdivision (1).**
 24 **(B) A statement disclosing the impact of the district,**
 25 **including the following:**
 26 **(i) The estimated economic benefits and costs incurred by**
 27 **the district, as measured by increased employment and**
 28 **anticipated growth of property assessed values.**
 29 **(ii) The anticipated impact on tax revenues of each taxing**
 30 **unit.**
- 31 **The notice must state the general boundaries of the district.**
- 32 (e) **Upon completion of the actions required by subsection (d), the**
 33 **legislative body shall** submit the ordinance to the budget committee for
 34 review and recommendation to the budget agency. If the budget agency
 35 fails to take action on an ordinance designating a district within one
 36 hundred twenty (120) days after the date that the ordinance is submitted
 37 to the budget committee, the designation of the district by the ordinance
 38 is considered approved.
- 39 ~~(f)~~ (f) Except as provided in section 10.7 of this chapter, when
 40 considering the designation of a district by an ordinance adopted under
 41 this section, the budget committee and the budget agency must make
 42 the following findings before approving the designation of the district:
 43 (1) The area to be designated as a district meets the conditions
 44 necessary for the designation as a district.
 45 (2) The designation of the district will benefit the people of Indiana
 46 by protecting or increasing state and local tax bases and tax
 47 revenues for at least the duration of the district.
- 48 ~~(g)~~ (g) Except as provided in section 10.7 of this chapter, the income
 49 tax incremental amount and the gross retail incremental amount may
 50 not be allocated to the district until the designation of the district by the
 51 local ordinance is approved under this section.

1 SECTION 32. IC 36-7-13-12 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) If a municipal
 3 or county executive has submitted an application to an advisory
 4 commission on industrial development requesting that an area be
 5 designated as a district under this chapter and the advisory commission
 6 has compiled and prepared the information required under section 11
 7 of this chapter concerning the area, the advisory commission may adopt
 8 a resolution designating the area as a district if it makes the findings
 9 described in subsection (b), (c), (d), or (e). In a county described in
 10 subsection (c), an advisory commission may designate more than one
 11 (1) district under subsection (c).

12 (b) For an area located in a county having a population of more than
 13 one hundred twenty thousand (120,000) but less than one hundred
 14 thirty thousand (130,000), an advisory commission may adopt a
 15 resolution designating a particular area as a district only after finding
 16 all of the following:

17 (1) The area contains a building or buildings:

18 (A) with at least one million (1,000,000) square feet of usable
 19 interior floor space; and

20 (B) that is or are vacant or will become vacant due to the
 21 relocation of an employer.

22 (2) At least one thousand (1,000) fewer persons are employed in
 23 the area than were employed in the area during the year that is ten
 24 (10) years previous to the current year.

25 (3) There are significant obstacles to redevelopment of the area due
 26 to any of the following problems:

27 (A) Obsolete or inefficient buildings.

28 (B) Aging infrastructure or inefficient utility services.

29 (C) Utility relocation requirements.

30 (D) Transportation or access problems.

31 (E) Topographical obstacles to redevelopment.

32 (F) Environmental contamination.

33 (4) The unit has expended, appropriated, pooled, set aside, or
 34 pledged at least one hundred thousand dollars (\$100,000) for
 35 purposes of addressing the redevelopment obstacles described in
 36 subdivision (3).

37 (5) The area is located in a county having a population of more
 38 than one hundred twenty thousand (120,000) but less than one
 39 hundred thirty thousand (130,000).

40 (c) For a county having a population of more than one hundred
 41 eighteen thousand (118,000) but less than one hundred twenty thousand
 42 (120,000), an advisory commission may adopt a resolution designating
 43 not more than two (2) areas as districts. An advisory commission may
 44 designate an area as a district only after finding the following:

45 (1) The area meets either of the following conditions:

46 (A) The area contains a building with at least seven hundred
 47 ninety thousand (790,000) square feet, and at least eight hundred
 48 (800) fewer people are employed in the area than were employed
 49 in the area during the year that is fifteen (15) years previous to
 50 the current year.

51 (B) The area contains a building with at least three hundred

- 1 eighty-six thousand (386,000) square feet, and at least four
 2 hundred (400) fewer people are employed in the area than were
 3 employed in the area during the year that is fifteen (15) years
 4 previous to the current year.
- 5 (2) The area is located in or is adjacent to an industrial park.
- 6 (3) There are significant obstacles to redevelopment of the area due
 7 to any of the following problems:
- 8 (A) Obsolete or inefficient buildings.
 9 (B) Aging infrastructure or inefficient utility services.
 10 (C) Utility relocation requirements.
 11 (D) Transportation or access problems.
 12 (E) Topographical obstacles to redevelopment.
 13 (F) Environmental contamination.
- 14 (4) The area is located in a county having a population of more
 15 than one hundred eighteen thousand (118,000) but less than one
 16 hundred twenty thousand (120,000).
- 17 (d) For an area located in a county having a population of more than
 18 two hundred thousand (200,000) but less than three hundred thousand
 19 (300,000), an advisory commission may adopt a resolution designating
 20 a particular area as a district only after finding all of the following:
- 21 (1) The area contains a building or buildings:
- 22 (A) with at least one million five hundred thousand (1,500,000)
 23 square feet of usable interior floor space; and
 24 (B) that is or are vacant or will become vacant.
- 25 (2) At least eighteen thousand (18,000) fewer persons are
 26 employed in the area at the time of application than were employed
 27 in the area before the time of application.
- 28 (3) There are significant obstacles to redevelopment of the area due
 29 to any of the following problems:
- 30 (A) Obsolete or inefficient buildings.
 31 (B) Aging infrastructure or inefficient utility services.
 32 (C) Utility relocation requirements.
 33 (D) Transportation or access problems.
 34 (E) Topographical obstacles to redevelopment.
 35 (F) Environmental contamination.
- 36 (4) The unit has expended, appropriated, pooled, set aside, or
 37 pledged at least one hundred thousand dollars (\$100,000) for
 38 purposes of addressing the redevelopment obstacles described in
 39 subdivision (3).
- 40 (5) The area is located in a county having a population of more
 41 than two hundred thousand (200,000) but less than three hundred
 42 thousand (300,000).
- 43 (e) For an area located in a county having a population of more than
 44 three hundred thousand (300,000) but less than four hundred thousand
 45 (400,000), an advisory commission may adopt a resolution designating
 46 a particular area as a district only after finding all of the following:
- 47 (1) The area contains a building or buildings:
- 48 (A) with at least eight hundred thousand (800,000) gross square
 49 feet; and
 50 (B) having leasable floor space, at least fifty percent (50%) of
 51 which is or will become vacant.

- 1 (2) There are significant obstacles to redevelopment of the area due
 2 to any of the following problems:
- 3 (A) Obsolete or inefficient buildings as evidenced by a decline
 4 of at least seventy-five percent (75%) in their assessed valuation
 5 during the preceding ten (10) years.
- 6 (B) Transportation or access problems.
- 7 (C) Environmental contamination.
- 8 (3) At least four hundred (400) fewer persons are employed in the
 9 area than were employed in the area during the year that is fifteen
 10 (15) years previous to the current year.
- 11 (4) The area has been designated as an economic development
 12 target area under IC 6-1.1-12.1-7.
- 13 (5) The unit has appropriated, pooled, set aside, or pledged at least
 14 two hundred fifty thousand dollars (\$250,000) for purposes of
 15 addressing the redevelopment obstacles described in subdivision
 16 (2).
- 17 (6) The area is located in a county having a population of more
 18 than three hundred thousand (300,000) but less than four hundred
 19 thousand (400,000).
- 20 (f) The advisory commission, or the county or municipal legislative
 21 body, in the case of a district designated under section 10.5 of this
 22 chapter, shall designate the duration of the district. However, a district
 23 must terminate not later than fifteen (15) years after the income tax
 24 incremental amount or gross retail incremental amount is first allocated
 25 to the district.
- 26 (g) Upon adoption of a resolution designating a district, the advisory
 27 commission shall:
- 28 **(1) publish notice of the adoption and substance of the**
 29 **resolution in accordance with IC 5-3-1; and**
- 30 **(2) file the following information with each taxing unit in the**
 31 **county where the district is located:**
- 32 **(A) A copy of the notice required by subdivision (1).**
- 33 **(B) A statement disclosing the impact of the district,**
 34 **including the following:**
- 35 **(i) The estimated economic benefits and costs incurred by**
 36 **the district, as measured by increased employment and**
 37 **anticipated growth of property assessed values.**
- 38 **(ii) The anticipated impact on tax revenues of each taxing**
 39 **unit.**
- 40 **The notice must state the general boundaries of the district.**
- 41 **(h) Upon completion of the actions required by subsection (g), the**
 42 **advisory commission shall** submit the resolution to the budget
 43 committee for review and recommendation to the budget agency. If the
 44 budget agency fails to take action on a resolution designating a district
 45 within one hundred twenty (120) days after the date that the resolution
 46 is submitted to the budget committee, the designation of the district by
 47 the resolution is considered approved.
- 48 ~~(h)~~ **(i)** When considering a resolution, the budget committee and the
 49 budget agency must make the following findings:
- 50 (1) The area to be designated as a district meets the conditions
 51 necessary for designation as a district.

1 (2) The designation of the district will benefit the people of Indiana
 2 by protecting or increasing state and local tax bases and tax
 3 revenues for at least the duration of the district.

4 (i) (j) The income tax incremental amount and the gross retail
 5 incremental amount may not be allocated to the district until the
 6 resolution is approved under this section.

7 SECTION 33. IC 36-7-13-12.1 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12.1. (a) If the
 9 executive of a city described in section 10.1(a) of this chapter has
 10 submitted an application to an advisory commission on industrial
 11 development requesting that an area be designated as a district under
 12 this chapter and the advisory commission has compiled and prepared
 13 the information required under section 11 of this chapter concerning the
 14 area, the advisory commission may adopt a resolution designating the
 15 area as a district if it finds the following:

16 (1) That the redevelopment of the area in the district will:
 17 (A) promote significant opportunities for the gainful employment
 18 of its citizens;
 19 (B) attract a major new business enterprise to the area; or
 20 (C) retain or expand a significant business enterprise within the
 21 area.

22 (2) That there are significant obstacles to redevelopment of the area
 23 due to any of the following problems:
 24 (A) Obsolete or inefficient buildings.
 25 (B) Aging infrastructure or ineffective utility services.
 26 (C) Utility relocation requirements.
 27 (D) Transportation or access problems.
 28 (E) Topographical obstacles to redevelopment.
 29 (F) Environmental contamination.
 30 (G) Lack of development or cessation of growth.
 31 (H) Deterioration of improvements or character of occupancy,
 32 age, obsolescence, or substandard buildings.
 33 (I) Other factors that have impaired values or prevent a normal
 34 development of property or use of property.

35 (b) To address the obstacles identified in subsection (a)(2), the city
 36 may make expenditures for:

37 (1) the acquisition of land;
 38 (2) interests in land;
 39 (3) site improvements;
 40 (4) infrastructure improvements;
 41 (5) buildings;
 42 (6) structures;
 43 (7) rehabilitation, renovation, and enlargement of buildings and
 44 structures;
 45 (8) machinery;
 46 (9) equipment;
 47 (10) furnishings;
 48 (11) facilities;
 49 (12) administration expenses associated with such a project;
 50 (13) operating expenses; or
 51 (14) substance removal or remedial action to the area.

1 (c) In addition to the findings described in subsection (a), an advisory
 2 commission must also find that the city described in section 10.1(a) of
 3 this chapter has expended, appropriated, pooled, set aside, or pledged
 4 at least two hundred fifty thousand dollars (\$250,000) for purposes of
 5 addressing the redevelopment obstacles described in subsection (a)(2).

6 (d) The advisory commission shall designate the duration of the
 7 district. However, a district must terminate not later than fifteen (15)
 8 years after the income tax incremental amount or gross retail
 9 incremental amount is first allocated to the district under this chapter.

10 (e) Upon adoption of a resolution designating a district, the advisory
 11 commission shall:

12 **(1) publish notice of the adoption and substance of the**
 13 **resolution in accordance with IC 5-3-1; and**

14 **(2) file the following information with each taxing unit in the**
 15 **county where the district is located:**

16 **(A) A copy of the notice required by subdivision (1).**

17 **(B) A statement disclosing the impact of the district,**
 18 **including the following:**

19 **(i) The estimated economic benefits and costs incurred by**
 20 **the district, as measured by increased employment and**
 21 **anticipated growth of property assessed values.**

22 **(ii) The anticipated impact on tax revenues of each taxing**
 23 **unit.**

24 **The notice must state the general boundaries of the district.**

25 **(f) Upon completion of the actions required by subsection (e), the**
 26 **advisory commission shall** submit the resolution to the budget
 27 committee for review and recommendation to the budget agency. If the
 28 budget agency fails to take action on a resolution designating a district
 29 within one hundred twenty (120) days after the date that the resolution
 30 is submitted to the budget committee, the designation of the district by
 31 the resolution is considered approved.

32 ~~(f)~~ **(g)** When considering a resolution, the budget committee and the
 33 budget agency must make the following findings:

34 (1) The area to be designated as a district meets the conditions
 35 necessary for designation as a district.

36 (2) The designation of the district will benefit the people of Indiana
 37 by protecting or increasing state and local tax bases and tax
 38 revenues for at least the duration of the district.

39 ~~(g)~~ **(h)** The income tax incremental amount and the gross retail
 40 incremental amount may not be allocated to the district until the
 41 resolution is approved under this section.

42 SECTION 34. IC 36-7-13-13 IS AMENDED TO READ AS
 43 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) If an advisory
 44 commission on industrial development designates a district under
 45 section 12 or 12.1 of this chapter or if the legislative body of a county
 46 or municipality adopts an ordinance designating a district under section
 47 10.5 of this chapter, the advisory commission, or the legislative body
 48 in the case of a district designated under section 10.5 of this chapter,
 49 shall send a certified copy of the resolution or ordinance designating the
 50 district to the department of state revenue by certified mail and shall
 51 include with the resolution a complete list of the following:

- 1 (1) Employers in the district.
 2 (2) Street names and the range of street numbers of each street in
 3 the district.
 4 **(3) Federal tax identification number of each business in the**
 5 **district.**
 6 **(4) The street address of each employer.**
 7 **(5) Name, telephone number, and electronic mail address (if**
 8 **available) of a contact person for each employer.**
 9 (b) The advisory commission, or the legislative body in the case of a
 10 district designated under section 10.5 of this chapter, shall update the
 11 list:
 12 (1) before July 1 of each year; or
 13 (2) within fifteen (15) days after the date that the budget agency
 14 approves a petition to modify the boundaries of the district under
 15 section 12.5 of this chapter.
 16 (c) Not later than sixty (60) days after receiving a copy of the
 17 resolution or ordinance designating a district, the department of state
 18 revenue shall determine the gross retail base period amount and the
 19 income tax base period amount.
 20 (d) Not later than sixty (60) days after receiving a certification of a
 21 district's modified boundaries under section 12.5(c) of this chapter, the
 22 department shall recalculate the gross retail base period amount and the
 23 income tax base period amount for a district modified under section
 24 12.5 of this chapter.
 25 SECTION 35. IC 36-7-13-14 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:
 27 Sec. 14. (a) Before the first business day in October of each year, the
 28 department shall calculate the income tax incremental amount and the
 29 gross retail incremental amount for the preceding state fiscal year for
 30 each district designated under this chapter.
 31 **(b) Businesses operating in the district shall report, in the manner**
 32 **and in the form prescribed by the department, information that the**
 33 **department determines necessary to calculate incremental gross**
 34 **retail, use, and income taxes.**
 35 ~~(b)~~ (c) Not later than sixty (60) days after receiving a certification of
 36 a district's modified boundaries under section 12.5(c) of this chapter,
 37 the department shall recalculate the income tax incremental amount and
 38 the gross retail incremental amount for the preceding state fiscal year
 39 for a district modified under section 12.5 of this chapter.
 40 SECTION 36. IC 36-7-31-12 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) Upon adoption
 42 of a resolution establishing a tax area under section 14 of this chapter,
 43 the commission shall submit the resolution to the budget committee for
 44 review and recommendation to the budget agency. The budget
 45 committee shall meet not later than ~~ten (10)~~ **sixty (60)** days after receipt
 46 of a resolution and shall make a recommendation on the resolution to
 47 the budget agency.
 48 **(b) Upon adoption of a resolution changing the boundaries of a**
 49 **tax area under section 14 of this chapter, the commission shall:**
 50 **(1) publish notice of the adoption and substance of the**
 51 **resolution in accordance with IC 5-3-1; and**

1 **(2) file the following information with each taxing unit in the**
 2 **county in which the district is located:**

3 **(A) A copy of the notice required by subdivision (1).**

4 **(B) A statement disclosing the impact of the district,**
 5 **including the following:**

6 **(i) The estimated economic benefits and costs incurred by**
 7 **the district, as measured by increased employment and**
 8 **anticipated growth of property assessed values.**

9 **(ii) The anticipated impact on tax revenues of each taxing**
 10 **unit.**

11 **The notice must state the general boundaries of the district.**

12 **(c) Upon completion of the actions required by subsection (b), the**
 13 **commission shall submit the resolution to the budget committee for**
 14 **review and recommendation to the budget agency. The budget**
 15 **committee shall meet not later than sixty (60) days after receipt of**
 16 **a resolution and shall make a recommendation on the resolution to**
 17 **the budget agency.**

18 SECTION 37. IC 36-7-31.3-11 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. **(a)** Upon adoption
 20 of a resolution establishing a tax area under section 10 of this chapter,
 21 the designating body shall submit the resolution to the budget
 22 committee for review and recommendation to the budget agency.

23 **(b) Upon adoption of a resolution changing the boundaries of a**
 24 **tax area under section 10 of this chapter, the commission shall:**

25 **(1) publish notice of the adoption and substance of the**
 26 **resolution in accordance with IC 5-3-1; and**

27 **(2) file the following information with each taxing unit in the**
 28 **county where the district is located:**

29 **(A) A copy of the notice required by subdivision (1).**

30 **(B) A statement disclosing the impact of the district,**
 31 **including the following:**

32 **(i) The estimated economic benefits and costs incurred by**
 33 **the district, as measured by increased employment and**
 34 **anticipated growth of property assessed values.**

35 **(ii) The anticipated impact on tax revenues of each taxing**
 36 **unit.**

37 **The notice must state the general boundaries of the district.**

38 **(c) Upon completion of the actions required by subsection (b), the**
 39 **commission shall submit the resolution to the budget committee for**
 40 **review and recommendation to the budget agency. The budget**
 41 **committee shall meet not later than sixty (60) days after receipt of**
 42 **a resolution and shall make a recommendation on the resolution to**
 43 **the budget agency.**

44 SECTION 38. IC 36-7-32-6.5 IS ADDED TO THE INDIANA
 45 CODE AS A NEW SECTION TO READ AS FOLLOWS
 46 [EFFECTIVE JULY 1, 2005]: Sec. 6.5. **As used in this chapter,**
 47 **"gross retail incremental amount" means the remainder of:**

48 **(1) the aggregate amount of state gross retail and use taxes that**
 49 **are remitted under IC 6-2.5 by businesses operating in the**
 50 **territory comprising a certified technology park during a state**
 51 **fiscal year; minus**

1 **(2) the gross retail base period amount;**
 2 **as determined by the department of state revenue.**

3 SECTION 39. IC 36-7-32-8.5 IS ADDED TO THE INDIANA
 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2005]: **Sec. 8.5. As used in this chapter,**
 6 **"income tax incremental amount" means the remainder of:**

7 **(1) the total amount of state adjusted gross income taxes,**
 8 **county adjusted gross income tax, county option income taxes,**
 9 **and county economic development income taxes paid by**
 10 **employees employed in the territory comprising the certified**
 11 **technology park with respect to wages and salary earned for**
 12 **work in the territory comprising the certified technology park**
 13 **for a particular state fiscal year; minus**

14 **(2) the sum of the:**

15 **(A) income tax base period amount; and**

16 **(B) tax credits awarded by the economic development for a**
 17 **growing economy board under IC 6-3.1-13 to businesses**
 18 **operating in a certified technology park as the result of wages**
 19 **earned for work in the certified technology park for the state**
 20 **fiscal year;**

21 **as determined by the department of state revenue.**

22 SECTION 40. IC 6-3.1-26-10 IS REPEALED [EFFECTIVE
 23 JANUARY 1, 2005 (RETROACTIVE)].

24 SECTION 41. [EFFECTIVE UPON PASSAGE] **(a) An ordinance**
 25 **that:**

26 **(1) is adopted under IC 6-1.1-12-41 or IC 6-3.5-7-25 after**
 27 **March 30, 2004, and before the passage of this act; and**

28 **(2) would have been valid if this act had been enacted before**
 29 **the time the ordinance was adopted;**

30 **shall be treated as valid to the same extent as if this act had been**
 31 **enacted before the ordinance was adopted.**

32 **(b) The department of local government finance may adopt**
 33 **interim rules in the manner provided for the adoption of**
 34 **emergency rules under IC 4-22-2-37.1 to govern the determination**
 35 **of deductions, the processing of personal property tax returns, and**
 36 **the calculation of the assessed valuation of each taxpayer in cases**
 37 **in which:**

38 **(1) the personal property of the taxpayer is eligible for a**
 39 **deduction under IC 6-1.1-12-41, as amended by this act, as the**
 40 **result of the adoption of an ordinance under IC 6-1.1-12-41, as**
 41 **amended by this act, after March 30, 2004; and**

42 **(2) the taxpayer did not take the deduction on the taxpayer's**
 43 **personal property tax return.**

44 **The rules may include special procedures and filing dates for filing**
 45 **an amended return.**

46 **(c) An interim rule adopted under subsection (b) expires on the**
 47 **earliest of the following:**

48 **(1) The date that the department of local government finance**
 49 **adopts an interim rule under subsection (b) to supersede a rule**
 50 **previously adopted under subsection (b).**

51 **(2) The date that the department of local government finance**

1 **adopts a permanent rule under IC 4-22-2 to supersede a rule**
 2 **previously adopted under subsection (b).**

3 **(3) The date that the department of local government finance**
 4 **adopts under subsection (b) or IC 4-22-2 a repeal of a rule**
 5 **previously adopted under subsection (b).**

6 **(4) December 31, 2006.**

7 SECTION 42. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]
 8 **(a) IC 6-3.1-26-5.5, IC 6-3.1-26-14, IC 6-3.1-26-15, and**
 9 **IC 6-3.1-26-18, all as amended by this act, apply only to credits**
 10 **awarded by the Indiana economic development corporation under**
 11 **IC 6-3.1-26 after May 14, 2005. Credits awarded under IC 6-3.1-26**
 12 **before May 15, 2005, remain subject to the provisions of**
 13 **IC 6-3.1-26 as in effect on May 14, 2005.**

14 **(b) IC 6-3.1-26-8, as amended by this act, applies to taxable years**
 15 **beginning after December 31, 2004.**

16 SECTION 43. [EFFECTIVE JULY 1, 2005] **IC 6-3.5-7-26, as**
 17 **amended by this act, applies only to property taxes first due and**
 18 **payable after December 31, 2006.**

19 SECTION 44. [EFFECTIVE JULY 1, 2005] **IC 6-3.5-7-25.5, as**
 20 **added by this act, applies only to property taxes first due and**
 21 **payable after December 31, 2005.**

22 SECTION 45. [EFFECTIVE UPON PASSAGE] **(a)**
 23 **IC 36-7-13-10.5, IC 36-7-13-12.1, IC 36-7-13-13, IC 36-7-31-12, and**
 24 **IC 36-7-31.3-11, all as amended by this act, apply only to districts**
 25 **established or expanded after June 30, 2005.**

26 **(b) IC 36-7-13-14, as amended by this act, applies to taxable years**
 27 **beginning after December 31, 2004.**

28 **(c) IC 36-7-13-3.4, as amended by this act, and IC 36-7-32-8.5, as**
 29 **added by this act, apply only to distributions for a community**
 30 **revitalization enhancement district or certified technology park as**
 31 **the result of wages and salary earned for work in the community**
 32 **revitalization enhancement district or certified technology park**
 33 **after June 30, 2005.**

34 SECTION 46. [EFFECTIVE UPON PASSAGE] **(a) The definitions**
 35 **in IC 6-1.1-1 apply throughout this SECTION.**

36 **(b) For purposes of this SECTION:**

37 **(1) "fiscal body" has the meaning set forth in IC 36-1-2-6;**

38 **(2) "settlement amount" means an amount that:**

39 **(A) exceeds ten million dollars (\$10,000,000); and**

40 **(B) is received by the county auditor on behalf of a county**
 41 **and the political subdivisions in the county in 2005 or 2006 as**
 42 **a result of the settlement of one (1) or more cases before the**
 43 **Indiana tax court concerning the property tax assessments of**
 44 **tangible property that are the basis for determination of**
 45 **property taxes payable by a taxpayer in the county for one**
 46 **(1) or more calendar years that precede 2006; and**

47 **(3) "subsequent year's taxes" means the property taxes**
 48 **imposed by a political subdivision on tangible property in the**
 49 **political subdivision, other than property taxes imposed on**
 50 **tangible property for which a taxpayer that paid all or part of**
 51 **the settlement amount is liable, for property taxes first due and**

1 payable in the calendar year that immediately succeeds the
2 calendar year in which the settlement amount is received.

3 (c) The fiscal body of a political subdivision may adopt an
4 ordinance:

5 (1) before September 1, 2005, to direct the county auditor to
6 use the part of a settlement amount attributable to the political
7 subdivision to apply a credit against the subsequent year's
8 taxes for property taxes first due and payable in 2006; and

9 (2) before September 1, 2006, to direct the county auditor to
10 use the part of a settlement amount attributable to the political
11 subdivision to apply a credit against the subsequent year's
12 taxes for property taxes first due and payable in 2007.

13 The total amount of the credits applied under this subsection must
14 equal the part of the settlement amount received by the political
15 subdivision in the immediately preceding calendar year. The
16 settlement amount received must be used to replace the amount of
17 property tax revenue lost due to the allowance of the credit in the
18 political subdivision. The county auditor shall retain the settlement
19 amount and distribute the money to the political subdivisions in the
20 county as though the money were property tax collections and in
21 such a manner that a political subdivision does not suffer a net
22 revenue loss due to the allowance of the credit under this
23 subsection.

24 (d) A credit under subsection (c) applies as a percentage of the
25 liability for property taxes before the application of the credits
26 under IC 6-1.1-20.9 and IC 6-1.1-21. The percentage applicable in
27 a taxing district that is attributable to a political subdivision in
28 which the taxing district is located is determined under the last
29 STEP of the following STEPS:

30 STEP ONE: Determine the total assessed value of tangible
31 property (after the application of all applicable deductions
32 under IC 6-1.1), other than tangible property for which a
33 taxpayer that paid all or part of the settlement amount is liable
34 for property taxes, in the political subdivision that is the basis
35 for the subsequent year's taxes.

36 STEP TWO: Determine the total assessed value of tangible
37 property (after the application of all applicable deductions
38 under IC 6-1.1), other than tangible property for which a
39 taxpayer that paid all or part of the settlement amount is liable
40 for property taxes, in the taxing district that constitutes a part
41 of the total assessed value that is the basis for the subsequent
42 year's taxes.

43 STEP THREE: Determine the quotient of the total assessed
44 value determined under STEP TWO divided by the total
45 assessed value determined under STEP ONE.

46 STEP FOUR: Determine the product of:

47 (A) the part of a settlement amount attributable to the
48 political subdivision; multiplied by

49 (B) the quotient determined in STEP THREE.

50 STEP FIVE: Determine the total property tax levy in the
51 taxing district for the subsequent year's taxes, before the

- 1 **application of the credits under IC 6-1.1-20.9 and IC 6-1.1-21.**
2 **STEP SIX: Determine the quotient of:**
3 **(A) the product determined under STEP FOUR; divided by**
4 **(B) the remainder determined under STEP FIVE;**
5 **expressed as a percentage.**
6 **The total credit percentage applicable in a taxing district is the sum**
7 **of the percentages determined under STEP SIX with respect to all**
8 **political subdivisions in which the taxing district is located.**
9 **(e) If a fiscal body adopts an ordinance under subsection (c):**
10 **(1) the part of the settlement amount attributable to the**
11 **political subdivision is set aside in a separate fund of the**
12 **political subdivision for the sole purpose of dedicating the**
13 **money in the fund to providing credits under subsection (c);**
14 **(2) money in the separate fund does not become part of the**
15 **political subdivision's levy excess fund under IC 6-1.1-18.5-17**
16 **or IC 6-1.1-19-1.7; and**
17 **(3) for the year in which the subsequent year's taxes are first**
18 **due and payable, the total county tax levy under**
19 **IC 6-1.1-21-2(g) is reduced by the part of the settlement**
20 **amount attributable to the political subdivision that,**
21 **notwithstanding subdivisions (1) and (2), would have been**
22 **deposited in the political subdivision's levy excess fund under**
23 **IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7.**
24 **(f) This SECTION expires January 1, 2008.**
25 **SECTION 47. An emergency is declared for this act.**
 (Reference is to ESB 496 as reprinted April 5, 2005.)

Conference Committee Report
on
Engrossed Senate Bill 496

Signed by:

Senator Kenley
Chairperson

Representative Espich

Senator Simpson

Representative Harris E

Senate Conferees

House Conferees